

**STATE ELECTION COMMISSION**  
3<sup>rd</sup> Floor, Buddha Bhavan, M.G.Road, Secunderabad-500 003.

**Navin Mittal, IAS**  
Secretary

**Office: 27544500/27535858**  
**Email: secy.apsec@gmail.com**  
**Web: www.apsec.gov.in**

**Lr.No.1389/SEC-F1/2014**

**Dated:22-5-2014**

To

All the Collectors & District Election Authorities, except Hyderabad.

Sir,

Sub:- SEC – Elections – 4<sup>th</sup> ordinary elections to ULBs, 2014 – Elections conducted in March, 2014 – Results declared on 12.5.2014 – Submission of final returns of election expenditure by all the contested candidates within 45 days of declaration of results – Reg.

- Ref:-
- 1) SEC Notification No.85/SEC-F1/2014-1 to 4, dt:3.3.2014
  - 2) SEC Notification No.86/SEC-F2/2014, dt:3.3.2014.
  - 3) SEC Notification No.85/SEC-F1/2014-7, dt:21.4.2014.
  - 4) SEC Notification No.86/SEC-F2/2014-4, dt:21.4.2014.
  - 5) SEC Notification No.1886/SEC-F1/2013, dt:20.8.2013
  - 6) SEC Order No.537/SEC-F1/2011, dt:1.7.2011.

\*\*\*

I invite your attention to the references cited.

The 4<sup>th</sup> ordinary elections to 10 Municipal Corporations and 145 Municipalities / Nagar Panchayats were conducted in March, 2014 vide references 1<sup>st</sup> and 2<sup>nd</sup> cited and the results were declared on 12.5.2014 vide reference 3<sup>rd</sup> and 4<sup>th</sup> cited.

Section 617(C) of GHMC Act, 1955 (in respect of Municipal Corporations) and Section 343 ZD of APM Act, 1965 (in respect of Municipalities / Nagar Panchayats) stipulate that, every contesting candidate at an election shall within 45 days from the date of declaration of the result of the election, lodge with the District Election Authority an account of his election expenses, which shall be a true copy of account kept by his or by his election agent under Section 617-B of GHMC Act and Section 343 ZC of APM Act.

The State Election commission already issued instructions and prescribed proformas in the reference 6<sup>th</sup> cited (copy enclosed) for submission of final returns of election expenditure by contested candidate.

The period of 45 days from the date of declaration of results will expire by 26.6.2014.

Failure to render account of election expenditure within the stipulated time and in the manner prescribed will make the candidate concerned liable for the following action by State Election Commission under Section 20-B GHMC Act, 1955, read with Section 7 of Vijayawada Municipal Corporation Act, 1981 and Section 15-B of APM Act, 1965.

- a) Defeated Candidates:- Disqualification to contest any election under GHMC Act, 1955 and APM Act, 1965 for a period of 3 years from the date of order issued by Commission.
- b) Elected Candidates:- Cessation of office and disqualification to contest any election for a period of 3 years from the date of order issued by the Commission.

I, therefore, request you to arrange to give wide publicity in the local press & electronic media about obligations placed on all the contested candidates (elected and defeated) in ULB elections in your district to submit final returns of election expenditure on or before 26.6.2014 and entrust the responsibility of collecting the returns to pursue it with candidates to the Municipal Commissioners concerned.

Yours faithfully,  
**Sd/-Navin Mittal**  
Secretary

**Copy to:**

The C&DMA, Election Authority for follow up action.

All the Commissioners of Municipal Corporations and Municipalities / Nagar Panchayats for taking necessary action.

All the Regional Directors cum applets authorities of Municipal Department. .

**// ATTESTED //**

  
**ASSISTANT SECRETARY**

**ORDER**

**No.537/SEC-F1/2011**

**Date: 01-07-2011**

Sub:- SEC - 4<sup>th</sup> ordinary elections to Urban Local Bodies – Election expenses – Maintenance and scrutiny of accounts of election expenses by the contesting candidates – Orders – Issued.

>><<

Section 617 B (1) of GHMC Act, 1955 (in respect of Municipal Corporations) and Section 343 ZC (1) of APM Act, 1965 (in respect of Municipalities & Nagar Panchayats) stipulates that every candidate, at any election held under these Acts shall, either by himself/herself, or by his/her election agent, keep a separate and correct account of all expenses incurred in connection with the election, between the date on which the candidate concerned has been nominated, and the date of declaration of the result of the election, both dates inclusive (hereinafter in this order referred to as 'election expenses'). Section 617 B (2) of GHMC Act, 1955 and Section 343 ZC (2) of APM Act, 1965 stipulates that the account of election expenses shall contain such particulars, as may by order, be specified by the State Election Commission. Section 617 B (3) of GHMC Act, 1955 and Section 343 ZC (3) of APM Act, 1965 stipulates that the total of the said expenses shall not exceed such amount, as may by order, be specified by the State Election Commission.

Section 617 C of GHMC Act, 1955 and Section 343 ZD of APM Act, 1965 stipulates that every contesting candidate at an election shall, within forty five days from the date of declaration of the result of the election, lodge with the District Election Authority, an account of his/her election expenses, which shall be a true copy of the account kept by him/her, or by his/her election agent, under Section 617 B of GHMC Act, 1955 and Section 343 ZC of APM Act, 1965.

Under Section 20 B of GHMC Act, 1965 and 15 B of APM Act, 1965 the State Election Commission is empowered to declare a candidate by an order to be ineligible for a period of three years from the date of the said order to contest any election held for any office under this Act; and to have ceased to hold office, in case he/she is elected for failure to lodge an account of election expenses within the time and in the manner required by the said Acts.

In exercise of the powers conferred under Article 243 K and 243 ZA of the Constitution of India and also under Section 617 B (2) of the Greater Hyderabad Municipal Corporation Act, 1955 and Section 343 ZC (2) of the AP Municipalities Act, 1965, the State Election Commission, hereby, issues the following orders in connection with the maintenance of account of election expenses for the office of Ward Member of a Municipal Corporation or a Municipality or a Nagar Panchayat in the ensuing 4<sup>th</sup> ordinary elections.

1. **Accounts to be in the proforma specified:-** The day to day account of election expenses of the contesting candidates shall be maintained and submitted in Proforma I and the periodical abstract of election expenses / Final return shall be submitted in Proforma II, which are appended to this orders by each of the contesting candidate. The account of election expenses in the said two proformas shall be submitted for scrutiny on demand to the Returning Officers / Election Officers as the case may be or other authorities designated by the State Election Commission.
  
2. a) The 'day-to-day' basis true account of election expenses incurred by contesting candidate or his/her Election Agent and also by his/her supporters, any political party or body or association or other individuals supporting the candidature or for furthering chances of the candidate in the election shall be recorded in Proforma I.  
  
b) For the purpose of clarity, the explanations given under Section 343 ZC(1) of the AP Municipalities Act, 1965 and under Section 617 B (1) of Greater Hyderabad Municipal Corporation Act, 1955 for the election expenses are reproduced below :-

***Explanation-I. 'Election expenses'*** for purpose of these Acts shall mean all expenses in connection with the election,-

- (a) incurred, or authorized by the contesting candidate, or by his/her election agent;*
- (b) incurred by any association, or body of persons, or by any individual (other than the candidate or his/her election agent), aimed at promoting or procuring the election of the candidate concerned; and*
- (c) incurred by any political party, by which the candidate is set up, so as to promote or procure his/her election:*

*Provided that any expenses incurred by any political party as part of its general propaganda, (which is distinguishable from its election campaign, for the promotion or procuring the election of a particular candidate), by words, either written or spoken, or by signs or visible representations, or by audio-visual devises, or through print or electronic media or otherwise, shall not constitute 'election expenses' for purposes of these Acts.*

***Explanation-II:-*** (1) For the removal of doubts, it is hereby declared that any expenses incurred in respect of any arrangements made, facilities provided or any other act or thing done by any person in the service of the Government and belonging to any of the classes mentioned in clause (9) of Section 17 (1) B of GHMC Act, 1955 and clause (9) of Section 343 A of APM Act, 1965 in the discharge or purported discharge of his/her official duty as mentioned in the proviso to that clause shall not be deemed to be expenses in connection with the election incurred or authorized by a candidate or by his/her election agent for the purposes of this sub-section.

3. The day to day expenses accounts so maintained shall be supported by proper vouchers, failing which it will not be treated as "true" account of expenses save in cases where it is not feasible to obtain vouchers.
4. Each of the supporting vouchers, enclosed with the account of election expenses, shall bear the signature in full of the contesting candidate or his/her election agent.
5. The candidate or his/her authorised agent shall prepare an abstract of the expenses periodically during the campaign period in the proforma II appended to this Order and the same shall be duly signed by the candidate or his/her election agent certifying its correctness and shall be submitted to the designated authorities for inspection and scrutiny.
6. The attention of all political parties and contesting candidates is, hereby, drawn to the provisions of Section 171 H of the Indian Penal Code which reads as follows:

**"171 H. Illegal payments, in connection with an election:-** whoever, without the general or special authority in writing of a candidate, incurs or authorises expenses on account of the holding of any public meeting, or upon any advertisement, circular or publication, or in any other way whatsoever for the purpose of promoting or procuring the election of such candidate, shall be punished with fine which may extend to five hundred rupees:

Provided that if any person having incurred any such expenses not exceeding the amount of ten rupees without authority, obtains, within ten days from the date on which such expenses were incurred the approval in writing of the candidate, he/she shall be deemed to have incurred, such expenses with the authority of the candidate".

Thus, from the above provision of law, it may be noted that the expenses incurred by the supporters in connection with election of a candidate, without the knowledge or consent of the contesting candidate, is a criminal offence under the above law and persons, supporters, political parties, body or associations who commits such offence are liable for prosecution. And if such expense has been incurred with the knowledge or with the consent of the candidate, then the same should be included in the account of election expenses of the candidate.

7. In order to put effective curbs on the incurring or authorising of expense, in violation of the statutory provisions of the above-referred Section 171 H of the Indian Penal Code and in the interests of free and fair electors, the State Election Commission, hereby, directs as follows:
  - (i) No political party or any other association, body or individual, shall put up any cut-outs, hoardings, wall paintings, flags, banners, buntings, advertisements in newspapers, electronic media etc., without the general or special authority (in writing) of the candidate whose election is sought to be promoted by such cut-outs, hoardings, etc., as is statutorily and mandatorily required under Section 171 H of the Indian Penal Code. Strict penal action, against those offending the above provisions of law, will be taken and prosecutions launched against them.

- (ii) Subject to clause (iii) below, a political party or association or body may put up any cut-outs, hoarding, etc., referred in para 7 (i) above as part of its general propaganda, which is distinguishable from its election campaign for the promotion the election of a particular candidate. For example if the poster, banner etc. appeals to the voter to vote for a party in words or picture or photo of party office bearers only then it is a case of general publicity. But if a poster, banner etc. also appeals to vote for a particular candidate in words or picture or photo then the cost thereof should be counted towards the expenses of that candidate.
- (iii) No political party, association, body or individual shall put up any cut-outs, hoarding etc., either under clause (i) or under clause (ii) above, unless prior written permission of the concerned Government authorities or local authorities like Corporations, Municipalities, Zilla Parishads, Town Area Committees, Panchayat Samities etc. has been obtained under the relevant local laws before putting up such cut-outs, hoarding etc.
- (iv) Before granting any permission as envisaged in clause (iii) above, the concerned Government authorities or the local authorities mentioned above shall thoroughly examine the applications of the parties, association, bodies or individuals with a view to satisfying themselves that the putting up of such cut-outs, hoardings etc., on the proposed site does not compromise the safety and security of the general public and does not result in traffic and other hazards in any manner whatsoever. Such authorities shall also examine whether any authorisation from a particular candidate is required by the applicant in terms of clause (i) above and, if so, whether such authorisation has been obtained by the applicant.
- (v) It shall be the responsibility of the Government authorities and local authorities mentioned above to ensure that no cut-outs, hoardings etc., are put up by any political party, association, body or individual on any highways, road-sides, traffic intersection and crossings, government buildings and property, like electricity and telephone poles, etc., without prior written permission of the concerned department or local body and the written authorisation of the candidate, where required, as mentioned above. Any cut-out, hoardings, etc. which have been put up without the required permission and authorisation should be got removed/demolished forthwith at the cost of the party, association, body or individual responsible for the unauthorised putting up of the same.
- (vi) Penal action shall also be initiated forthwith against such defaulting parties, associations, bodies or individuals by the aforementioned authorities under section 171 H, IPC and Section 4 and 5 of "A.P. Prevention of Disfigurement of Open Places and Prohibition of Obscene and Objectionable posters and Advertisements Act, 1997 (Act 28 of 1997)" the provisions whereof have been violated by the putting up of such unauthorised cut-outs, hoardings etc.

- (vii) If any such instances either come, or are brought, to the notice of the Election Expenditure Observer, General Observer, District Election Authority, Returning Officer / Election Officer or other authorities concerned with the conduct of elections, including the Police authorities, they shall take up forthwith the matter with the concerned authorities for prompt action as directed in clauses (v) and (vi) above.
8. The Commission, hereby, warns all the concerned that any violation of the above directions will be viewed by the Commission with the utmost gravity and most stringent action possible under the law will be taken against the parties, associations, bodies or individuals responsible for such violations.
9. If any Officer is found to have failed to take prompt and expeditious action as envisaged above, he/she will render himself liable for strict disciplinary action for failure to discharge the official duty.
10. The State Election Commission directs that the day to day basis true account of expenses in the proforma I and the periodical abstract of expenses in the proforma II appended to this Order should be submitted by the contesting candidates to the authorities designated by the State Election Commission as specified below at least three times during the campaigning period. However, it shall be ensured that there is a gap of about 4 (four) days in between each inspection and first inspection may be on or after the third day from the last date for withdrawal of candidature.
11. In connection with fourth ordinary elections to Municipal Bodies in the State the Commission, hereby, designate the following authorities for the inspection and scrutiny of the day to day expenses and the periodical abstract of expenses during the campaign period.

Name of the office of election	Authority designated
Ward Members of Municipal Corporations, Municipalities and Nagar Panchayats.	Returning Officer in respect of Municipal Corporations, Election Officer in respect of Municipalities & Nagar Panchayats concerned

The Observers appointed by the Commission are authorized to inspect and scrutinise the expenses accounts maintained by the candidates, on dates as prescribed.

12. With a view to minimize the possibility of contesting candidates, their supporters, political parties, bodies or associations incurring expenses in excess of the ceilings prescribed by the State Election Commission, it is felt necessary that the daily returns and the periodical returns of expenses should be made transparent by making them available to the public and the other contesting candidates, who, can help the State Election Commission to effectively check the veracity of the returns with actual expenses being incurred by the contesting candidates and their supporters. It is, therefore, decided that the Returning Officers / Election Officers, should make photo copies of these returns available to other contesting candidates, any member of the public or Non-Governmental Organisation, on demand and on payment of xeroxing charges or a certified copy as per Section 76 of the Indian Evidence Act, 1872 and to the media, free of cost, so as to enable them to assist the State Election Commission in effectively implementing the ceilings imposed on the expenses to be incurred by the contesting candidates for various offices. The Commission is of the considered opinion that this exercise intended to bring transparency in election expenses will enhance the purity of elections and help in conduct of free and fair elections.

The Returning Officers are authorized to nominate officers to receive the accounts filed by the candidates in each ward and also notify the place where candidates or their election agents can file the election expenditure accounts in each ward. The nominated officers shall be available on the date and time indicated above at the places notified and shall receive, inspect and scrutinize the accounts submitted by the candidates and give consolidated report to the Returning Officer and to the Election Expenditure Observer.

The Election Expenditure Observers will also undertake inspection and scrutiny of all the expenditure accounts whenever they feel convenient on the said dates and they may also summon the expenditure accounts of any candidate from the officers nominated by the Returning Officers.

13. The final of return of election expenses including the abstract shall be submitted by the contesting candidates to the District Election Authority within 45 days from the date of declaration of results of the Office for which they had contested through the Commissioners of concerned Municipal Corporation or Municipal Commissioners concerned as the case may be. The District Election Authority, shall make these returns public, in the manner indicated in the preceding para and shall conduct such further enquiry as he/she deems necessary and shall forward the return along with the result of such enquiry, to the Commission.

14. a) As soon as may be, after the expiration of the time specified in Section 617C of the GHMC Act, 1955 and 343 ZD of APM Act, 1965 for the lodging of the accounts of election expenses at any election, the District Election Authority shall, report to the State Election Commission, -

- (i) the name of each contesting candidate;
- (ii) whether such candidate has lodged his/her account of election expenses, and if so, the date on which such account has been lodged; and
- (iii) whether in his/her opinion such account has been lodged within the time and in the manner required by the Act and these rules.



- b) Where the District Election Authority is of the opinion that the account of election expenses of any candidate has not been lodged within the due date or in the manner prescribed in the Act and the Rules as required by the Law, he/she shall make a report to the State Election Commission and with every such report, forward the account of election expenses of that candidate and the vouchers lodged along with it, if any.
- c) Immediately after the submission of the above report the District Election Authority shall publish a copy thereof affixing the same on his/her notice board.
15. The attention of the contesting candidates is also invited to Section 171-I of Indian Penal Code, according to which, the non-submission of returns on election expenses is a criminal offence.
16. The State Election Commission intends to super check the accounts, thus, filed through the above procedure and shall hold the candidates personally responsible for any defect or mis-representation or suppression of information.
17. The Election Authority & Commissioner & Director of Municipal Administration, AP., Hyderabad / District Election Authority / Additional Election Authority / Deputy District Election Authority, Municipal Commissioners and other officers relating to Municipal elections are directed to furnish the copy of these instructions to the contesting candidates under proper acknowledgement.
18. A copy of this order may also be supplied to the Election Expenditure Observers and Observers appointed by the State Election Commission.

**(BY ORDER AND IN THE NAME OF STATE ELECTION COMMISSIONER)**

**Sd/- K. Ram Gopal  
Secretary**

**To**

1. The E A & Commissioner & Director of Municipal Administration, AP., Hyderabad.
2. All the District Collectors & District Election Authorities in the State.
3. All the Commissioners of Municipal Corporations in the State.
4. All the Municipal Commissioners of Municipalities and Nagar Panchayats in the State.
5. All the Regional Directors-cum-Appellate Commissioners of Municipal Administration in the State.

Copy to the Principal Secretary to Government, MA & UD Dept., AP., Secretariat, Hyd.



**PROFORMA - I**

**PROFORMA FOR THE MAINTENANCE OF DAY TO DAY ACCOUNT OF ELECTION EXPENSES**

Name of the Candidate :  
 No. and Name of the Ward from :  
 which he / she contested

Date of Declaration of the result :

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Date of Expenses	Name of Expenses	Amount of Expenses ----- Paid / Outstanding		Date of Payment	Name & address of payee	Serial No. of voucher in case of amount paid	Serial No. of bill in case of an amount outstanding	Name & address of person to whom the amount outstanding is payable	Remarks

**N.B:-** It is not necessary to give the particulars (the name and address of payee) in regard to expenses for which vouchers are not required to be obtained.

Signature of the Candidate / Election Agent

Certified that this is a true copy of the account kept by me/my Election Agent.

Signature of the Contesting Candidate

(FOR OFFICIAL USE ONLY) ( Acknowledgement )

The account of election expenses of..... (Candidate) from.....(No & Name of the Ward) result of which declared on.....filled by him/or on his/her behalf by.....has been received by me today, the.....(date).....(month).....(year)

Returning Officer / Election Officer





6.	Hiring charges for campaign office & office establishment					
7.	Hiring charges for vehicles, cost of petrol, oil, lubrication charges etc. for vehicle use					
8.	Hiring charges of loud-speakers					
9.	Expenses on production & use of audio & video Cassettes, films slides etc.					
10.	Expenses on gates, arches & visits of VIPs and Party leaders for campaign					
11.	Expenses on refreshments given to supporters, polling agents, counting agents and to those for doing house to house campaign					
12.	Travel expenses by candidate or his agent or supporters etc authorised by him					
13.	Expenses on rallies, etc. organised by the candidate.					

14.	Expenses incurred by other individuals, body, association supporters etc., towards election campaigns				
15.	Value of the publicity material supplied by political party / parties to the candidate				
16.	Misc. expenses not covered in above items.				
	<b>Total:</b>				

**Declaration:**

Certified that the particulars given above are true and correct to the best of my knowledge.

**Signature of contesting candidate**

**N.B:-**

The account shall be countersigned by the candidate, if it is lodged by his/her election agent and should be certified by the candidate to be correct copy of the account kept.

\* Strike off which ever is not applicable.

