

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 1095
ANSWERED ON MONDAY, THE 16th DECEMBER, 2013**

CONTRIBUTIONS TO POLITICAL PARTIES BY COMPANIES

QUESTION

1095. SHRI C.P. NARAYANAN:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether there are any provisions in the law to govern contributions to political parties by companies;
- (b) if so, whether the companies are to show it in the balance sheet presented for audit and to various authorities; and
- (c) whether there is any move to end it on the basis of demands made by organisations of companies?

ANSWER

THE MINISTER OF STATE
(INDEPENDENT CHARGE)

IN THE MINISTRY OF CORPORATE AFFAIRS

(SHRI SACHIN PILOT)

(a) to (c):- Section 182 of the Companies Act permits companies to contribute amounts, directly or indirectly to a political party subject to limitations and disclosure requirements laid down therein. It has recently been clarified that companies making contributions a political party or parties through 'Electoral Trust Companies' constituted in pursuance of the scheme notified by the Ministry of Finance will be required to only reflect the amount contributed by them to an Electoral Trust company in its books of accounts. The Electoral Trust Companies are, however, required to indicate the amounts passed on to them to a political party or parties in the manner laid down in Section 182(3).
