

Security Deposits by Contesting Candidates Statutory Framework, Forfeiture Trends and Electoral Implications in India

I. The Statutory Framework

The requirement that a candidate contesting an Indian election must submit a prescribed security deposit is among the more quietly consequential provisions of the Representation of the People Act, 1951. Under section 34 of the Act, a candidate is not considered duly nominated unless and until the deposit is made: the filing of nomination papers alone does not constitute valid candidature. The deposit must be tendered at the time of delivering the nomination paper — either in cash to the Returning Officer or by credit to the Reserve Bank of India or a Government Treasury, with the receipt enclosed in the nomination file. Failure to comply at this stage renders the nomination liable to rejection. The deposit is therefore not a formality; it is a substantive legal precondition to ballot access.

The Act prescribes a two-tier structure that calibrates the deposit amount by the type of election and, separately, by the social category of the candidate. For Lok Sabha elections, a general category candidate must deposit ₹25,000, while a candidate belonging to a Scheduled Caste (SC) or Scheduled Tribe (ST) is required to deposit ₹12,500. The corresponding amounts for State Legislative Assembly elections are ₹10,000 and ₹5,000 respectively. This concessional structure for SC/ST candidates reflects the constitutional commitment to enabling participation by historically marginalised communities, without relaxing the underlying principle that candidature must be backed by a tangible financial commitment.

One procedural safeguard is worth noting: where a candidate files more than one set of nomination papers in the same constituency — a common practice to insure against technical rejection — only a single deposit is required.⁴ Similarly, where a candidate contests more than one constituency at a general election, only one deposit may be returned regardless of performance across seats; the remainder are automatically forfeited.⁵ This last provision closes what would otherwise be an obvious arbitrage: a candidate could contest several seats, recover deposits in all and return the others, were the law not explicit on this point.

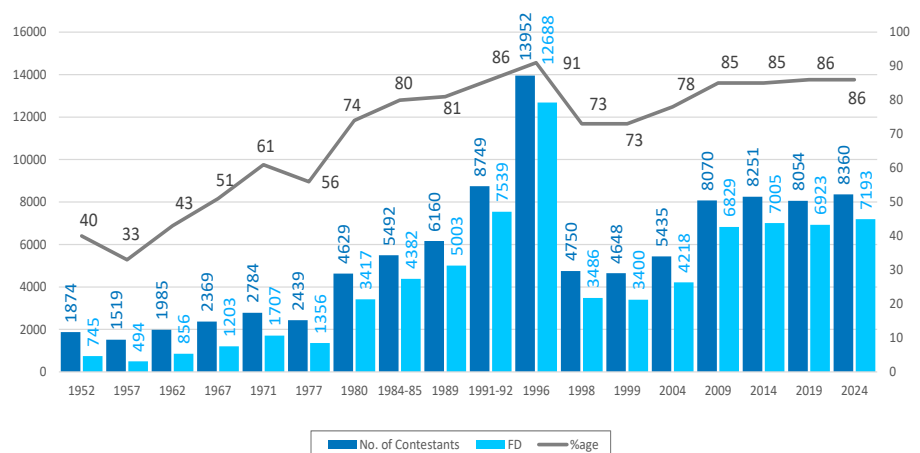
II. Return and Forfeiture: The One-Sixth Rule

Following the declaration of results, a deposit is either returned or forfeited according to section 158 of the Act. Return is automatic where a candidate dies before polling commences, validly withdraws or is excluded from the final list of contesting candidates. In each of these circumstances, forfeiture would be disproportionate because the candidate has not participated in the poll at all. Where a poll has taken place, however, a different standard applies: the deposit is forfeited if the candidate fails to secure more than one-sixth of the total valid votes polled in the constituency. This threshold — equivalent to approximately 16.67% of valid votes — has remained unchanged since the Act’s commencement in 1951 and constitutes the central performance benchmark of the deposit regime.

For elections conducted through proportional representation using the Single Transferable Vote — including Rajya Sabha and State Legislative Council elections — the rule is adapted to the quota system: forfeiture is triggered when a candidate fails to obtain more than one-sixth of the prescribed quota necessary for election.⁸ This adaptation preserves the deterrent logic of the rule in electoral systems where the relevant unit of performance is the quota rather than the aggregate vote share.

The one-sixth rule operates simultaneously as a deterrent and as a public test of electoral viability. By making the recovery of the deposit conditional on crossing a minimum vote

Figure 1: Number of candidates, forfeited deposits in parliamentary elections (1952-2024)



share, it creates a financial incentive for candidates to build genuine support rather than contest for visibility, disruption or symbolic purposes alone. It equally disciplines party organisations: a national or state party that nominates a candidate in a seat it cannot realistically contest faces the near-certain forfeiture of its deposit, which provides an indirect check on purely tactical or nuisance candidatures.

III. Forfeiture Trends Across Eighteen Lok Sabha Elections

Table 1 presents official Election Commission data on the total number of contestants, forfeited deposits and forfeiture rates for all eighteen Lok Sabha elections from 1952 to 2024, disaggregated between national party candidates and all others — a category encompassing state parties, unrecognised parties and independent contestants.

Table 1: Contestants and Forfeited Deposits (FD) in Lok Sabha Elections, 1952–2024.

Year	All Contestants	FD	FD %	National Parties		FD %	Others (State Parties & Independents)		FD %
				Contestants	FD		Contestants	FD	
1952	1,874	745	40	1,217	344	28	657	401	61
1957	1,519	494	33	919	130	14	600	364	61
1962	1,985	856	43	1,269	362	29	716	494	69
1967	2,369	1,203	51	1,342	390	29	1,027	813	79
1971	2,784	1,707	61	1,223	359	29	1,561	1,348	86
1977	2,439	1,356	56	1,060	100	9	1,379	1,256	91
1980	4,629	3,417	74	1,541	444	29	3,088	2,973	96
1984–85	5,492	4,382	80	1,307	387	30	4,185	3,995	95
1989	6,160	5,003	81	1,378	421	31	4,782	4,582	96
1991–92	8,749	7,539	86	1,855	840	45	6,894	6,699	97
1996	13,952	12,688	91	1,817	897	49	12,135	11,791	97
1998	4,750	3,486	73	1,493	637	43	3,257	2,849	87
1999	4,648	3,400	73	1,299	437	34	3,349	2,963	88
2004	5,435	4,218	78	1,351	541	40	4,084	3,677	90
2009	8,070	6,829	85	1,623	779	48	6,447	6,050	94
2014	8,251	7,005	85	1,591	808	51	6,660	6,197	93
2019	8,054	6,923	86	1,454	670	46	6,600	6,253	95
2024	8,360	7,193	86	1,334	588	44	7,026	6,606	94

Source: Election Commission of India, *Statistical Reports on General Elections to the House of the People, 1st–18th Lok Sabha*.

Note: FD = number of candidates whose deposit was forfeited. ‘National Parties’ refers to parties recognised as such by the ECI at the time of each election.

Several patterns in the data merit close attention. The first is the long secular increase in the overall forfeiture rate — from 40% in 1952 to a high of 91% in 1996 — followed by a consolidation in the 73–86% range across subsequent elections. The 1996 cycle is a clear structural outlier: 13,952 contestants, the highest in any Lok Sabha election, produced the highest

forfeiture rate in the series, reflecting an explosion of candidatures from small formations and independents who entered a perceived window of political opportunity during a period of exceptional national-level fragmentation. Post-1998, the overall number of contestants dropped markedly — in part due to the practical effects of tighter party discipline and raised

deposit amounts — before recovering toward the eight-thousand mark in the 2009–2024 period.

The second, more analytically significant pattern is the persistent and widening asymmetry between national party candidates and all others. Forfeiture rates among national party candidates have fluctuated considerably — ranging from a remarkable low of 9% in 1977 to a high of 51% in 2014 — but remain systematically below those of the ‘Others’ category. By contrast, forfeiture rates among state parties and independents have been consistently severe, reaching 97% in multiple election cycles between 1989 and 1996 and holding above 93% in every election since 2004. Trends in the number of candidates and forfeited deposits across elections are illustrated in Figure 1. This gap reflects not competitive disadvantage alone but a fundamental difference in the electoral logic of the two categories. National parties field candidates primarily in contestable or winnable seats; independents and minor parties contest much more broadly, including in seats where their principal purpose may be to register a community presence rather than to win.

The 1977 election merits particular note as a historical anomaly. The post-Emergency wave produced such a polarised contest that national party candidates — predominantly those of the newly formed Janata coalition — achieved an exceptionally low forfeiture rate of 9%, the lowest in the entire series. The competitive environment in that election was structurally different from any other: incumbency had been thoroughly discredited, the opposition was unusually unified and the electorate was mobilised against a single identifiable target. In that context, most national party candidatures in viable constituencies were competitive by default. No subsequent election has replicated this dynamic.

IV. Deposit Amounts, Administrative Logic and Reform

The current deposit amount of ₹25,000 for General Lok Sabha candidates, established in 2009, represents the third upward revision since the Act’s commencement; the original 1951 deposit was ₹500.¹⁰ This history of periodic revision reflects an ongoing calibration between two competing considerations: the deterrent value of the deposit and the constitutional concern that financial barriers should not effectively exclude citizens from electoral participation. If deposit amounts are too low, the deterrent function is hollow; if they are too high, they risk restricting democratic competition in favour of the financially comfortable or institutionally backed.

The Law Commission of India, in its Report No. 255 on Electoral Reforms (2015), recommended a further upward revision and — more structurally — the introduction of CPI-linked indexation to prevent future erosion of the deposit’s deterrent value through inflation.¹¹ That recommendation has

not been legislated. It is worth observing that ₹25,000 — approximately USD 300 at current exchange rates — is a not-inconsiderable sum for a marginal independent candidate in a rural constituency but is entirely negligible for a well-resourced party organisation. The deposit regime therefore functions most effectively as a deterrent against genuinely ill-resourced non-serious candidatures; it does not meaningfully constrain the contestation of organised parties or financially self-sufficient individuals.

It is equally important to distinguish election deposits from campaign expenditure limits, with which they are occasionally conflated. The deposit is a refundable security — returned in full to any candidate who clears the one-sixth threshold — not an expenditure. Campaign expenditure limits are separately regulated and monitored through expenditure observers and statutory ceilings. The two mechanisms operate independently and serve different regulatory objectives: the deposit screens candidature entry; expenditure limits regulate behaviour during the campaign itself.

V. Conclusion

The election security deposit is a mechanism of deceptive simplicity. Procedurally, it is a straightforward precondition to nomination. Analytically, it is a performance-linked financial instrument that encodes a theory of democratic seriousness — the proposition that the right to contest an election carries with it a corresponding obligation to command measurable public support. The forfeiture data across eighteen Lok Sabha elections confirm that this theory is broadly vindicated: the overwhelming majority of those who fail to cross the one-sixth threshold are candidates with no realistic prospect of winning and, in many cases, no evident electoral base whatsoever. The deposit mechanism functions as intended — as a filter, not a barrier.

Two questions nonetheless remain open. First, whether the current deposit amounts continue to exercise meaningful deterrent effect given the levels of inflation since 2009 — a point the Law Commission addressed but Parliament has not acted upon. Second, whether the interaction between the fixed one-sixth threshold and the increasingly fragmented distribution of votes in multi-cornered contests may, in some constituencies, penalise otherwise competitive minor candidates who fall fractionally short of the threshold in elections where the winning share itself is well below 30%. These are questions worth sustained analytical attention as India’s electoral landscape continues to evolve ahead of the 2026 and subsequent state assembly cycles.

Primary source: The Representation of the People Act, 1951 [Act No. 43 of 1951], as in force on 25 August 2025; Conduct of Elections Rules, 1961; Election Commission of India Statistical Reports (1952–2024); Press Information Bureau releases.

— IJES Research Desk