



KAMARAJ IAS ACADEMY
Only IAS Academy by Grandson of "Perunthalsivam Kamarajar"

Corporate Political Funding: The Post-Bond Era-2025

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- **The Basics:** Following the Supreme Court's Feb 2024 verdict in *Association for Democratic Reforms (ADR) v. Union of India*, the anonymous **Electoral Bond Scheme** was scrapped as unconstitutional. Corporations have now pivoted back to **Electoral Trusts**.
- **Background:** * **Electoral Trust Scheme (2013):** Introduced by the UPA government, these are Section 25 companies (non-profit) that receive contributions from various corporate houses and distribute at least **95%** of the total funds to registered political parties.
- **The Shift:** Unlike Bonds (which were anonymous), Trusts must submit annual contribution reports to the ECI, disclosing both the donor and the recipient.
- **Current Context (2025):** * Funding has seen a "sharp concentration," with the ruling party (BJP) receiving over **82% (₹3,112 crore)** of the total ₹3,811 crore routed through nine major trusts like *Prudent* and *Progressive*.
- **UPSC Insight:** Focus on the tension between "Transparency" (disclosure of names) vs. "Fair Playing Field" (concentration of wealth in one party).

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