

**GOVERNMENT OF INDIA  
LAW AND JUSTICE  
LOK SABHA**

UNSTARRED QUESTION NO:5613  
ANSWERED ON:10.05.2012  
ICAI REPORT  
Abdulrahman Shri ;Gowda Shri D.B. Chandre

**Will the Minister of LAW AND JUSTICE be pleased to state:**

- (a) whether the Institute of Chartered Accountants of India (ICAI) has submitted a report to the Election Commission of India with regard to accounting financial details of political parties;
- (b) if so, the details of recommendations made by the ICAI in its reports submitted to the Election Commission of India;
- (c) the action taken by the Government on these recommendations, and
- (d) the steps taken by the Government to appoint independent auditors for accounting financial details of political parties?

**Answer**

MINISTER OF LAW AND JUSTICE (SHRI SALMAN KHURSHID)

(a): Yes, Madam,

(b): The Election Commission has intimated that it has received the final report on `Uniform Accounting and Auditing Framework for Political Parties` from the Institute of Chartered Accountants of India (ICAI) vide their letter dated 26th May, 2011. The Election Commission has further intimated that the ICAI has inter alia has made the following recommendations:-

- (i) Accrual system of accounting is made mandatory for all political parties.
- (ii) Maintenance of Cash Book/Bank Book, Journal Book Ledger, Receipt Book, Purchase Book Inventory Register and Voucher file is prescribed for each political party.
- (iii) PAN of contributors to be made mandatory while receiving contributions `exceeding Rs.20.000/- by the political parties.

(c) and (d): Section 13 A of the Income Tax Act, 1961 provides that all political parties shall maintain such books of Account and other documents as would enable the Assessing Officer to properly deduce its income therefrom. The Election Commission has intimated that it has sent the final report of the ICAI to the Central Board of Direct Taxes for further necessary action.