



#### For Immediate release

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# Source of Income and Expense Details as per Income tax filed by Political Parties for Financial Year 2007-08 and Financial Year 2008-09

**New Delhi**: Association for Democratic Reforms (ADR) obtained copies of the IT Returns and Assessment Orders of various political parties through the filing of RTI applications. This was made possible as per the Central Information Commission's order number CIC/AT/A/2007/01029 & 1263-1270, according to which public authorities (Income Tax Departments) holding Income Tax returns of political parties are directed to make these returns available to an appellant. ADR is in the process of scanning copies of all these Income tax returns and Assessment orders and uploading them on its website – <a href="https://www.adrindia.org">www.adrindia.org</a>

The data was obtained for the following parties: Bhartiya Janta Party (BJP), Bahujan Samaj Party (BSP), Communist Party of India (CPI), Communist Party of India Marxist (CPM), Indian National Congress (INC), Samajwadi Party (SP), Nationalist Congress Party (NCP) and Rashtriya Janta Dal (RJD). This analysis has been done for Financial Years 2007-08 and Financial Year 2008-09. BSP & BJP have followed cash method of accounting (Receipt & Payment statements) while INC, CPI, CPM, SP, NCP & RJD have followed accrual method of accounting (Income & Expenditure statements).





Here are some highlights of the analysis:

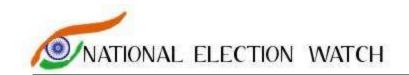
## 1. <u>Top 3 sources of Income for Political Parties for Financial Year 2007-08</u> and Financial Year 2008-09

#### **Summary**

- a) The maximum single source of income for the parties analyzed for FY 2007-08 and FY 2008-09 was Sale of Coupons for INC (598 crores).
- b) Voluntary Contributions/Donations were a major source of income for most parties for FY 2007-08 and FY 2008-09. The maximum were received by BJP (298 crores) followed by BSP (203 crores) and INC (72 crores).
- c) Among other parties analyzed for FY 2007-08 and FY 2008-09 CPM received Voluntary Contributions/Donations of 55 crores, SP of 46 crores, NCP of 6.6 crores, RJD of 5.6 crores and CPI of 1 crore(approx).
- d) Other major sources of income for the parties analyzed for 2007-08 and FY 2008-09 were Membership for BSP (43 crores), Levy for CPM (46 crores) and receipt from Sale of Coupons for NCP (50 crores).

Party	Top 3 sources of income for FY 2007-08 and FY 2008-09	Value in Crores
ВЈР	Voluntary contributions	297.7
	Interest	21.29
	Aajiwan Sahayog Nidhi	20.46
BSP	Contributions	202.94
	Membership	43.20
	Interest	5.18
СРІ	Party fund, education fund, donation	1.19
	Interest	0.47
	Membership Fees	0.38
СРМ	Voluntary contributions	55.21
	Levy	45.56
	Election fund	8.63
INC	Sale of coupons	598.14
	Donations	72.09
	Interest	38.04
SP	Donation	46.46
	Interest	20.82
	Membership fees	3.70
NCP	Receipt From Sale Of Coupons	50.07
	Donation	6.64
	Other Income	0.39
RJD	Donation	5.58
	Sale of coupons	0.30
	Income from Sadasyta Abhiyan	0.18

Table: Top 3 sources of income of Political Parties for FY 2007-08 and FY 2008-09 in ₹ crores.





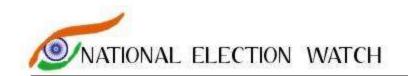
## 2. Top 3 Expenditures for Political Parties for Financial Year 2007-08 and Financial Year 2008-09

#### <u>Summary</u>

- a) The maximum single expenditure for the parties analyzed for FY 2007-08 and FY 2008-09 was on Elections by INC(215 crores).
- b) Among other parties analyzed for FY 2007-08 and FY 2008-09, BSP and BJP have not separately listed any election expenses; CPM showed Election Expenses of 5 crores, NCP of 4 crores, SP of 46 lakhs, RJD of 20 lakhs and CPI showed Election & Publicity expenses of 48 lakhs.
- c) Most Parties spent majorly on Advertising/Publicity during FY 2007-08 and FY 2008-09. BJP showed Advertising/Publicity expenditures of 89 crores, INC of 58 crores, BSP of 16 crores, NCP of 16 crores, SP of 1.5 crores and RJD of 1 crore(approx).
- d) For FY 2007-08 and FY 2008-09, BSP has declared expenditures of 89 crores for Purchasing Immovables. None of the other parties analyzed have shown any immovable assets in expenditure details.
- e) For FY 2007-08 and FY 2008-09, RJD has declared that it spent maximum on Donations (2 crores).

Party	Top 3 expenditures for FY 2007-08 and FY 2008-09	Value in Crores
ВЈР	Advertising & Publicity	89.16
	Travelling	44.91
	Meeting	39.38
BSP	Purchases (immovable)	85.86
	Publicity	15.95
	Construction	10.3
СРІ	Election & publicity	0.48
	Salaries	0.42
	Travelling & conveyance	0.13
СРМ	Salaries	18.85
	Relief & donation	16.65
	Meeting & conference	12.04
INC	Election	214.92
	Publicity	58.12
	Aid to other	56.44
SP	Travelling & conveyance	27.67
	Advertisement	1.5
	Help	1.4
NCP	Publicity Expenses	15.98
	Election Expenses	4.3
	Depreciation	1.31
RJD	Donation	2
	Advertisement / Website Expenses	1.08
	Meeting & Conference Expenses	0.51

Table: Top 3 expenditures of Political Parties for FY 2007-08 and FY 2008-09 in ₹ crores.





## 3. Total Income of Political Parties for Financial Year(FY) 2007-08 and Financial Year(FY) 2008-09

Based on an earlier analysis by ADR, the Total income for the Political Parties analyzed for FY 2007-08 and FY 2008-09 is as follows.

## **Summary**

- a) Among the parties analyzed for FY2007-08 & FY 2008-09, INC has declared the maximum aggregate income (718 crores) followed by BJP (344 crores) and BSP (252 crores).
- b) For FY2007-08 & FY 2008-09 CPM has declared an income of 123 crores, SP of 71 crores, NCP of 57 crores, RJD of 6 crores and CPI of 2 crores.
- c) BSP has shown the maximum percentage increase in total income (161%) between FY 2007-08 and FY 2008-09 followed by NCP (130%) and INC (125%).
- d) CPI is the only party which showed a decrease in income in FY 2008-09 as compared to FY 2007-08 i.e. (-6.45%)

Party ↓	Total Income in Financial Year 2007-08 (crores)	Total Income in Financial Year 2008- 09 (crores)	Aggregate Total Income for FY2007-08 and FY 2008-09 (crores)	Percentage change in Total Income between FY 2007-08 and FY 2008-09
ВЈР	123.78	220.02	343.8	77.75%
BSP	69.74	182.02	251.76	161.00%
CPI	1.24	1.16	2.4	-6.45%
CPM	59.7	62.83	122.53	5.24%
INC	220.81	496.88	717.69	125.03%
SP	32.3	39	71.3	20.74%
NCP	17.39	40.01	57.4	130.07%
RJD	2.15	4.05	6.2	88.37%

Table: Total Income of Political Parties for FY2008-09 and FY 2009-10 in ₹ crores.





### 4. ADR and NEW demand Transparency in Financial transactions of Political Parties

Association for Democratic Reforms (ADR) and National Election Watch (NEW) continue to demand increased transparency in the financial transactions of Political Parties. The accounts of all Political Parties must be extensively audited. As per the recommendations of The National Commission to Review the Working of the Constitution report submitted in March 2002 "...The political parties as well as individual candidates be made subject to a proper statutory audit of the amounts they spend. These accounts should be monitored through a system of checking and cross-checking through the income-tax returns filed by the candidates, parties and their well- wishers." This recommendation has also been cited by the Supreme Court in its order dated 13.03.2003, on Writ Petition (Civil) No. 515 of 2002 (Association for Democratic Reforms vs. Union of India and another)

Furthermore the Election Commission in their proposed electoral reforms (2004) has said "The political parties must be required to publish their accounts (at least abridged version) annually for information and scrutiny of the general public and all concerned, for which purpose the maintenance of such accounts and their auditing to ensure their accuracy is a pre-requisite. The Commission reiterates these proposals with the modification that the auditing may be done by any firm of auditors approved by the Comptroller and Auditor General. The audited accounts should be available for information of the public."

There is a need for Political parties to have inner party democracy, transparency in their accounts and their funding, internal elections for office bearers etc. The Law Commission of India, National Commission for the Review of Working of Constitution and The Election Commission have recommended bringing in a law to this effect. Unfortunately, the law makers have refused to budge.

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