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ANALYSIS OF INCOME AND EXPENDITURE OF NATIONAL POLITICAL PARTIES FOR FY 2020-21

A Report by

Association for Democratic Reforms

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Analysis of Income & Expenditure of National Political Parties for FY 2020-21

Detailed Report

Introduction

Political parties have multiple sources of funding and thus accountability and transparency should be an important aspect of their functioning. It is essential to have comprehensive and transparent accounting methods and systems which should reveal the true financial position of the parties.

The Election Commission of India (ECI), in its [letter](#) dated 19th November,'14 addressed to the Presidents/General Secretaries of all political parties, stated that it was mandatory for the parties to submit details of their audited reports to the Commission. This report analyses the total income and expenditure incurred, all over India, by the all-National Parties during **FY 2020-21**, as declared by the parties in their IT Returns submitted to the ECI.

The National Parties include Bharatiya Janata Party (**BJP**) Indian National Congress (**INC**), Bahujan Samaj Party (**BSP**), Nationalist Congress Party (**NCP**), Communist Party of India (**CPI**), Communist Party of India (Marxist) (**CPM**), All India Trinamool Congress (**AITC**) and National People's Party (**NPEP**).

Status of submission of audited reports by the National Parties, FY 2020-21

- The due date for submission of annual audited accounts for the parties was **31st October,'21**.
- All National Parties (BSP, AITC, CPM, NPEP, NCP, INC, CPI and BJP) submitted their audit reports after a delay ranging from **59 days** to **201 days**.

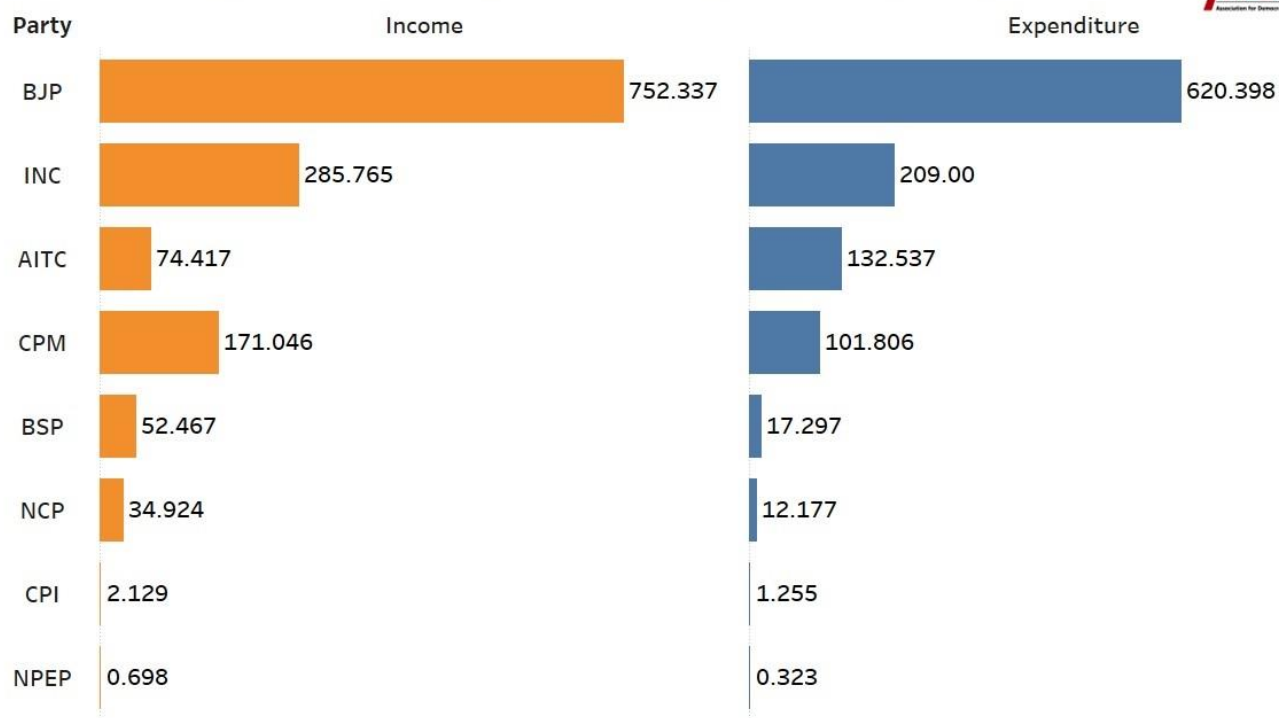
National Political Parties: Due date for submission: 31 Oct,'21					
S. No.	Political Party	Party Code	Status of submission	Date of submission	No. of days by which delayed
1	Bahujan Samaj Party	BSP	Submitted with delay	30 December, 2021	59 Days
2	All India Trinamool Congress	AITC	Submitted with delay	26 January 2022	86 Days
3	Communist Party of India (Marxist)	CPM	Submitted with delay	14 February, 2022	105 Days
4	National People's Party	NPEP	Submitted with delay	15 February, 2022	106 Days
5	Nationalist Congress Party	NCP	Submitted with delay	25 March, 2022	144 Days
7	Indian National Congress	INC	Submitted with delay	30 March, 2022	149 Days
6	Communist Party of India	CPI	Submitted with delay	31 March, 2022	150 Days
8	Bharatiya Janata Party	BJP	Submitted with delay	21 May, 2022	201 Days

Total Income and Expenditure of National Political Parties for FY 2020-21

- **BJP** declared a total income of **Rs 752.337 cr** during FY 2020-21, but spent only 82.46% (Rs 620.398 cr) of the total income. **INC's total income** was **Rs 285.765 cr** while the party spent **Rs 209 cr**, thus, party's expenditure for that year is 73.14% of its total income.
- **AITC's total income** was **Rs 74.417 cr** while the party spent Rs 132.537 cr, which exceeds its income for that year by 78.10%.
- **CPM's total income** was **Rs 171.046 cr** of which the party spent **59.52%** (Rs 101.806 cr).
- **NCP** declared a total income of **Rs 34.924 cr** during FY 2020.21, and **spent Rs 12.177 cr** (34.87%) of it.

Party	Total income and expenditure declared by Political Parties, FY 2020-21 (in Rs cr)			
	Total declared Income (A)	Total declared Expenditure (B)	Excess of income over expenditure (A-B=C)	Share of income remaining unspent (C/A*100)
BJP	752.337	620.398	131.94	17.54%
INC	285.765	209.00	76.765	26.86%
CPM	171.046	101.806	69.24	40.48%
AITC	74.417	132.537	-58.12	-78.10%
BSP	52.467	17.297	35.17	67.03%
NCP	34.924	12.177	22.747	65.13%
CPI	2.129	1.255	0.874	41.05%
NPEP	0.698	0.323	0.375	53.72%
Total	Rs 1373.783 cr	Rs 1094.793 cr	Rs 278.99 cr	20.31%

Total Income & Expenditure declared by National Parties, FY 2020-21 (in Rs Cr)



Total Income of National Parties for FY 2020-21

- The total Income of the National Parties has been compiled from the income from various sources pan India, as submitted in their Income Tax Returns.
- 8 National Parties** (BJP, INC, CPM, NCP, BSP, AITC, CPI and NPEP) have declared a **total income of Rs 1373.783 cr**, collected from all over India.
- BJP** has shown the highest income amongst the National Parties, an **income of Rs 752.337 cr** during FY 2020-21. This forms **54.764% of the total income of 8 National Parties** during FY 2020-21.
- INC** declared the second highest income of **Rs 285.765 cr** which forms **20.801%** of the total income of the 8 National Parties.
- NPEP** declared the least income of **Rs 69.80 lakhs** which forms a mere **0.051%** of the total income of the 8 National Parties during the FY 2020-21.

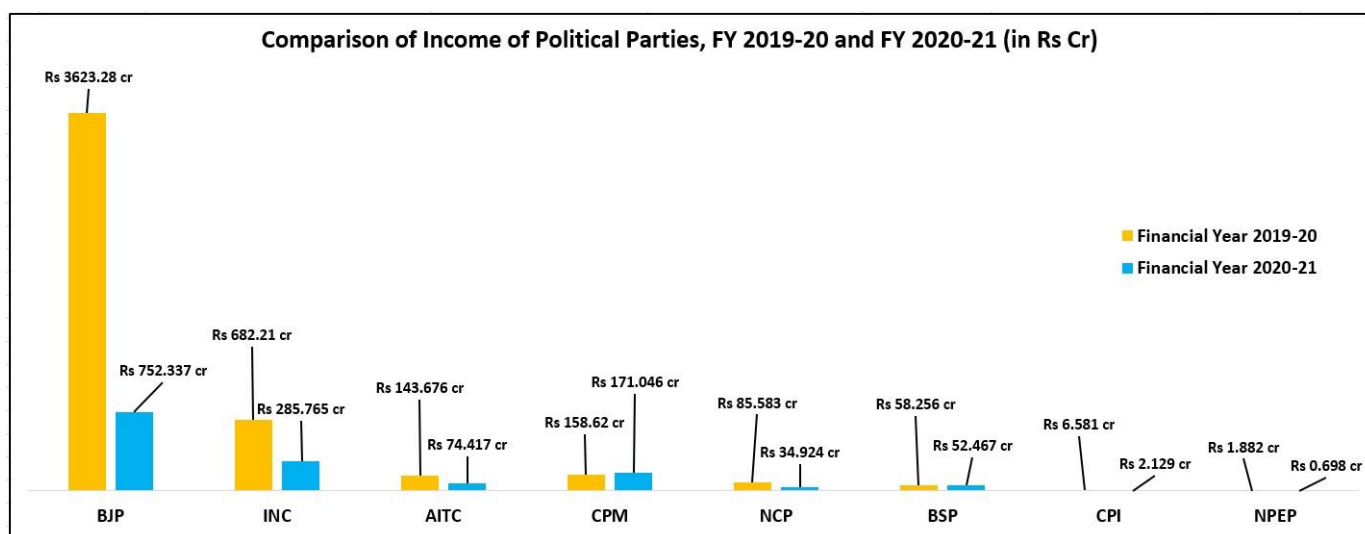
Income of National Parties for FY 2020-21								
National Party	BJP	INC	CPM	AITC	BSP	NCP	CPI	NPEP
Total Income	Rs 752.337 cr	Rs 285.765 cr	Rs 171.046 cr	Rs 74.417 cr	Rs 52.467 cr	Rs 34.924 cr	Rs 2.129 cr	Rs 0.698 cr
% Share of total Income	54.764%	20.801%	12.451%	5.417%	3.819%	2.542%	0.155%	0.051%
Grand Total	Rs 1373.783 cr							

Total Annual Income declared by National Parties, FY 2020-21 (in Rs Cr)



Comparison of total income of National Political Parties between FY 2019-20 & FY 2020-21

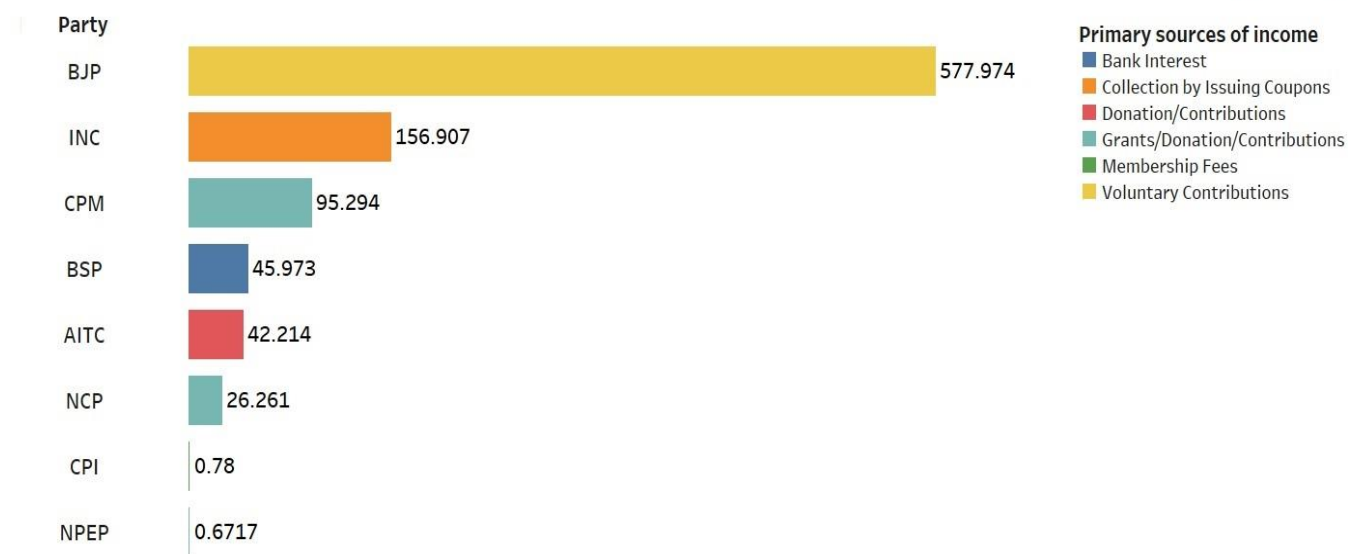
- Between FY 2019-20 and 2020-21, the **income of BJP decreased by 79.24%** (Rs 2870.943 cr) from **Rs 3623.28 cr** during FY 2019-20 to **Rs 752.337 cr** during FY 2020-21.
- Income of **INC decreased by 58.11%** (Rs 396.445 cr) from **Rs 682.21 cr** during FY 2019-20 to **Rs 285.765 cr** during FY 2020-21.
- Between FY 2019-20 and 2020-21, the **income of AITC, NCP, BSP, CPI and NPEP decreased by 48.20%** (Rs 69.259 cr), **59.19%** (Rs 50.659 cr), **9.94%** (Rs 5.789 cr), and **67.65%** (Rs 4.452 cr) and **62.91%** (Rs 1.184 cr), respectively.
- Income of **CPM increased by 7.83%** (Rs 12.426 cr) from **Rs 158.62 cr** during FY 2019-20 to **Rs 171.046 cr** during FY 2020-21.



Top 3 sources of income of National Parties for FY 2020-21

- National Parties have declared donations/contributions as one of their 3 main sources of income. **National Parties** that received **highest income from donations/contributions** include **BJP – Rs 577.974 cr**, include **INC – Rs 95.424 cr**, **CPM – Rs 95.294 cr**, **AITC – Rs 42.214 cr**, **NCP – Rs 26.261 cr** and **NPEP – Rs 67.17 lakhs**.
- Collection by Issuing Coupons of Rs 156.907 cr** declared by INC form 54.91% of its total income during FY 2020-21.

Primary sources of income of National Parties which have declared highest income, FY 2020-21 (in Rs Cr)



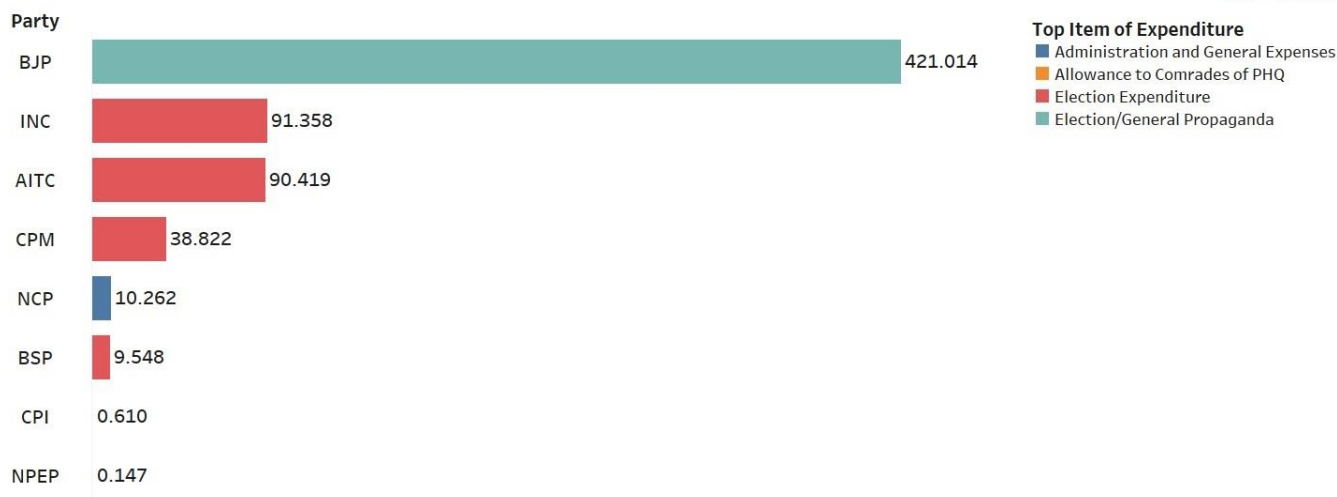
Political Party	Total Income	Political Parties top 3 sources of Income: Financial Year 2020-21		
		Top 3 Sources of Income	Amount (in Rs cr)	Share of Income
BJP	Rs 752.337 cr	Voluntary Contributions	577.974	76.82%
		Interest From Banks	168.746	22.43%
		Fee & Subscriptions	5.026	0.67%
		Other Income	0.591	0.08%
INC	Rs 285.765 cr	Collection by Issuing Coupons	156.907	54.91%
		Grants/Donation/Contributions	95.424	33.39%
		Fee & Subscriptions	20.75	7.26%
		Other Income	12.684	4.44%
CPM	Rs 171.046 cr	Grants/Donation/Contributions	95.294	55.712%
		Fee & Subscriptions	42.067	24.594%
		Interest From Bank	18.495	10.813%
		Other Income	15.190	8.881%
AITC	Rs 74.417 cr	Donation/Contributions	42.214	56.73%
		Fee & Subscriptions	18.778	25.23%
		Sundry Balance W/off	10.298	13.84%
		Other Income	3.127	4.20%
BSP	Rs 52.467 cr	Bank Interest	45.973	87.62%
		Fee & Subscriptions	6.005	11.45%
		Interest on Income tax Refund (A.Y. 2018-19)	0.416	0.79%
		Other Income	0.073	0.14%
NCP	Rs 34.924 cr	Grants/Donation/Contributions	26.261	75.19%
		Collection by Issuing Coupons/Sale of Publication	8.20	23.48%
		Interest on Fixed deposits	0.384	1.10%
		Other Income	0.079	0.23%
CPI	Rs 2.129 cr	Membership Fees	0.78	36.637%
		Party Fund and Election Fund	0.601	28.229%

Political Party	Total Income	Political Parties top 3 sources of Income: Financial Year 2020-21		
		Top 3 Sources of Income	Amount (in Rs cr)	Share of Income
		Interest Reced	0.542	25.458%
		Other Income	0.206	9.676%
NPEP	Rs 0.698 cr	Grants/Donation/Contributions	0.6717	96.23%
		FD Interest Income	0.0257	3.68%
		Saving Bank Interest Income	0.0006	0.09%
		Other Income	0	0%
Total Income declared			Rs 1373.783 cr	

Top 3 items of expenditure of National Parties for FY 2020-21

- The maximum expenditure for **BJP** has been towards **Election/General Propaganda** which amounted to **Rs 421.014 cr** followed by expenses towards **Administrative Costs**, **Rs 145.688 cr**.
- The maximum expenditure for **INC** has been towards **Election Expenditure** which amounted to **Rs 91.358 cr** followed by expenses towards **Administration and General Expenses**, **Rs 88.439 cr**. **AITC** spent the maximum of **Rs 90.419 cr** on **Election Expenditure** followed by expenditure of **Rs 3.96 cr** on **Administrative and General Expenses**.
- CPM** and **BSP** also incurred the maximum spending on **Election Expenditure** of **Rs 38.822 cr** and **Rs 9.548 cr**.
- NCP** declared to have spent **84.27%** of its total expenditure during FY 2020-21 on **Administration and General Expenses** (Rs 10.262 cr) while **CPI** spent **Rs 61 lakhs** or **48.61%** of its total expenditure on **Allowance to Comrades of PHQ**.

Major items of Expenditure of National Parties which have incurred highest expenses, FY 2020-21 (in Rs Cr)



Political Party	Total Expenditure	Political Parties Top 3 Items of Expenditure: Financial Year- 2020-21		
		Top 3 Items of Expenditure	Amount (in Rs cr)	% of Expenditure
BJP	Rs 620.398 cr	Election/General Propaganda	421.014	67.86%
		Administrative Costs	145.688	23.48%
		Employee Costs	33.302	5.37%
		Other Expenditure	20.394	3.29%
INC	Rs 209.00 cr	Election Expenditure	91.358	43.71%
		Administration and General Expenses	88.439	42.32%
		Employee Cost	20.3	9.71%

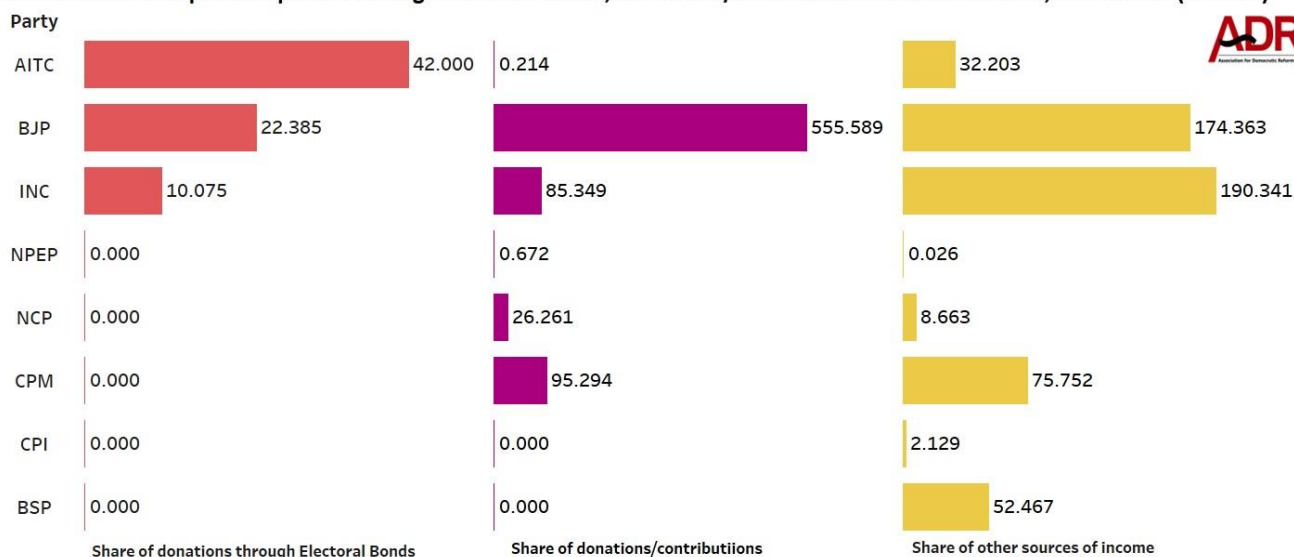
Political Party	Total Expenditure	Political Parties Top 3 Items of Expenditure: Financial Year- 2020-21		
		Top 3 Items of Expenditure	Amount (in Rs cr)	% of Expenditure
		Other Expenditure	8.903	4.26%
AITC	Rs 132.537 cr	Election Expenditure	90.419	68.22%
		Administration and General Expenses	3.96	2.99%
		Depreciation & Amortisation	0.976	0.74%
		Other Expenditure	37.182	28.05%
CPM	Rs 101.806 cr	Election Expenditure	38.822	38.133%
		Employee Cost	37.612	36.945%
		Administration and General Expenses	25.313	24.864%
		Other Expenditure	0.059	0.058%
BSP	Rs 17.297 cr	Election Expenditure	9.548	55.20%
		Administration and General Expenditure	7.688	44.45%
		Employee Cost	0.054	0.31%
		Other Expenditure	0.007	0.04%
NCP	Rs 12.177 cr	Administration and General Expenses	10.262	84.27%
		Employee Cost	0.987	8.11%
		Depreciation and Amortisation Expenses	0.522	4.29%
		Other Expenditure	0.406	3.33%
CPI	Rs 1.255 cr	Allowance to Comrades of PHQ	0.61	48.61%
		Election Help	0.246	19.60%
		Electricity & Water Taxes	0.083	6.61%
		Other Expenditure	0.316	25.18%
NPEP	Rs 0.323 cr	Administration and General Expenses	0.147	45.51%
		Election Expenditure	0.134	41.49%
		Employee Cost	0.033	10.22%
		Other Expenditure	0.009	2.79%
Total Expenditure declared			Rs 1094.793 cr	

All sources of income declared by National Parties, FY 2020-21

- **3 National parties** namely BJP, INC and AITC collected **5.42%** (Rs 74.46 cr) of their total **income from** donations through **Electoral Bonds** for FY 2020-21. **AITC** received donations through Electoral Bonds worth **Rs 42.00 cr**, **BJP** received **Rs 22.385 cr** and **INC** received **Rs 10.075 cr**.
- During FY 2020-21, 6 National Parties, declared receiving an income from **Donations/Contributions**, a total of **Rs 763.379 cr**.
- **Rs 535.944 cr** was income generated through **other sources of income** by National parties during FY 2020-21.

Party	Share of income of political parties through Electoral Bonds, Donations/Contributions & other income, FY 2020-21						
	Share of donations through Electoral Bonds of total declared Income	% Share	Share of donations/contributions of total declared Income	Share	Share of other sources of income of total declared Income	% Share	Total declared Income (A)
BJP	22.385	3%	555.589	73.8%	174.363	23.2%	Rs 752.337 cr
INC	10.075	3.526%	85.349	29.866%	190.341	66.608%	Rs 285.765 cr
CPM	0	0%	95.294	55.71%	75.752	44.29%	Rs 171.046 cr
AITC	42.00	56.44%	0.214	0.29%	32.203	43.27%	Rs 74.417 cr
BSP	0	0%	0	0.00%	52.467	100%	Rs 52.467 cr
NCP	0	0%	26.261	75.19%	8.663	24.81%	Rs 34.924 cr
CPI	0	0%	0	0.00%	2.129	100%	Rs 2.129 cr
NPEP	0	0%	0.6717	96.23%	0.0263	3.77%	Rs 0.698 cr
Total	Rs 74.46 cr	5.42%	Rs 763.379 cr	55.57%	Rs 535.944 cr	39.01%	Rs 1373.783 cr

Share of income of political parties through Electoral Bonds, Donations/Contributions & other income, FY 2020-21 (in Rs Cr)



Observations of ADR

- BSP, AITC, CPM, NPEP, NCP, INC, CPI and BJP parties submitted their audit reports after a delay of **59 days to 201 days**.
- The **most common** and popular **items of expenditure** for National parties for FY 2020-21 are **election expenses and administrative/general expenses**.
- As per the data shared by SBI in response to ADR's RTI application, Electoral Bonds worth **Rs 324.36 cr** were redeemed by parties in FY 2020-21.
- In FY 2020-21, there are 8 National and 31 Regional parties whose audit reports are available on the ECI website. Only 8 parties (3 National and 5 Regional) have declared donation through Electoral Bonds **Rs 325.06 cr**. (**BJP**- Rs 22.385 cr, **AITC**- Rs 42.00 cr and **INC**- Rs 10.075 cr, **YSR-Congress**- Rs 96.25 cr, **DMK**- Rs 80.00 cr, **BJD**- Rs 67.00 cr, **AAP**- Rs 5.95 cr and **JDU**- Rs 1.40 cr)

- Given the anonymity provided to donors by the scheme, it is seen that Electoral Bonds have emerged as the most popular mode of donations to National Political parties for FY 2019-20 as well. **More than 62% of the total income of seven National Parties came from Donations through Electoral Bonds (Rs 2993.826 cr)**, wherein identity of the donor is not disclosed to the public. Of the Regional parties that have submitted their audit reports, **14 Regional Parties** (TRS, TDP, YSR-C, BJD, DMK, SHS, AAP, JDU, SP, JDS, SAD, AIADMK, RJD & JMM) have **declared receiving donations through Electoral Bonds worth Rs 447.498 cr**.
- During FY 2020-21, out of the 8 National parties, only **3 Parties** (**INC**-Rs 156.9075 cr, **NCP**- Rs 8.20 cr and **CPM**- Rs 4.408 cr) declared receiving a total income of **Rs 169.515 cr** from **Sale of Coupons**.

Recommendations of ADR

- The Supreme Court gave a judgment on September 13, 2013 declaring that no part of a candidate's affidavit should be left blank. Along the same lines, we recommend that the Election Commission India impose rules that **no part of the Form 24A submitted by political parties providing details of donations above Rs 20,000 should be left blank**.
- Full details of all **donors should be made available for public scrutiny under the RTI**. Some countries where this is done include Bhutan, Nepal, Germany, France, Italy, Brazil, Bulgaria, the US and Japan. In none of these countries is it possible for 70% of the source of funds to be unknown.
- According to the **Finance Act, 2017**, Section 13A of the IT Act was amended to state that tax exemption will be given to registered political parties "Provided also that such political party **furnishes a return of income** for the previous year **in accordance** with the provisions of sub-section (4B) of section 139 **on or before the due date under that section**." Thus, any party which does not submit its IT returns on or before the due date, **their income should not be tax-exempted and defaulting parties should be derecognized**.
- Electoral Bonds infringe the citizen's fundamental 'Right to Know' by withholding crucial information regarding electoral funding. Such opaqueness is at the cost of larger public interest and is a severe blow to the very fundamentals of transparency and accountability. Serious concerns have been raised by civil society as well as constitutional authorities such as EC and RBI that **anonymous donations through Electoral Bonds will encourage money laundering** and lead to increased **use of black money** for political funding through **shell companies**. Therefore, **Electoral Bonds Scheme, 2018 should be entirely scrapped**.
- In the case of continuance of the Scheme, **the principle of anonymity of the bond donor enshrined in the Electoral Bond Scheme, 2018 must be done away with**. All political parties which **receive donations through Electoral Bonds should declare in their Contributions Reports the total amount of such donations received in the given financial year**, alongwith the detailed particulars of the donors as against each Bond; the amount of each such bond and the full particulars of the credit received against each bond. The procedures and reporting framework for the above must be standardized to ensure that a true picture of the financial position of the political parties is revealed to the general public.
- The **ECI/CBDT/CAG or any other relevant institution should be entrusted with the responsibility to oversee** that there is **no discrepancy between the value of Electoral Bonds redeemed** and the

value of donations received through Electoral Bonds by the political parties, and whether only entitled political parties are receiving funding via Electoral Bonds.

- Those parties not following the ICAI guidelines for auditing of reports should be scrutinized by the IT department.
- **All political parties must provide all information on their finances under the Right to Information Act.** This will only strengthen political parties, elections and democracy.

Disclaimer

Source for the data used in the report are the Audited accounts submitted by the political parties to the Income Tax Department and the Election Commission of India. These can be accessed from myneta.info/party and <https://eci.gov.in/files/category/1559-recognized-national-parties/>. ADR does not add or subtract any information, unless the EC changes the data. In particular, no unverified information from any other source is used. The data can be accessed from the websites of the ECI. While all effort has been made to ensure that the information is in keeping with what is mentioned in the statements submitted by the political parties, in case of discrepancy between information in this report and that given in their statements, the information reported by the parties should be treated as correct. Association for Democratic Reforms (ADR), National Election Watch (NEW) and their volunteers are not responsible or liable for any direct, indirect special, or consequential damages, claims, demands, losses of any kind whatsoever, made, claimed, incurred or suffered by any party arising under or relating to the usage of data provided by ADR through this report.

It is to be noted that ADR undertakes great care and adopts utmost due diligence in analysing and dissemination of the audit and reports of the political parties submitted with the Election Commission of India. Such information is only aimed at *highlighting the increased misuse of money in our electoral and political process so as to facilitate a system of transparency, accountability and good governance and to enable voters to form an informed choice*. Therefore, it is expected that anyone using this report shall undertake due care and utmost precaution while using the data provided by ADR. ADR is not responsible for any *mishandling, discrepancy, inability to understand, misinterpretation or manipulation, distortion of the data* in such a way so as to *benefit or target a particular political party or politician or candidate*.

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