

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
RAJYA SABHA

UNSTARRED QUESTION NO. 4344

ANSWERED ON TUESDAY, THE 11th APRIL, 2017

DONATIONS TO POLITICAL PARTIES BY CORPORATE BODIES

QUESTION

4344. SHRIMATI JAYA BACHCHAN:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) the details of amount that a company can contribute to a political party as per the existing provisions of the law and other Statutory directions of Government along with the time by when these provisions were enacted and last amended;

(b) whether Government proposes to review the law with regard to political donations by corporate bodies; and

(c) the details of provisions of law by which the foreign companies are permitted to make donations to political parties in the country along with the list of such companies during the last three years and the current year?

ANSWER

THE MINISTER OF STATE
IN THE MINISTRY OF CORPORATE AFFAIRS

(SHRI ARJUN RAM MEGHWAL)

(a) & (b):- Contributions to political parties are governed by Section 182 of the Companies Act, 2013 (the Act), which provides that a company that is not a Government company and which is in existence for at least last three financial years may contribute any amount directly or indirectly to any political party registered under the representation of Peoples Act, 1951. The section was commenced w.e.f. 12.09.2013. Section 154 of the Finance Act, 2017 amends section 182 of the Companies Act, 2013. As per the amendment, the limit on the maximum amount that can be contributed by a company to a political party has been removed.

Further, Section 80GGB of Income Tax Act, 1961 allows an Indian company deduction from taxable income for any contribution, other than by way of cash, to any political party or an electoral trust.

(c):- Ministry of Home Affairs has informed that there is no proposal to review the law on foreign contributions to political parties as prescribed in Foreign Contributions (Regulation) Act, 2010 (FCRA, 2010). Further, Section 3 of the FCRA, 2010 prohibits political parties or office bearers thereof from accepting foreign contributions, from any foreign source including foreign companies.
