

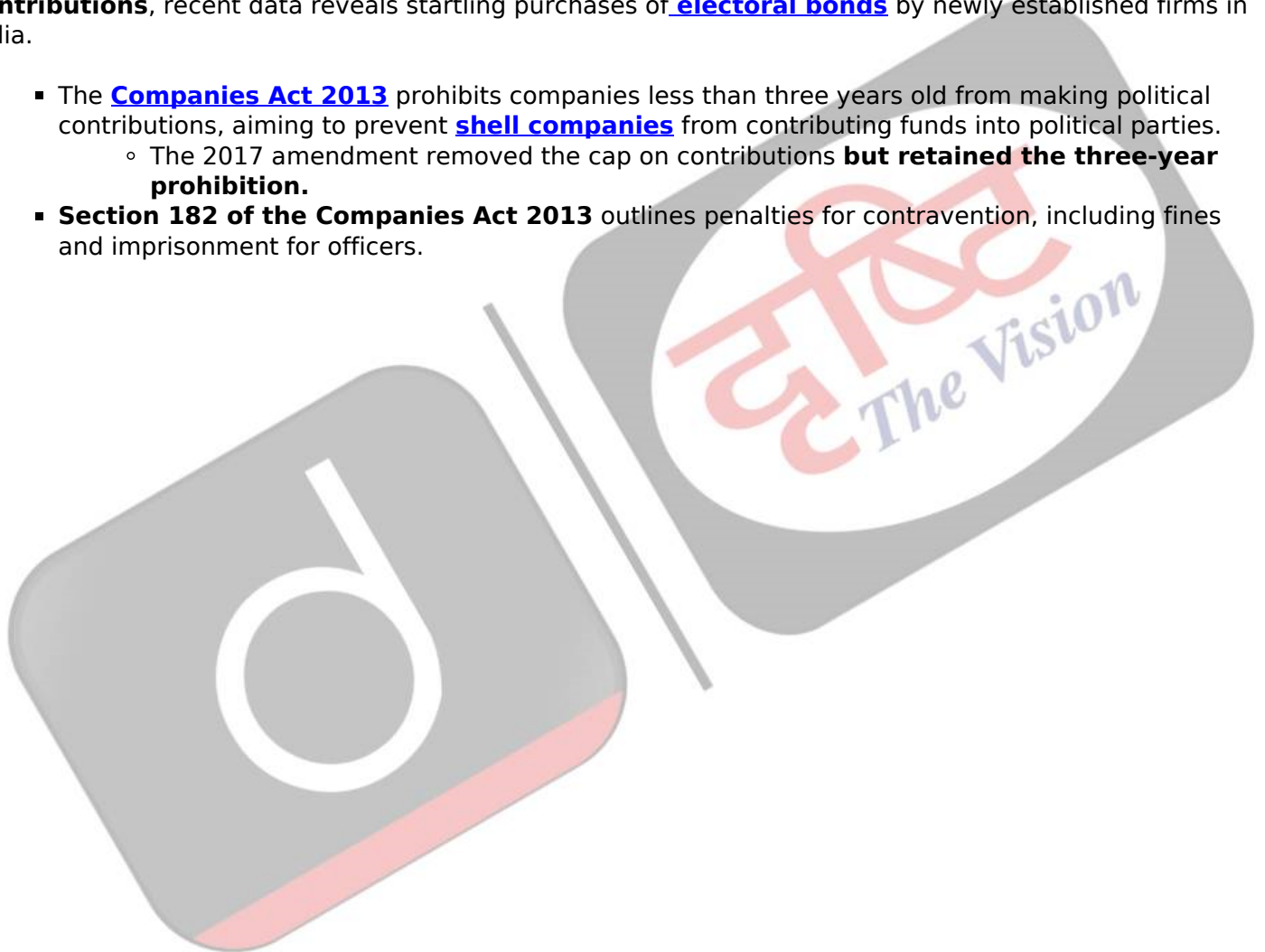


Political Contribution by Newly Incorporated Firms

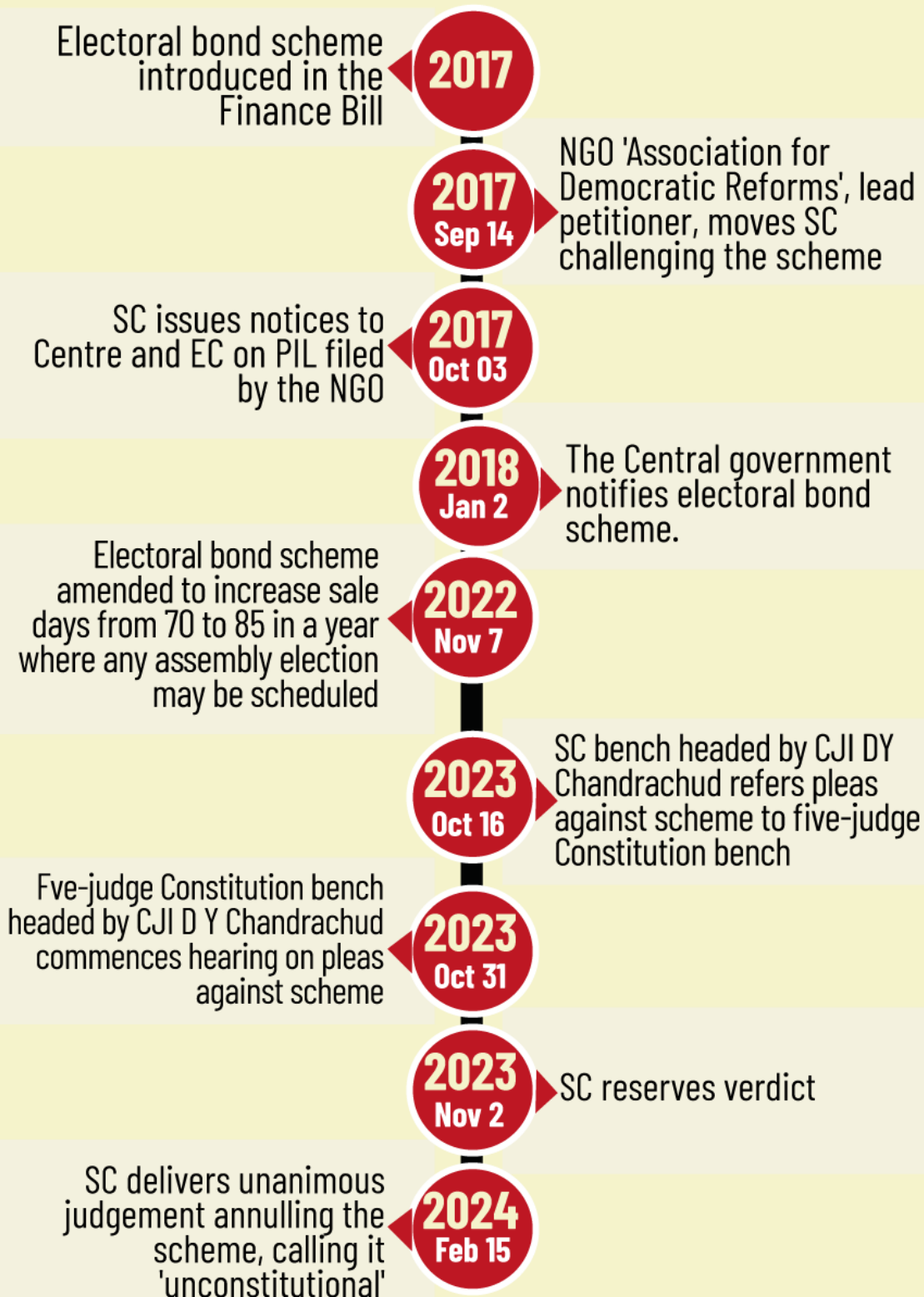
Source: TH

Despite **regulations prohibiting companies less than three years old from making political contributions**, recent data reveals startling purchases of [electoral bonds](#) by newly established firms in India.

- The [Companies Act 2013](#) prohibits companies less than three years old from making political contributions, aiming to prevent [shell companies](#) from contributing funds into political parties.
 - The 2017 amendment removed the cap on contributions **but retained the three-year prohibition.**
- **Section 182 of the Companies Act 2013** outlines penalties for contravention, including fines and imprisonment for officers.



Chronology of events in Electoral bonds case



Read more: [SC Strikes Down Electoral Bonds Scheme](#)

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