

**GOVERNMENT OF INDIA  
CORPORATE AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:3677  
ANSWERED ON:13.02.2014  
CONTRIBUTION TO POLITICAL PARTIES  
Karunakaran Shri P.

**Will the Minister of CORPORATE AFFAIRS be pleased to state:**

- (a) the details of the existing provisions of the law and other statutory directions of the Government regarding contribution to political parties by the companies;
- (b) whether the companies are required to reflect it in their balance sheet presented for audit and to various authorities;
- (c) whether the Government proposes to end this practice on the basis of demands made by the companies; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI SACHIN PILOT)

(a) to (d) Section 182 of the Companies Act, 2013 allows companies to make direct or indirect contributions to political parties subject to limitations and disclosure requirements laid down therein. Companies making direct contributions to political parties have to reflect the amounts so contributed in their Profit and Loss accounts under Section 182(3) of the Act. In case such contributions are made through 'Electoral Trust Companies' (ETCs) constituted under the scheme notified by Ministry of Finance, only details of contributions made to ETCs are required to be disclosed in the Profit and Loss accounts. The ETCs are however, required to reflect the amounts contributed by them to a political party or parties in the same manner i.e. as laid down under Section 182(3) of the Act.