
Possible political corruption in donations received by ruling political parties through Electoral Bonds- An independent investigation urgently called for

1 message

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To: presidentofindia@rb.nic.in, secy.president@rb.nic.in

E A S Sarma

Former Secretary to the Government of India

To

Smt Droupadi Murmu

President of India

Rashtrapati Bhawan

Respected Rashtrapati Ji,

Kindly refer to my letter of 6th April, 2024 on political corruption through illegal Electoral Bonds (<https://countercurrents.org/2024/04/open-letter-to-the-president-of-india-order-judicial-enquiry-into-the-electoral-bonds-scam/>)

Among several other instances of possible political corruption through the Electoral Bond scheme, my letter made a specific reference to a donation made to the BJP by a reputed financial institution and a possible quid pro quo involved, as follows;

"A recent investigative report published in a news magazine (<https://thewire.in/business/kotak-linked-nbfc-donated-rs-1-3-bn-in-electoral-bonds-more-than-2x-of-sbi-disclosure>) brought to light that such doubts are justified to some extent. One NBFC gifted Rs 1.3 billion to BJP, whereas the figure disclosed by the SBI was only Rs 0.6 billion, less than half of the total donation. What is far more worrisome is that such a huge donation evidently resulted in the donor getting an inexplicable regulatory reprieve from the RBI, an instance of outright regulatory compromise which could attract the penal provisions of the Prevention of Corruption Act. If what has been indicated in the reported analysis is factually correct, it implies an outright breach of the public trust both by the SBI and the RBI. The RBI as the country's central bank and as the custodian of its finances, was never known to be involved in the past in such connivance with the political executive. It demonstrates the extent of rot that has seeped into the governance system"

Considering the far reaching implications of donations received by the ruling political party from the point of view of political corruption involving **quid pro quos**, intimidation and extortion of donations by using Central investigating agencies, I appealed to your high office to:

"Institute a judicial commission with senior sitting judges of the Supreme Court to enquire into the way the electoral bonds scheme had been misused on several fronts including possible deployment of Central investigating/enforcement agencies for intimidating private businesses and extorting donations, extending undue regulatory protection to errant companies, endangering human lives and hurting the public interest. The judicial commission may, if necessary, recommend measures to reverse undue benefits given to private businesses, to suggest penal action against senior public functionaries, political parties, and others for acts of malfeasance associated with the electoral bonds scheme; the desirability of banning corporate donations altogether, in view of their toxic impact on our democracy"

In the specific case cited above of the ruling political party receiving Electoral Bond donation from a domestic financial institution, there have been further news

reports (<https://economictimes.indiatimes.com/markets/stocks/news/hedge-funds-secret-adani-short-revealed-in-blow-by-blow-account/articleshow/111445717.cms?from=mdr>) that contain allegations of that institution taking advantage of externally triggered volatility of the domestic stock market towards the end of 2022 and beginning of 2023, on which the Central investigating agencies had, for reasons best known to them, evidently not ascertained the facts, especially the alleged questionable manipulation of the domestic stock market by a domestic financial institution and its adverse impact on millions of domestic retail investors.

These revelations reinforce the appeal made by me to institute an independent judicial commission to enquire into the whole gamut of the illegal Electoral Bond scheme to examine whether those political parties that received donations through the scheme did so by offering quid pro quos, or through intimidation and extortion of donations. Such an enquiry is important as corporate donations received by political parties have tainted the integrity of India's democracy.

Respectfully,

E A S Sarma
Visakhapatnam
4th July 2024

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