Delisting of Political Parties

Mains Syllabus: GS II - Salient Features of the Representation of People's Act.

Why in the News?

The Election Commission of India (ECI) has initiated steps to de-list 345 Registered Unrecognised Political Parties (RUPPs).

What are registered parties?

- **Registered Unrecognised Political Parties** – These are political entities registered under Section 29A of the Representation of the People Act, 1951, but have not yet qualified for recognition as either State or National parties.

The right to form an association is a fundamental right guaranteed under Article 19(1)(c) of the Constitution to all citizens.

- **Representation of the People Act, 1951 (RP Act)–** It lays down the requirements for registration of a political party with the ECI.
- **Registration Process** - Any political party that seeks registration should submit a copy of its memorandum/constitution within 30 days of its formation.
- **Oath** - The party shall bear true faith and allegiance to the Constitution of India and its' principles of socialism, secularism and democracy, and uphold the sovereignty, unity and integrity of India.
- **ECI Verification** - The ECI reviews the memorandum/constitution of the political party to verify that it contains provisions for internal democracy like periodic elections for its office bearers.
- The ECI thereafter registers them as Registered Unrecognised Political Parties (RUPP).
- **Benefits for RUPP** - Tax exemption for donations received under Section 13A of the Income Tax Act, 1961.
- A common symbol for contesting general elections to the Lok Sabha/State Assemblies and 20 'star campaigners' during election campaigns.
- **Donation Conditions** - The RUPPs under the Income Tax Act, 1961, are further required to accept donations in excess of ₹2000 only through cheque or bank transfers.
- RUPPs are required to maintain the details of individual donors who have donated above ₹20,000 in a financial year and submit these details to the ECI every year.
- Failure to furnish these details will result in losing income tax exemption.

What are the issues with inactive RUPPs?

- **Letter Pad Parties** - As per ECI notification, there are more than 2,800 RUPPs in India as of May 2025 and Only around 750 of them contested the 2024 general elections.
- **Tax Evasion** – These inactive RUPPs misuse the income tax exemptions for tax evasion and money laundering
- **Financial Fraud** - Some inactive RUPPs are suspected of operating as shell companies or vehicles for illicit financial transactions.
- Investigations have revealed instances where large sums of money are routed through these parties, often without proper accounting or transparency.
- **Disrupting the Electoral Process** - There have been cases where RUPPs field dummy candidates in elections, only to demand money from recognized parties to withdraw their nominations.
- **Resource Misallocation** - Resources that could be utilized for genuine electoral reforms and voter education might be diverted to deal with the issues arising from inactive parties.

How are RUPP's delisted?

- **Lack of De-register Power for ECI** - The RP Act does not confer explicit powers on the ECI to de-register any political party if it fails to contest elections, conduct inner-party elections or lodge requisite returns.
- The Supreme Court in Indian National Congress versus Institute of Social Welfare & Ors (2002) had held that the ECI does not have the power to de-register any political party under the RP Act.
- **De-register under Exceptional Circumstances** - ECI may de-register RUPP only under exceptional circumstances such as
    - Registration being obtained by fraud
    - The political party ceasing to have allegiance to the Indian Constitution
    - If it is declared unlawful by the Government
    - If they were found to be 'non-existent' at their address even after notices from the ECI
- **Publication of De-lists** - The ECI from time to time publishes the list of de-listed and inactive RUPPs.

  The notification of March 2024 (as amended till May 2025), contains the list of 281 de-listed and 217 inactive RUPPs.

- **Inactive Parties** - Political parties that have not updated the material changes including the list of office bearers since 2014 have been classified as 'inactive'.
- **Impact of Delisting** - These parties are denied the benefit of putting up candidates with a common symbol in an election and made ineligible for tax exemptions.

What are the challenges for ECI in managing political parties?

- **Inadequate Authority** – ECI lacks adequate power to issues directions to political

parties and de-registering them for violations.

- **Non-compliance with Financial Disclosures** - Many RUPPs fail to file mandatory financial disclosures, such as contribution reports and annual audit accounts, making it difficult to track their funding sources and expenditure.
- **Difficulty in Monitoring** - It is challenging for ECI to effectively monitor thousands of RUPPs, especially when many don't have traceable offices or active operations.
- **Ensuring Accoutability** - With a large number of inactive parties, it becomes challenging for the ECI to monitor and ensure accountability, leading to a less transparent political landscape.
- **Record Management** - Managing and maintaining records for a massive number of RUPPs, many of which are inactive, creates an unnecessary administrative burden on the ECI.
- **Overburdening of ECI** - Managing and maintaining records for a massive number of RUPPs, many of which are inactive, creates an unnecessary administrative burden on the ECI.

What lies ahead?

- The Law Commission in its 255th report (2015) had recommended amendments for de-registration of a political party if it fails to contest elections for 10 consecutive years.
- The ECI in its memorandum for electoral reforms (2016) had also suggested amendment to the RP Act that would empower it to de-register a party.
- As suggested by the Law Commission in its 170th and 255th report, the RP Act can be suitably amended to contain specific provisions for ensuring internal democracy in political parties.
- Political Parties Registration Tracking Management System (PPRTMS) can be promoted for greater transparency.

References

[The Hindu | ECI de-listing political parties]

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