

Association for Democratic Reforms & Anr. v. Union of India & Ors.

Writ Petition (C) No. 880 of 2017 / Writ Petition (C) No. 59 of 2018 / Writ Petition (C) No. 975 of 2022 / Writ Petition (C) No. 1132 of 2022

[2024] 2 S.C.R. 420 : 2024 INSC 113 | 2024-02-15

Whether anonymous political funding under the Electoral Bond Scheme and the Finance Act 2017 disclosure and record-keeping exemptions, including section 13A(b) of the Income-tax Act, violated voters' right to information under Article 19(1)(a); and whether removal of the corporate political-contribution cap violated Article 14 and free and fair elections.

13A(b)

Five-judge Constitution Bench | Dr Dhananjaya Y Chandrachud, CJI | B. R. Gavai, J. | J. B. Pardiwala, J. | Manoj Misra, J. | Sanjiv Khanna, J.

Assessment years: See the source-scope notes; no year inferred.

Separate concurring reasons and opinion-specific pinpoints

One decision with two opinions; the CJI wrote for four judges and Sanjiv Khanna J. concurred separately. Their paragraph numbers restart and are always attributed.

01 FACTS OF THE CASE

Four connected Article 32 petitions challenged the Electoral Bond Scheme, 2018 and the Finance Act 2017 amendments enabling anonymous political contributions. The Scheme, notified on 2 January 2018 under section 31(3) of the Reserve Bank of India Act, used bearer banking instruments issued and encashed through the State Bank of India. Purchasers had to satisfy KYC requirements and pay through banking channels; eligible registered political parties could encash the bonds within fifteen days. The bank was generally required to keep purchaser information confidential, subject to the stipulated court and criminal-investigation exceptions. Clause 13 treated bond receipts as voluntary contributions for section 13A purposes.

The tax amendment removed electoral-bond contributions from the record-keeping condition in clause (b) of the first proviso to section 13A. Ordinarily that clause required a record of each voluntary contribution exceeding Rs 20,000 and the contributor's name and address. A separate amendment made receipt of donations exceeding Rs 2,000 through specified banking modes or electoral bonds another condition of section 13A relief, under clause (d). The Representation of the People Act amendment exempted electoral-bond receipts from the section 29C contribution report. The Companies Act amendments removed the contribution cap of 7.5% of average net profits during the three immediately preceding financial years and replaced party-wise disclosure with disclosure of the aggregate contributed.

The petitioners attacked the loss of transparency and unlimited corporate influence. The Union defended confidentiality as a way to encourage accounted donations and protect donors from retaliation, and sought the judicial latitude ordinarily given to economic policy. Those were competing submissions, not findings of donor misconduct. The separate challenge to the Finance Act's passage as a Money Bill was not decided; the Court recorded the pending larger-bench issue and addressed the independent constitutional grounds. Khanna J. also expressly left the separately pending challenge to the Foreign Contribution Regulation Act amendments outside this decision (paragraph 14 of the concurrence).

Source: [reported rendition / paragraphs 1-16; 24-29 / PDF pages 33, 34, 35, 36, 37, 38, 39, 43, 44, 45, 46, 47 / judgment / D. Y. Chandrachud, CJI, for four judges; reported rendition / paragraphs 30-38 / PDF pages 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58 / party submissions / D. Y. Chandrachud, CJI, for four judges; official signed judgment / paragraphs 11-16 / PDF pages 10, 11, 12, 13 / judgment / D. Y. Chandrachud, CJI, for four judges; official signed judgment / paragraphs 27-29 / PDF pages 22, 23 / judgment / D. Y. Chandrachud, CJI, for four judges; reported rendition / paragraphs 5, statutory comparison tables; 6-14 / PDF pages 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159 / judgment / Sanjiv Khanna, J., separate concurrence; official signed judgment / paragraphs 5, statutory comparison tables / PDF pages 163, 164 / judgment / Sanjiv Khanna, J., separate concurrence](#)

02 DISCUSSION BY THE HON'BLE COURT

The CJI's opinion for four judges treated the measures as electoral reform, rather than ordinary economic policy attracting reduced scrutiny. It nevertheless rejected the proposition that all electoral laws lose the presumption of constitutionality: a prima facie constitutional infringement must first be shown, after which the State must justify it (paragraphs 39-45). Building on the voter-information decisions in ADR and PUCL, the opinion explained why political parties, as well as individual candidates, are central to Indian elections. Funding information enables voters to assess the relationship between financial contributions, policy and governmental decisions. Formal anonymity did not assure actual anonymity from the recipient party, while it concealed the information from voters. The challenged anonymity provisions therefore infringed Article 19(1)(a) (paragraphs 77-104).

Curbing black money was not a ground of restriction under Article 19(2). Even assuming that objective could justify a restriction, the Scheme failed the least-restrictive-means test. Ordinary banking channels and the electoral-trust framework were relevant alternatives; sections 2(22AA) and 13B and rule 17CA entered the reasoning for that limited purpose. The opinion did not find it necessary to apply the final balancing prong once necessity failed (paragraphs 116-130). References to tax benefits did not decide the eligibility of any donor under sections 80GGB or 80GGC.

The opinion recognised informational privacy in political affiliation, including contributions that express genuine political support. It did not equate every contribution with a corrupt transaction or decide whether contributions themselves were protected political speech or association. Since neither voter information nor donor informational privacy had constitutional priority over the other, it applied a double-proportionality approach. Clause 7(4), permitting disclosure only through its limited court/investigation channels, did not serve the voter's information interest and was not the least restrictive way of accommodating both rights (paragraphs 138-169).

The central tax analysis is in paragraphs 158 and 165-169. Section 13A(b)'s contribution-record condition and section 29C's annual disclosure obligation perform different functions: the former concerns records of individual qualifying contributions; the latter disclosure of contributions exceeding Rs 20,000 from a person or company in a financial year. The ordinary threshold-based disclosure system was a less restrictive alternative to complete electoral-bond anonymity. The Court did not adjudicate whether Rs 20,000 was the ideal threshold; that threshold was not challenged. It also acknowledged that a contribution above the threshold could be genuine support and a smaller contribution could influence an election. The holding was that the blanket exception unjustifiably suppressed voter information. Paragraph 169 accordingly declared the 2017 amendment to section 13A(b), together with the section 29C(1) amendment, unconstitutional. Because anonymity was intrinsic to the Scheme, merely severing its confidentiality clause would not suffice, and the entire Scheme was struck down.

The removal of party-wise corporate disclosure under section 182(3) independently impaired

02 DISCUSSION BY THE HON'BLE COURT

informed voting. Shareholder-right arguments did not require separate adjudication once the wider citizen/voter ground resolved the issue (paragraphs 170-174). As to the cap, the CJI's opinion affirmed manifest arbitrariness as a ground for reviewing legislation while maintaining the distinction between plenary and subordinate legislation. Allowing unlimited corporate contributions treated companies and individuals alike despite different capacities to influence politics, and failed to distinguish profit-making from loss-making companies. It also undermined free and fair elections. The deletion of the first proviso to section 182(1) therefore violated Article 14 (paragraphs 179-215). The judgment did not prohibit all corporate political contributions or decide the constitutional validity of a cap on individual contributions.

Sanjiv Khanna J. agreed with the conclusions through a separate single-proportionality analysis. He rejected fear of retaliation as a justification for opaque funding and found that withholding donor identity lacked the required rational connection to curbing unaccounted money. KYC and the available disclosure routes did not remove selective access or the risks inherent in bearer transfers. The electoral-trust framework offered a less restrictive way to advance the stated objective (paragraphs 38-51). In weighing the competing interests, he placed voters' essential information above blanket anonymity and the incentive for banking-channel donations. He nonetheless expressly declined to apply proportionality *stricto sensu* because adequate data and evidence were unavailable (paragraphs 57-59, 67 and 72). On unlimited corporate funding he treated proportionality as subsuming manifest arbitrariness (paragraph 73). Paragraphs 74 and 79 expressly concurred in striking the amended section 13A(b), the connected disclosure provisions and the corporate-cap deletion; they additionally expressly struck section 31(3) of the RBI Act and its Explanation.

Source: [reported rendition / paragraphs 39-45 / PDF pages 58, 59, 60, 61 / judgment / D. Y. Chandrachud, CJI, for four judges](#); [reported rendition / paragraphs 77-104 / PDF pages 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87 / judgment / D. Y. Chandrachud, CJI, for four judges](#); [reported rendition / paragraphs 116-130 / PDF pages 93, 94, 95, 96, 97, 98, 99 / judgment / D. Y. Chandrachud, CJI, for four judges](#); [reported rendition / paragraphs 138-169 / PDF pages 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116 / judgment / D. Y. Chandrachud, CJI, for four judges](#); [reported rendition / paragraphs 170-174 / PDF pages 117, 118, 119 / judgment / D. Y. Chandrachud, CJI, for four judges](#); [reported rendition / paragraphs 179-215 / PDF pages 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137 / judgment / D. Y. Chandrachud, CJI, for four judges](#); [official signed judgment / paragraphs 158-169 / PDF pages 113, 114, 115, 116, 117, 118, 119, 120 / judgment / D. Y. Chandrachud, CJI, for four judges](#); [reported rendition / paragraphs 38-51 / PDF pages 171, 172, 173, 174, 175, 176 / judgment / Sanjiv Khanna, J., separate concurrence](#); [reported rendition / paragraphs 57-59; 67-74 / PDF pages 178, 179, 182, 183, 184, 185, 186 / judgment / Sanjiv Khanna, J., separate concurrence](#); [official signed judgment / paragraphs 38-51 / PDF pages 191, 192, 193, 194, 195, 196, 197, 198, 199 / judgment / Sanjiv Khanna, J., separate concurrence](#); [official signed judgment / paragraphs 57-59 / PDF pages 202, 203, 204 / judgment / Sanjiv Khanna, J., separate concurrence](#); [official signed judgment / paragraphs 72-74 / PDF pages 213, 214 / judgment / Sanjiv Khanna, J., separate concurrence](#)

03 JUDICIAL DECISION

The Court held the Electoral Bond Scheme and the impugned anonymity/disclosure amendments unconstitutional. In paragraph 216(a), the CJI's opinion declared the Scheme, the proviso to section 29C(1) of the Representation of the People Act, section 182(3) of the Companies Act, and section 13A(b) as amended by section 11 of the Finance Act 2017 violative of Article 19(1)(a). Paragraph 216(b) held the deletion of the first proviso to section 182(1), permitting unlimited corporate contributions, arbitrary and contrary to Article 14. The tax invalidity concerns the electoral-bond exception, not the wholesale abolition of section 13A.

The issuing bank was directed immediately to stop issuing electoral bonds. SBI was required to provide the Election Commission with details of bonds purchased from 12 April 2019 to the judgment date, including purchase date, purchaser name and denomination, and details of recipient political parties and each bond encashed, including encashment date and denomination. The judgment set 6 March 2024 for SBI's delivery and 13 March 2024 for the Commission's website publication. Bonds still within their fifteen-day validity period but unencashed were to be returned by the party or purchaser holding them, with the bank refunding the purchaser's account. This was not a general refund direction for every historical bond. The writ petitions and pending applications were disposed of (paragraphs 217-221).

Khanna J.'s paragraphs 74 and 79 expressly also struck section 31(3) of the RBI Act and its Explanation. His concurrence directed the Election Commission to ascertain donor and donation details from political parties, SBI and the parties' bankers and disclose them within the CJI's timelines. It restricted the disclosure direction to donations on or after 12 April 2019. For valid unencashed bonds, it specified return and purchaser refund, adding that failure would result in credit to the Prime Minister's Relief Fund. Paragraph 80 allowed and disposed of the petitions.

Source: [reported rendition / paragraphs 169; 174; 213-221 / PDF pages 116, 119, 137, 138, 139 / judgment / D. Y. Chandrachud, CJI, for four judges](#); [official signed judgment / paragraphs 169; 216-221 / PDF pages 120, 149, 150, 151, 152 / judgment / D. Y. Chandrachud, CJI, for four judges](#); [reported rendition / paragraphs 73-80 / PDF pages 185, 186, 187, 188 / judgment / Sanjiv Khanna, J., separate concurrence](#); [official signed judgment / paragraphs 73-80 / PDF pages 213, 214, 215, 216, 217, 218 / judgment / Sanjiv Khanna, J., separate concurrence](#)

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Petitioners on the adjudicated constitutional challenges; not an assessee-versus-Revenue assessment appeal

Electoral Bond Scheme and specified Finance Act 2017 amendments held unconstitutional; issuance stopped, historical disclosure and limited unencashed-bond refund directions issued. CJI opinion disposes of writ petitions and pending applications; Khanna concurrence allows and disposes of writ petitions.

Substantive constitutional decision concerning the tax record-keeping exception and connected electoral-finance measures

No assessment year, donor deduction, identified political-party exemption, tax demand, penalty or factual quid pro quo was adjudicated. The Money Bill and separate FCRA-amendment issues were not resolved. Historical directions and separate opinions must not be conflated with later implementation orders or a current-law certificate.

Source: [reported rendition / paragraphs 216-221 / PDF pages 137, 138, 139 / judgment / D. Y. Chandrachud, CJI, for four judges](#); [official signed judgment / paragraphs 216-221 / PDF pages 149, 150, 151, 152 / judgment / D. Y. Chandrachud, CJI, for four judges](#); [reported rendition / paragraphs 74; 78-80 / PDF pages 186, 187, 188 / judgment / Sanjiv Khanna, J., separate concurrence](#); [official signed judgment / paragraphs 74; 78-80 / PDF pages 214, 215, 216, 217, 218 / judgment / Sanjiv Khanna, J., separate concurrence](#)

05 AKHB REVIEW POINT

For a political-finance file, separate the party's section 13A exemption conditions, its section 29C reporting duty, the contributor's sections 80GGB/80GGC deduction position and the company's section 182 obligations. This decision substantively removes the 2017 electoral-bond record-keeping exception; it does not itself decide every tax consequence of an earlier donation. Do not confuse the Rs 20,000 record/disclosure threshold discussed by the Court with the Rs 2,000 permitted-receipt-mode condition. Nor does the judgment establish wrongdoing by a named donor merely because a contribution was large.

Check the governing legislative text independently before using the annexures as compliance material. The CJI's annexure contains an incorrect Act year and an obsolete Rs 10,000 threshold, even in the official original; the reasons expressly use Rs 20,000. Preserve that source unchanged and disclose the discrepancy rather than silently reproducing it as law. Examine later orders and the relevant statutory version before applying the decision to a live file; no automatic mapping to the Income-tax Act, 2025 is made.

Source: [reported rendition / paragraphs 11-13; 120-124; 140-142; 165-169; 179; 215-221 / PDF pages 37, 38, 94, 95, 96, 97, 103, 104, 114, 115, 116, 121, 137, 138, 139 / judgment / D. Y. Chandrachud, CJI, for four judges; reported rendition / paragraphs Annexure I; Annexure II / PDF pages 140, 141, 142, 143, 144, 145, 146, 147 / judgment annexure / D. Y. Chandrachud, CJI, for four judges; official signed judgment / paragraphs 11 and footnote 13; Annexure I / PDF pages 10, 155, 156 / judgment / D. Y. Chandrachud, CJI, for four judges; reported rendition / paragraphs 5, tax comparison table; 36 and footnote 97; 67-75 / PDF pages 150, 151, 152, 170, 182, 183, 184, 185, 186 / judgment / Sanjiv Khanna, J., separate concurrence; official signed judgment / paragraphs 5, tax comparison table; 36 and footnote 97 / PDF pages 163, 164, 190 / judgment / Sanjiv Khanna, J., separate concurrence](#)

ADDITIONAL STATUTORY CONTEXT, NOT SEPARATE HOLDINGS

13A(a); 13A(c); 13A(d); 2(22AA); 13B; 80GGB; 80GGC; 139(4B); 288(2)

PROVISION-SPECIFIC SCOPE

1.

Provision: Income-tax Act, 1961, section 13A, first proviso, clause (b)

Role: Substantive constitutional holding

Treatment: Electoral-bond exception to the political party's contribution-record requirement, introduced by section 11 of the Finance Act 2017, held unconstitutional; the judgment uses the shorthand section 13A(b).

2.

Provision: Income-tax Act, 1961, section 13A(a), (c), (d), and return-filing proviso read with section 139(4B)

Role: Statutory background

Treatment: Books, audit, permitted receipt modes and return requirements provide the surrounding exemption framework. The note does not treat the entire section 13A or every 2017 amendment to it as independently invalidated.

3.

Provision: Income-tax Act, 1961, sections 80GGB and 80GGC

Role: Contextual provisions

Treatment: Political-contribution deductions discussed as background incentives; no donor-specific entitlement or disallowance decided.

4.

Provision: Income-tax Act, 1961, sections 2(22AA) and 13B; Income-tax Rules, 1962, rule 17CA

Role: Alternative-means analysis

Treatment: Electoral-trust framework considered in testing whether anonymous bonds were necessary to curb black money; not a standalone assessment or exemption ruling on an electoral trust.

5.

Provision: Representation of the People Act, 1951, section 29C(1) proviso; Companies Act, 2013, sections 182(1) first proviso and 182(3)

Role: Connected substantive constitutional holdings

Treatment: Disclosure exception, removal of party-wise corporate disclosure and removal of corporate contribution cap were adjudicated with the tax amendment.

6.

Provision: Reserve Bank of India Act, 1934, section 31(3) and Explanation

Role: Enabling provision; separate concurrence's express disposition

Treatment: Electoral-bond enabling amendment challenged; the express declaration striking this provision and its Explanation appears in Khanna J.'s paragraphs 74 and 79(iv), distinct from the CJI's paragraph 216 list.

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

Dr Dhananjaya Y Chandrachud, CJI, for himself, B. R. Gavai, J. B. Pardiwala and Manoj Misra, JJ.; separate concurring opinion by Sanjiv Khanna, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

SOURCE & VERIFICATION

[Hon'ble Supreme Court source PDF \(reported rendition\)](#)

Identified source rendition: 197 PDF pages; SHA-256

f7bac4d88acab0ece5f82a51366cc4440ff241af00d327568d8b934dc47137cd. Original bytes preserved.

[Open cited source rendition](#)

One decision with two opinions; the CJI wrote for four judges and Sanjiv Khanna J. concurred separately. Their paragraph numbers restart and are always attributed.

SCR physical pages 1-30 are editorial headnotes, references, metadata and appearances, not the judicial reasons. Substantive CJI text begins at physical 33; no neighbouring judgment is included.

The CJI Annexure I section 13A table at SCR physical 143 and official physical 155 prints Income Tax Act 1995 and a ten-thousand-rupee threshold. Those are not adopted as the governing law: paragraphs 11 (including footnote 13), 158 and 165 use the 1961 Act and Rs 20,000; footnote 13 expressly records the 2003 increase from Rs 10,000.

The CJI Annexure I RBI table at SCR physical 144 and official physical 156 prints Reserve Bank of India Act 1931 and amendment by Finance Act section 11. The reasons identify the RBI Act 1934 and Finance Act 2017 section 135. The source PDFs are preserved without editorial alteration.

CJI paragraph 124 contains an isolated reference to contributions below twenty-five thousand, inconsistent with its preceding twenty-thousand threshold and paragraphs 125, 129, 158 and 165-168. It is not used to create a Rs 25,000 rule.

CJI paragraph 26 refers to 13 April 2019, while operative paragraphs 217 and 219 identify the relevant interim order as 12 April 2019. The note follows the operative date and does not conflate the distinct interim-order narratives.

The actual declaration concerns the 2017 section 13A(b) exception. It must not be read as striking section 13A in its entirety or deciding specific donor deductions, political-party assessments, penalties or tax reassessments.

Sections 80GGB/80GGC and the electoral-trust provisions are supporting context. General discussion of possible influence or quid pro quo is not a finding of wrongdoing by any identified donor or political party.

The Rs 20,000 record/disclosure threshold was not itself challenged or constitutionally calibrated. The distinct Rs 2,000 banking-mode condition must not be substituted for it.

Historical dates in paragraph 219 are reproduced as the relief ordered on 15 February 2024; subsequent implementation orders and present compliance have not been individually checked.

The FCRA comparison table in the concurrence is background to an expressly excluded challenge (Khanna paragraph 14); its amending-act heading is not adopted as independently verified statutory history. The note makes no constitutional ruling on the FCRA amendments.

SCR physical 197 ends with reporter headnote credits and an editorial result line after Annexure A. Those lines are not an additional judicial paragraph or a separate decision.

Khanna's section 13A comparison table correctly identifies the 1961 Act and Rs 20,000 (SCR physical 150-152; official physical 163-164). His footnotes 19, 20, 22 and 23 loosely call clauses (b), (c) and (d) separate numbered provisos; the note uses clause (b) of the first proviso, and does not reproduce that numbering error.

Khanna's footnote 28 (SCR physical 157; official physical 170) initially says the RBI amendment need not be separately adjudicated, while paragraphs 74 and 79(iv) expressly strike section 31(3) and its Explanation. The note reports the express concluding holding and preserves this internal tension rather than suppressing it.

Khanna's Annexure A is expressly not an opinion or even obiter dicta of the Court (paragraph 36, footnote 97). It collects contrasting views on proportionality and is not treated as adopted law.

Khanna paragraphs 67 and 72 acknowledge insufficient data for proportionality *stricto sensu*; paragraph 70 declines to base the analysis on an unverified corporate-donation table alone. Those caveats are retained; the note does not identify donors from aggregate statistics.

Khanna paragraph 75 records unexamined suggestions concerning caps, use of party funds and pooled corporate donations; it is not a holding ordering those reforms.

Khanna paragraph 10 mistakenly describes section 29C as being in the Finance Act 2017; the table and footnote 26 correctly locate it in the Representation of the People Act 1951. The note follows that correct statutory identification.

The SCR concurrence omits Khanna's signature/date block between paragraph 80 and Annexure A. The official original at physical 218 supplies his name and 15 February 2024 date.

Both citations are printed on the SCR cover; the neutral citation also appears on the official original cover. Reported judgment and annexures run through SCR page 616.

Article 32 constitutional proceedings concerning electoral finance and the Finance Act 2017 amendments. No individual assessment year, assessment order, donor deduction or political-party exemption claim was adjudicated. Financial-year data discussed by the Court are not assessment years of these writ petitions.

One constitutional decision disposing of four connected writ petitions; the separate concurrence is not a second decision.

STATUTORY SCOPE

Provisions and Finance Act 2017 amendments as examined in the judgment of 15 February 2024; no independent consolidated current-statute audit

No automatic mapping to the Income-tax Act, 2025 and no certification of subsequent implementation or statutory amendments.

LATER TREATMENT

Source checked 2026-10-04. Subsequent implementation orders, review proceedings, stays, reversals and later judicial treatment have not been comprehensively checked. The dates in the directions describe the judgment of 15 February 2024, not a certification of subsequent compliance or present deadlines. This note is not a citator status certificate.

IDENTIFIED SOURCE LINKS

[reported rendition - Physical PDF page 1 / SCR page 420 - PDF pages: 197](#)

SHA-256: f7bac4d88acab0ece5f82a51366cc4440ff241af00d327568d8b934dc47137cd

[official signed judgment - PDF pages: 232](#)

SHA-256: 82bcf4466632b6d1e177335874b2c4b5c35c28b967aecd973ab70372e6901c54

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