

Updated note on various heads of funds spent by State on Political Parties(Annexure 7.1)

Grounds for Prayer or Relief:

Section 2(h) of the RTI Act is applicable for political parties as **political parties are substantially financed by the government**. The section, which defines public authorities, reads as follows:-

"public authority" means any authority or body or institution of self-government established or constituted—

(a) by or under the Constitution;

(b) by any other law made by Parliament;

(c) by any other law made by State Legislature;

(d) by notification issued or order made by the appropriate Government,

and includes any—

(i) body owned, controlled or substantially financed;

(ii) non-Government organisation substantially financed,

directly or indirectly by funds provided by the appropriate Government;

Political parties are substantially funded by the tax payer's money, hence, they should be declared public authorities. Large amount of money is directly or indirectly spent on them on the following accounts:

a) Tax Payable (that has been exempted) for political parties

All the political parties have been claiming tax exemptions on 100% of their incomes, under Section 13A of Income Tax Act.

Income Tax returns filed by political parties were analysed with expert help (Sh. Ashok Aneja, CCIT (Retd.)) and on the basis of this analysis we have been able to calculate tax payable, which is exempted for the national parties. (Copies of income tax returns are **attached as Annexures**)

To explain the formula used in order to obtain the tax payable amount let's take the example of Bharatiya Janata Party (BJP), Indian National Congress (INC) and Bahujan Samaj Party (BSP). The calculation done below is for Financial Year 2008-2009.

Computation of Total Income based on the IT returns filed by political parties received through RTI (FY 2008-09)			
	BJP	INC	BSP
Income from House Property (as declared in IT Returns Filed)	20,18,786	Nil	Nil
Profits and Gains from Business and Profession	-2,94,13,325	496,87,62,060	181,84,84,774
Income from Other Sources	219,64,07,142	Nil	Nil
Gross Total Income (as declared in the IT returns filed)	216,90,12,603	496,87,62,060	181,84,84,774
Total Income Rounded Off U/S 288A	216,90,12,603 (216.90 crore)	496,87,62,060 (496.87 crore)	181,84,84,770 (181.84 crore)
Computation of Tax on Total Income (FY 2008-09)			
Tax on ₹ 1,50,000	Nil	Nil	Nil
Tax on ₹ 1,50,000 (3,00,000-1,50,000) @ 10%	15,000	15,000	15,000
Tax on ₹ 2,00,000 (5,00,000-3,00,000) @ 20%	40,000	40,000	40,000
Tax on Total Income declared (Total Income-5,00,000)@ 30%	65,06,08,781	149,05,33,618	54,54,50,431
Add: Surcharge @ 10%	<u>6,50,60,878</u>	<u>14,90,53,362</u>	<u>5,45,45,043</u>
Sum	71,56,69,659	163,95,86,980	59,99,95,474
Add: Education Cess @ 2%	<u>1,43,13,393</u>	<u>3,27,91,740</u>	<u>1,19,99,909</u>
Sum	72,99,83,052	167,23,78,720	61,19,95,383
Add: Secondary and Higher Education Cess @ 1%	<u>71,56,697</u>	<u>1,63,95,870</u>	<u>59,99,955</u>
Sum	73,71,39,749	168,87,74,590	61,79,95,338
Tax Payable	73,71,39,749 (73.71 crore)	168,87,74,590 (168.87 crore)	61,79,95,338 (61.79 crore)

The details of the calculations done above along with the details of other national parties, CPI (M), CPI and NCP, have been attached as **Annexure**

The table below gives the tax figures that would have been payable by the respective parties had there been no exemption provided owing to provisions of section 13 A of the Income Tax Act.

Party	Tax payable exempted in FY 2006-07 (₹ crores)	Tax payable exempted in FY 2007-08 (₹ crores)	Tax payable exempted in FY 2008-09 (₹ crores)	Tax payable exempted in 3 years (₹ crores)
BJP	26.86	40.68	73.71	141.25
INC	57.00	75.05	168.87	300.92
BSP	15.44	23.60	0.80	39.84
CPI (M)	6.98	4.62	6.53	18.13
CPI	0.01	0.21	0.02	0.24
NCP	0.90	0.68	8.06	9.64

b) State funding on free airtime for political parties during Lok Sabha 2009 Elections

Political parties are provided free airtime on state owned television, Doordarshan, and radio, Akashwani as per order no. 437/TVs/2009/M&TS of Election Commission of India. (Copy of the order attached)

In order to get an idea of the amount spend by the State on the free airtime given to political parties we have taken the example of the expenditure during 2009 elections. Given below are the expenditure for Doordarshan television network and Akashwani radio during Lok Sabha 2009 elections for national political parties:

b.1 Amount spent by State on free airtime on Doordarshan: The rate charged by DD for every 10 seconds vary according to the time of telecast. DD has 3 rates based on the time the telecast is done. These rates are different for the national and regional network of DD. The rate for both the networks is provided below.

For National Network

- i. Prime –Time ₹ 60,000/- per 10 second
- ii. Mid- Prime – Time ₹ 15,000/ per 10 second
- iii. Non-Prime- Time ₹ 15,000/- per 10 second

For the regional Kendras

- i. Prime –Time ₹ 20,000/- per 10 second
- ii. Mid- Prime – Time ₹ 15,000/- per 10 second
- iii. Non-Prime- Time ₹ 10,000/- per 10 second

The allocation of time for telecast to each party is determined by draw of lots. We have not been able to get information on the time slot allotted to each political party. Hence being conservative and considering the rate during Non-prime-time which is ₹ 15,000/- per 10 second for national network and ₹ 10,000/- per 10 second for regional kendras, we can calculate the amount spent by the state on political parties.

S. No	Name of the Party	Time allotted for telecast at the national network of DD during LS '09 (Min)	Rate charged by national network of DD at non prime time every 10 seconds	Amount spend by the state for the national network during LS '09 (₹ crores)	Time allotted for telecast at the regional network during LS '09 (Min)	Rate charged by regional network at non prime time every 10 seconds	Amount spent by State for the regional network during LS '09 (₹ crores)	Total Amount spend by the state on political parties for both the national and regional network during LS '09 (₹ crores)
1	BJP	140	15,000	1.26	215	10,000	1.25	2.51
2	INC	160	15,000	1.44	240	10,000	1.44	2.88
3	BSP	70	15,000	0.63	100	10,000	0.60	1.23
4	CPI	50	15,000	0.45	75	10,000	0.45	0.90
5	CPI(M)	70	15,000	0.63	105	10,000	0.63	1.26
6	NCP	50	15,000	0.45	80	10,000	0.48	0.93
7	RJD	55	15,000	0.49	85	10,000	0.51	1.00
	Total	595		5.35	900		5.40	10.75

Amount spent by state on political parties during Lok Sabha 2009 elections

(RTI responses received from DD Attached as Annexure)

The amount calculated above is only for Lok Sabha elections 2009. There were 7 other states, Arunachal Pradesh, Haryana, Maharashtra, Jharkhand, Andhra Pradesh, Sikkim and Orissa, which went for elections together with Lok Sabha in 2009. Also 5 other states also had elections in 2011. However we could not procure the exact data regarding time slots provided to political parties in these 12 state elections.

b.2 Amount spent by State on free airtime in All India Radio(AIR) during Lok Sabha 2009 elections:

The rate charged by AIR for every 10 seconds vary according to the time of broadcast. AIR has 3 spot rates for every 10 seconds. The time category and amount for each category is given below.

- i. Time- Category – 1, 1900-2200: ₹ 1,200/- per 10 second
- ii. Time- Category – 2, 2200-0100: ₹ 1,000/- per 10 second
- iii. Time- Category – 3, 0100-0600: ₹ 800/- per 10 second

The allocation of time for broadcast to each party is determined by draw of lots. We have not been able to get information on the time slot allotted to each political party. Hence being conservative and considering the rate of time category – 3 which is ₹ 800/- per 10 second, we can calculate the amount spent by the state on political parties.

S.No	Name of the Party	Time allotted for broadcast at the AIR during LS '09 (Min) for political parties	Rate charged by AIR in time-category – 3 for every 10 seconds	Amount spend by the state for AIR (₹ lakhs)
1	BJP	140	800	6.72
2	BSP	70	800	3.36
3	CPI	50	800	2.40
4	CPI(M)	70	800	3.36
5	INC	160	800	7.68
6	NCP	50	800	2.40
7	RJD	55	800	2.64
	Total	595	800	28.56

Amount spent by state on political parties during Lok Sabha 2009 elections for publicity through AIR (RTI response and Rate Chart of All India Radio Attached as Annexure)

b.3) Amount spent by Doordarshan and All India Radio on elections to state assemblies in 2012

We managed to get the time slots provided to each political party in 2012 elections to state assemblies and we calculated the amount spent by the State on publicity of political parties in these five states (U.P., Uttrakhand, Goa, Punjab and Manipur). *[ECI's order attached as annexure]*

Following is an analysis of value forgone by Doordarshan (regional kendras) and AIR during the elections to 5 State Assemblies (U.P., Uttrakhand, Punjab, Goa and Manipur) that were held during Jan-Mar 2012 (minimum commercial rates have been considered for both Doordarshan and AIR)

Elections to State Assembly	Political Parties	Doordarshan (Regional Kendras) time slots allocated to party (in mins)	Amount spent by the state (in lakhs) @ Rs. 10,000 per 10 secs	All India Radio time slots allocated to party	Amount spent by the state (in lakhs) @ Rs. 800 per 10 secs	Aggregate of Doordarshan and AIR, value spent by state on political parties (in lakhs)
Uttar Pradesh (2012)	BSP	178	106.80	178	8.544	115.344
	BJP	119	71.40	119	5.712	77.12
	CPI	45	27	45	2.16	29.16
	CPI(M)	46	27.60	46	2.208	29.808
	INC	83	49.80	83	3.984	53.784
	NCP	45	27	45	2.16	29.16
	RLD	46	27.60	46	2.208	29.808
	SP	156	93.60	156	7.488	101.388
	Total	720	432	720	34.56	466.56
Punjab	BSP	59	35.40	59	2.832	38.232

Elections to State Assembly	Political Parties	Doordarshan (Regional Kendras) time slots allocated to party (in mins)	Amount spent by the state (in lakhs) @ Rs. 10,000 per 10 secs	All India Radio time slots allocated to party	Amount spent by the state (in lakhs) @ Rs. 800 per 10 secs	Aggregate of Doordarshan and AIR, value spent by state on political parties (in lakhs)
(2012)	BJP	73	43.80	73	3.504	47.304
	CPI	48	28.80	48	2.304	31.104
	CPI(M)	46	27.60	46	2.208	29.808
	INC	186	111.60	186	8.928	120.528
	NCP	45	27	45	2.16	29.16
	SAD	173	103.80	173	8.304	112.104
	Total	630	378	630	30.24	408.24
Uttarakhand (2012)	BSP	91	54.60	91	4.368	58.968
	BJP	169	101.40	169	8.112	109.512
	CPI	46	27.60	46	2.208	29.808
	CPI(M)	46	27.60	46	2.208	29.808
	INC	160	96	160	7.68	103.68
	NCP	52	31.20	52	2.496	33.696
	UKD(P)	33	19.80	33	1.584	21.384
	JUKD	33	19.80	33	1.584	21.384
	Total	630	378	630	30.24	408.24
Manipur (2012)	BSP	45	27	45	2.16	29.16
	BJP	50	30	50	2.40	32.4
	CPI	76	45.60	76	3.648	49.248
	CPI(M)	45	27	45	2.16	29.16
	INC	230	138	230	11.04	149.04
	NCP	91	54.60	91	4.368	58.968
	MPP	128	76.80	128	6.144	82.944
	RJD	81	48.60	81	3.888	52.488
	NPP	64	38.40	64	3.072	41.472
	Total	810	486	810	38.88	848.88
Goa (2012)	BSP	45	27	45	2.16	29.16
	BJP	175	105	175	8.40	113.4
	CPI	46	27.6	46	2.208	29.808
	CPI (M)	45	27	45	2.16	29.16
	INC	183	109.80	183	8.784	118.584
	NCP	66	39.60	66	3.168	42.768
	MAG	82	49.20	82	3.936	53.136
	SGF	78	46.80	78	3.744	50.544
	Total	720	432	720	34.56	466.56

Major Political Parties	Amount spent in state elections (Rs. Lakhs)					Amount spent by State in 5 state elections of 2012 (in Rs. Crores)
	U.P	Punjab	Uttrakhand	Manipur	Goa	
BSP	115.344	38.232	58.968	29.16	29.16	2.70
BJP	77.12	47.304	109.512	32.3	113.4	3.80
CPI	29.16	31.104	29.808	49.248	29.808	1.70
CPI(M)	29.808	29.808	29.808	29.16	29.16	1.48
INC	53.78	120.52	103.68	149.04	118.58	5.46
NCP	29.16	29.16	33.7	58.96	42.76	1.94
Total Value forgone/spent by State on all recognized Political Parties by (Doordarshan and AIR) in 5 state elections of 2012					Rs. 25.98 crores	

c) State funding on Electoral Rolls during Elections

Under the provisions of rules 11 and 12 of the Registration of Electors Rules, 1960 two copies of the Electoral roll, one printed copy and another in CD is supplied to recognized political parties, free of cost, after draft and final publications. [Rule attached as annexure]

RTIs were filed to know the amount spent by the Election Commission on electoral rolls for recognized political parties at various constituencies. The information received from these RTIs is provided below: [RTI response attached as annexure]

S.No	Constituency	State	Data given by various Government of India offices under RTI	Cost for 1 roll
1	Bangalore North	Karnataka	Cost per roll is ₹97000 for 4 candidates.	₹97,000
2	Shillong	Meghalaya	Total Cost for 3 sets given to 3 candidates contesting from recognized parties is ₹3,01,660	₹1,00,553
3	Tura	Meghalaya	Total Cost for 2 candidates from recognized political parties is ₹1,74,468	₹87,234
4	Howrah	West Bengal	Total Cost for candidates of recognized political parties is ₹1,98,604	₹49,651
5	Uluberia	West Bengal	Total Cost for candidates of recognized political parties is ₹1,85,553	₹46,388
6	Namakkal	Tamil Nadu	Total cost for 4 candidates of recognized parties is ₹79,896	₹19,974
7	Fatehpur Sikri	Uttar Pradesh	Total cost is ₹1,96,712 for candidates of recognized political parties	₹49,178
8	Deoria	Uttar Pradesh	Cost for each candidate from recognized party is ₹33,319.50	₹33,319
9	Salempur	Uttar Pradesh	Cost for each candidate from recognized party is ₹22,321.50	₹22,321
10	Amravati	Maharashtra	Total Cost for 2 candidates of recognized political parties is ₹1,19,266	₹59,633
Average cost for 1 electoral roll= Sum of cost for 1 roll/No. of Constituencies				₹56,525

(RTI responses Attached as Annexure)

If we calculate the average cost of 1 electoral roll for a candidate from recognized party from the information attained we find it to be approximately ₹ 56525. (The formula undertaken to obtain this amount is sum of cost of 1 electoral roll for all constituencies / total number of constituencies.)

Using this average and based on the number of candidates that contested from recognized parties we can find the approximate amount spend by the state for giving free electoral rolls to political parties. The amount spent on each national political party is as given below:

Party	Total no. of Contesting Candidates in LS '09	Average calculated of 1 electoral roll per candidate from recognized party in LS '09	Total amount spend by the state on free supply of electoral rolls in LS '09 (₹ crores)
BSP	500	₹ 56,525	₹ 2.82
BJP	433	₹ 56,525	₹ 2.45
INC	440	₹ 56,525	₹ 2.48
CPI	56	₹ 56,525	₹ 0.31
CPI (M)	82	₹ 56,525	₹ 0.46
NCP	68	₹ 56,525	₹ 0.38
RJD	44	₹ 56,525	₹ 0.25

The amount calculated above is the approximate amount spent by the State on supply of free electoral rolls to political parties during Lok Sabha 2009 Elections. The amount spend on free supply of electoral rolls for the 7 State Elections in Andhra Pradesh, Sikkim, Arunachal Pradesh, Jharkhand, Maharashtra, Haryana and Orissa during the same time has not been calculated. Total candidates from national and state recognized parties in these State elections were around 3800. The amount spent by the State for free supply of electoral rolls to political parties in these 7 elections would be a huge. Hence, political parties are substantially funded by the State should be declared a public authority.

d) State funding in the form of government land/offices provided to political parties

As per Ministry of Urban Development, Government of India, there is a well-defined policy for allotment of land to the political parties. **[Government of India Policy attached as annexure]**

Political parties have been allotted plots of lands, the details of which are as follows **[RTI response (received by Mr. S.C. Agrawal) attached as annexure]**

- INC has been allotted **9518 sq. yd.** of land (at Dr. Rajinder Prasad Road, New Delhi. Allotted on 08.09.75) and **8092 sq m** (at pocket 9A, Kotla Road. Allotted on 19.11.07)
- CPI have been provided **.3 acre** (at Plot No.-15 Kotla Marg. Allotted on 02.12.67)
- BJP has been allotted 1.87 acres of land (at Dr. Rajinder Prasad and Raisina Road. Allotted on 08.03.01)
- CPI(M) has been allotted two plots of 1197 sq m (Plot Nos. 27, 28 & 29 at Market Road Institutional Area, New Delhi. Allotted on 24.11.67) and 2535 sq m (Plot Nos. 10, 11, 12 & 13 on Kotla Road. Allotted on 11.12.08)
- NCP and BSP have been provided 1000 sq m and 2000 sq m of land respectively

Following is a current valuation table that contains the conservative estimate of the market value of plots of land provided to various political parties (as per the category 'B' of Delhi Circle Rate of Nov' 2011.)

Political Parties	Area of the land(sq m) (1 acre = 4047 sq m) (1 sq yd = .836 sq m)	Circle Rate of Category 'B' in Delhi (Rs. Lakhs per sq m)	Value of the land (Rs. Crores)	Total value (Rs. Crores)
INC	17610.42	1.36	218.27	231.10
INC(Delhi)	1127	1.36	12.81	
CPI(M)	3732	1.36	50.75	50.75
CPI	1500 (.3 acres)	1.36	16.91	16.91
BJP	9350 (1.87 acres)	1.36	102.92	117.35
BJP(Delhi)	1060.8	1.36	14.43	
NCP	1000	1.36	13.60	13.6
BSP	2000	1.36	27.20	27.20
Total				456.91

(*According to press reports, the prevailing market rate in these areas is between Rs. 9 lakhs per sq m to 15 lakhs per sq m) (<http://indiatoday.intoday.in/story/delhi-property-rates-to-shoot-by-20-per-cent/1/214637.html>) (Copy of the press report attached as annexure)

Political parties have also been allotted accommodation in V.P. House, a list of which is given below.

Party	Accommodation and Address	Total Rent paid by the party for the accommodation (per month)
INC	1, V.P.House	352
	101, V.P.House	352
	16, V.P.House	352
	104, V.P.House	352
	112, V.P.House	352
	211, V.P.House	352
	411, V.P.House	352
	416, V.P.House	352
BJP	24, V.P.House	352
	115, V.P.House	352
	122, V.P.House	352
	301+ SQ, V.P.House	382
	302, V.P.House	352
	317, V.P.House	352
	417, V.P.House	352
	503, V.P.House	352
RJD	13, V.P.House	508

Following table contains the estimated valuation of rent (according to conservative market rent levels prevailing in the area) of above units of V.P House that have been provided to INC and BJP

Political Party	No. of units allotted in V.P. House	Rent per Month (Rs.)	Conservative Market Rate (Rs. Lakhs per month per unit)	Actual rent paid by parties per annum (avg)	Aggregate Rent at Market Rate (Rs. Crores per annum)
INC	8	352 to 508	1.1	45024	1.056
BJP	8	352 to 508	1.1	45024	1.056
Other Parties data not available*					

Political parties are also in possession of the following offices in Lutyen's Delhi for which they have been paying an extremely meager rent as shown below:

Party	Office and Address	Total Rent paid by the party. for the office (Rs. per month)
INC	24, Akbar road	48,755
	5, Raisina Road	37,318
	26, Akbar Road	5,167
	C II/109, Chanakyapuri	8,078
BJP	11, Ashoka Road	73,585
	14, Pt Pant Marg	16,437
BSP	16, G.R.G. Road	935
NCP	10, B.D. Marg	935

(RTI response attached)

The facilities mentioned above are only those in Delhi. Directorate of Estates manages and maintains government properties in the metropolitan cities, Shimla, Ghaziabad, Chandigarh, Fariadabad and Nagpur while government properties in the remaining cities and towns are managed by the Central Public Works Department. The national political parties also have facilities for offices and accommodation in other parts of the country. These facilities are also provided to them not just at nominal rate but they are maintained and renovated at state expense. This clearly indicates that the State is indirectly spending on them. Hence, political parties should be declared as public authorities.

(In spite of our numerous RTIs applications requesting the information regarding the government properties and plots of lands provided to political parties in various state capitals, we couldn't get a response from the respective authorities.

There have been press reports reporting the encroachment of public land and properties by various political parties in state capitals like Nagpur, Bangalore, Hyderabad etc. (Copies of press reports attached as annexures))

The above mentioned expenses are only a few of the possible expenses that state bears for funding the political parties on several pretexts. There **are other facilities also that the State provides to political parties that have not been accounted here.** These include:

1. State funding on free supply of Electoral rolls to recognized state and national political parties in State Assembly Elections held in 2009, 2011 and 2012
2. State funding for free broadcast on AIR for political parties during Assembly Elections in seven states in 2009 and 2011.
3. State funding on publicity of political parties during Assembly Elections in 7 states in 2009 and 5 state elections in 2011 by giving free telecast on regional kendras.
4. State funding on facilities for accommodation provided to political parties' office bearers at a very nominal rate of ₹ 352 – ₹ 508 (per month). As the market rental value of these accommodation facilities is not available calculation of the effective state funding on accommodation facilities for political parties has not been done. However, the list of these accommodation facilities is given above.
5. State funding on facilities for offices and accommodation provided to political parties in other states/cities, other than Delhi, has also not been calculated.
6. State funding on the maintenance, renovation, upgradation, modernization and construction of the properties allotted to various political parties according to CPWD.
7. As per common knowledge one is aware of large amount of money being spent on the security of the contesting candidates in the elections and office bearers of the political parties.
8. There are possibly other ways also through which political parties get direct or indirect funding from the state which we are not aware of as political parties do not declare them.

As shown above political parties spend a lot of tax payer's money, hence they should be brought under the purview of public authority.

Additional annexure that are being submitted with the update report:

- a. The ECI notification detailing the time slots allotted to recognized political parties in elections to state assemblies of 2012.
- b. The Ministry of Urban Development policy document detailing the norms that are considered to allot land to political parties
- c. RTI response received by Mr. S.C. Agrawal about the details of land provided to political parties.
- d. Press reports about the plots of land grabbed by political parties in various state capitals
- e. Press report about prevailing real market rates of prime property land in Delhi.