



**SANDPAPER**  
ACADEMY FOR CIVIL SERVICES

**BLUEPRINT**

# **ANNUAL REPORT ON CONTRIBUTIONS**



**ADMISSION OPEN : 7638032775 | 6900972039**

# **ANNUAL REPORT ON CONTRIBUTIONS RECEIVED BY ELECTORAL TRUSTS, RELEASED BY THE ELECTION COMMISSION**



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- The Election Commission's latest Annual Report on contributions to Electoral Trusts revealed that ruling parties accounted for a greater proportion of political funding.
- The report underscored that incumbent political parties attracted a higher share of donations compared to others.



# REPORT ON ISSUES OF POLITICAL FUNDING/FINANCING



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- Between 2004–05 and 2022–23, the six national political parties collected ₹19,083.08 crore from unknown sources, highlighting a lack of transparency and anonymity in political funding, as reported by the Association for Democratic Reforms (ADR).
- The absence of legal limits on election expenditure by political parties creates an unequal playing field, favouring parties with greater financial strength and disadvantaging smaller parties.
- Political funding in India largely depends on corporate contributions, increasing the risk of policies being shaped to serve private interests and fostering cronyism.
- In the Electoral Bonds case (2024), the Supreme Court termed such quid pro quo arrangements as an instance of institutionalised corruption.

# FRAMEWORKS GOVERNING POLITICAL PARTY FINANCING IN INDIA



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- Political funding in India is primarily regulated under the Representation of the People Act, 1951, the Income Tax Act, 1961, and the Companies Act, 2013.
- Political parties are permitted to receive voluntary contributions from individuals, except from government companies, and are required to report donations exceeding ₹20,000 to the Election Commission of India.
- Donations above ₹2,000 must be made through traceable modes such as cheques or other prescribed banking channels.
- Electoral Trusts function as intermediaries to channel political donations to registered political parties.



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