

ANALYSIS OF SOURCES OF FUNDING OF NATIONAL & REGIONAL PARTIES: FY 2020-21

A Report by

Association for Democratic Reforms

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Analysis of Sources of Funding of National & Regional Parties, FY 2020-21

Political Parties play a key role in democracies as they contest elections, form governments, formulate policies and are responsible for providing governance and improve the lives of the common man. Political parties need access to money in order to reach out to the electorate, explain their goals/policies and receive inputs from people. But where do they collect their funds from?

An analysis of their Income Tax Returns and donations statements filed with the Election Commission of India (ECI) shows that the **sources remain largely unknown**. At present, political parties are not required to reveal the name of individuals or organizations giving less than Rs. 20,000 nor those who donated via Electoral Bonds. As a result, **more than 36% of the funds cannot be traced and are from 'unknown' sources**. While the **National and Regional Political Parties** were brought under the RTI Act by the CIC ruling in June 2013, they have still not complied with the decision. Full transparency is, unfortunately, not possible under the current laws, and it is only the RTI that can keep citizens informed.

For this analysis, **8 National parties (BJP, INC, AITC, CPM, NCP, BSP, CPI and NPEP)** and **27 Regional Parties (AAP, AGP, AIADMK, AIFB, AIMIM, AIUDF, BJD, CPI(ML)(L), DMDK, DMK, GFP, JDS, JDU, JMM, KC-M, MNS, NDPP, NPF, PMK, RLD, SAD, SDF, Shivsena, SKM, TDP, TRS and YSR-Congress)** were considered. However, **BSP** declared that it did not receive any funds from voluntary contributions (above or below Rs 20,000)/Sale of Coupons/Electoral Bonds or Unknown Sources of income. For information on the status of availability of audit and contribution reports of the political parties, refer to Annexure 3.

Observations of ADR

- Between **FY 2004-05 and 2020-21**, the **National Parties** have collected **Rs 15,077.97 cr from unknown sources** (reports can be accessed [here](#))
- For FY 2020-21, **8 National** political parties have declared **Rs 426.742 cr** income from **unknown sources** and **27 Regional Parties** received **Rs 263.928 cr** income from **Unknown sources**.
- During FY 2020-21, **INC** declared **Rs 178.782 cr** as income from **unknown sources** which is **41.89%** of the total income of National Parties from unknown sources (Rs 426.742 cr).
- **BJP** declared **Rs 100.502 cr** as income from unknown sources which is **23.55 %** of the total income of National Parties from unknown sources.
- Top 5 Regional parties' unknown income: **YSR-Congress** - Rs 96.2507 cr, **DMK** - Rs 80.018 cr, **BJD** - Rs 67.0034 cr, **MNS** - Rs 5.773 cr and **AAP** - Rs 5.352 cr.
- Out of **Rs 690.67 cr** as income from unknown sources, share of income from Electoral Bonds was **Rs 325.06 cr** or **47.06%**. (Electoral Bonds received by **8 National Parties** (Rs 74.46 cr) and **27 Regional parties** (Rs 250.60 cr).
- **Combined income of INC and NCP from sale of coupons** between FY 2004-05 and 2020-21 stands at **Rs 4261.83 cr**.
- There are **reporting discrepancies in the audit and contribution reports of 7 political parties** for FY 2020-21. These seven parties include **AITC, CPI, AAP, SAD, KC-M, AIFB and AIUDF**. In most cases, the share of donations above Rs 20, 000 declared by parties in their contribution reports does not match such income shown in their audit reports. This makes it difficult to arrive at an accurate figure of their income coming from unknown sources.
- Given below are the unknown sources of income declared by National and Regional parties for FY 2020-21:

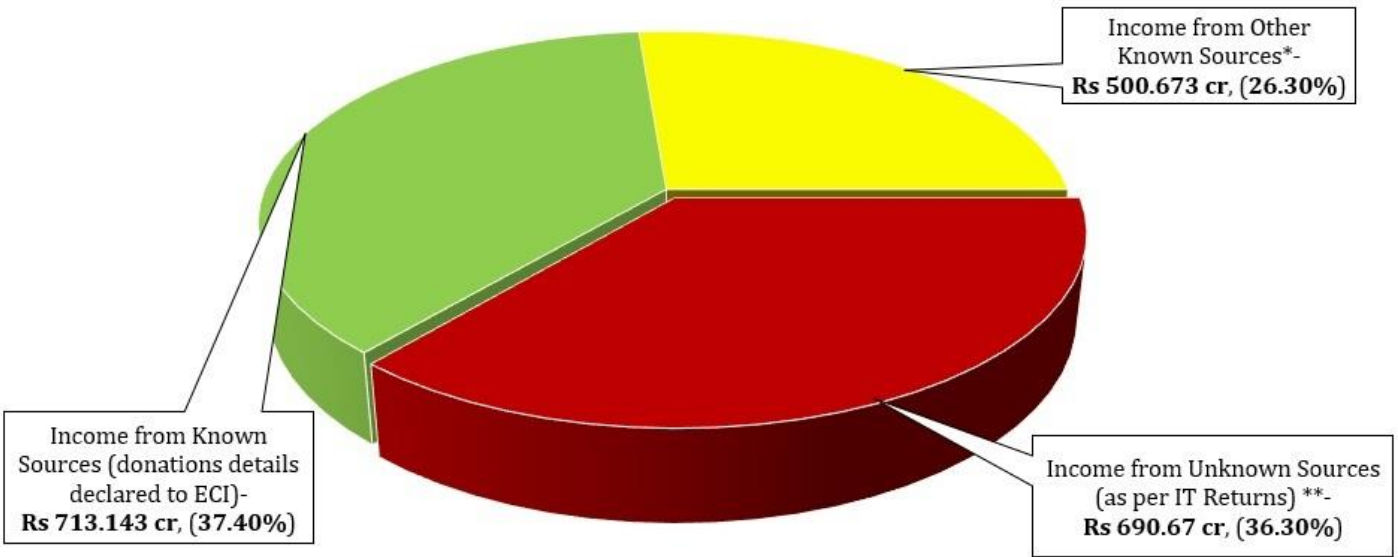
Unknown Sources as per the audit reports of Political Parties, FY 2020-21					Total Unknown Income
Political Parties	Donations received from Electoral Bonds	Voluntary Contributions (Below Rs 20,000)	By Collection from Sale of coupons	Miscellaneous Income	
National Party	74.46	171.1957	169.515	11.5716	Rs 426.742 cr
Percentage share	17.45%	40.12%	39.72%	2.71%	100%
Regional Party	250.60	8.418	4.686	0.224	Rs 263.928 cr
Percentage share	94.95%	3.19%	1.78%	0.08%	100%
Grand Total	Rs 325.06 cr	Rs 179.614 cr	Rs 174.201 cr	Rs 11.796 cr	Rs 690.67 cr
Percentage share	47.06%	26.01%	25.22%	1.71%	100%

Income of Political Parties from Known, Other Known and Unknown Sources

- For this report, **known sources** have been defined as donations above Rs 20,000, whose donor details are available through contributions report as submitted by National parties to the ECI.
- The **unknown sources** are income declared in the IT returns but **without giving source of income for donations below Rs. 20,000**. Such unknown sources include 'donations via Electoral Bonds', 'sale of coupons', 'relief fund', 'miscellaneous income', 'voluntary contributions', 'contribution from meetings/morchas' etc. The details of donors of such voluntary contributions are not available in the public domain.
- Other known sources** of income include sale of moveable & immovable assets, old newspapers, membership fees, delegate fee, bank interest, sale of publications and levy whose details would be available in the books of accounts maintained by political parties.
- Total income of 8 National political parties** in FY 2020-21: **Rs 1373.783 cr**.
- Total income of 27 Regional political parties** in FY 2020-21: **Rs 530.703 cr**.
- Total income of political parties from known donors** (details of donors as available from contribution report submitted by parties to Election Commission and analysed by ADR - [National](#) & [Regional](#) parties): **Rs 713.143 cr**, which is **37.40 %** of the total income of the parties.
- Total income of political parties from other known sources** (e.g. sale of assets, membership fees, bank interest, sale of publications, party levy etc.): **Rs 500.673 cr**, or **26.30%** of the total income.
- Total income of political parties from unknown sources** (income specified in the IT Returns whose sources are unknown): **Rs 690.67 cr**, which is **36.30%** of the total income of the parties.
- Out of **Rs 690.67 cr** as income from unknown sources, share of income from Electoral Bonds: **Rs 325.06 cr** or **47.06%**.

Sources of Income of National and Regional Parties for FY 2020-21				
Political Parties	Income from Unknown Sources (as per IT Returns) **	Income from Known Sources (donations details declared to ECI)	Income from Other Known Sources*	Total Income
National Parties	426.742	593.748	353.293	Rs 1373.783 cr
Percentage share	31.06%	43.22%	25.72%	100%
Regional Parties	263.928	119.395	147.38	Rs 530.703 cr
Percentage share	49.73%	22.50%	27.77%	100%
Grand Total	690.67	713.143	500.673	Rs 1904.486 cr
Percentage share	36.30%	37.40%	26.30%	100%

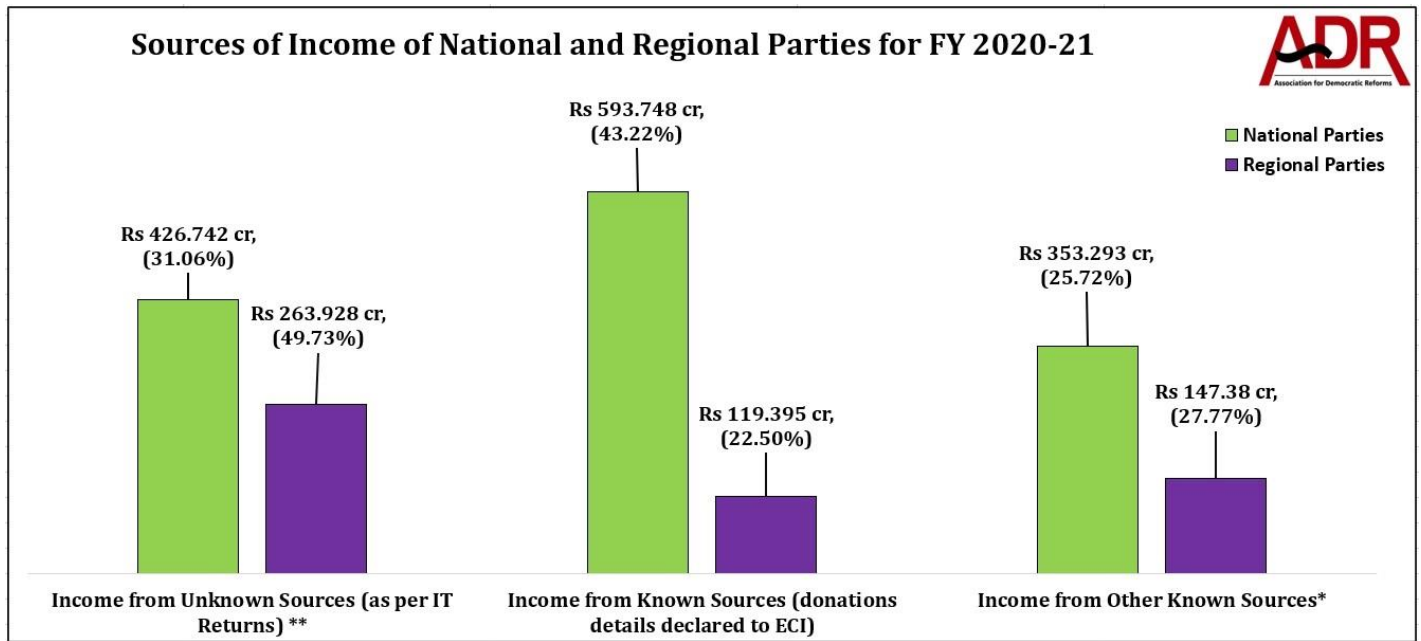
Sources of Income of National and Regional Parties for FY 2020-21



*Other known income includes: sale of moveable & immoveable assets, old newspapers, membership fees, delegate fee, bank interest, sale of publications and levy

**Details of income from unknown sources is given in Annexure – 1; Party-wise sources of income are given in Annexure – 2

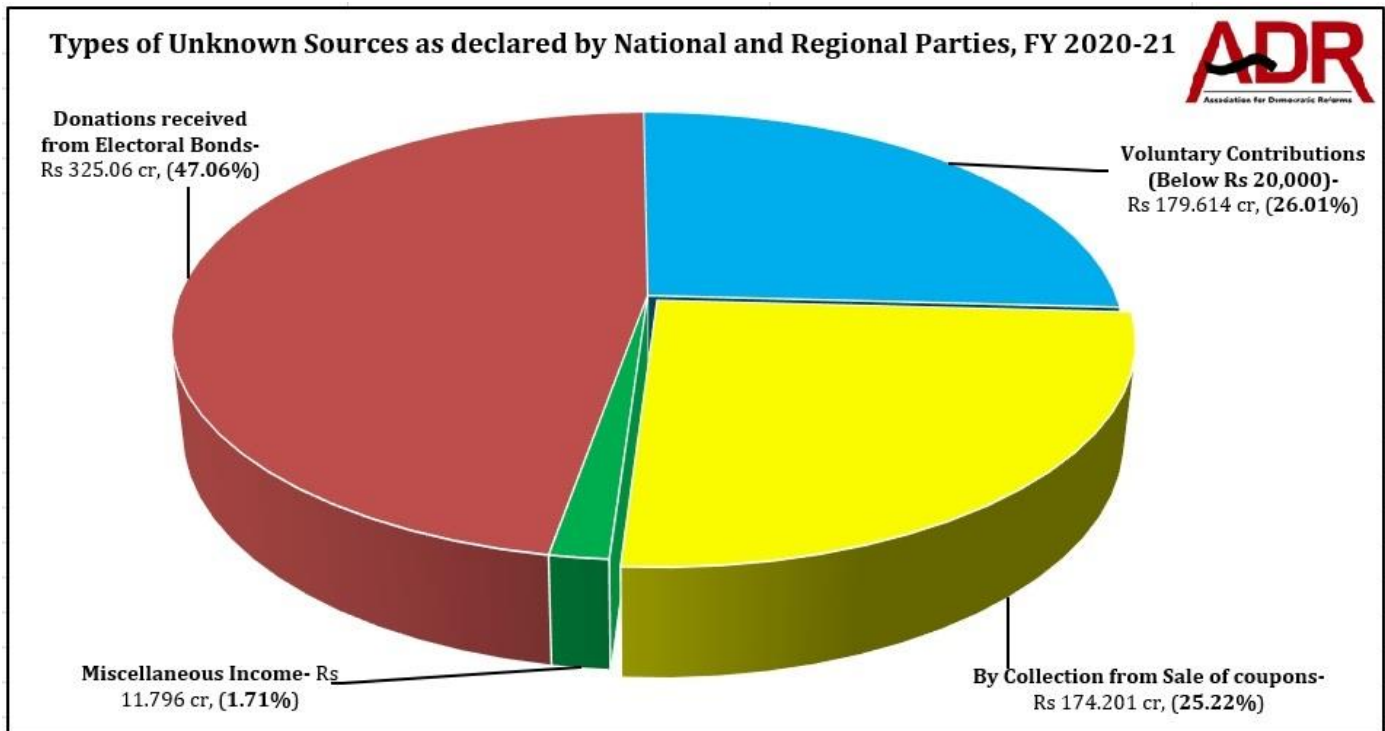
Sources of Income of National and Regional Parties for FY 2020-21



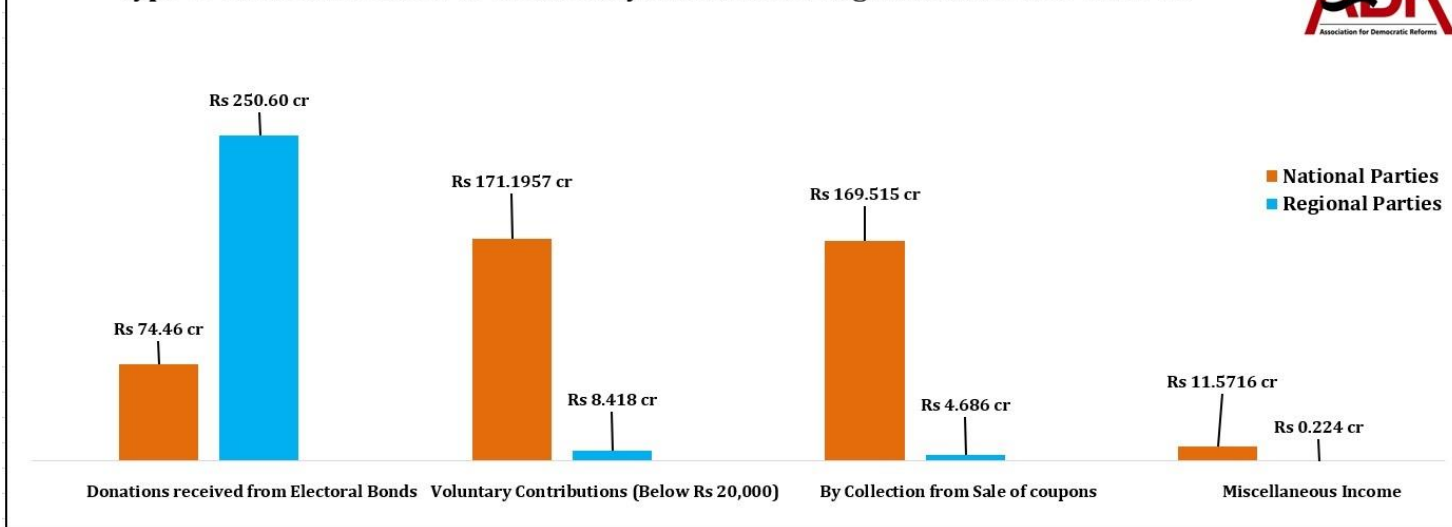
Income from Unknown Sources

- Out of total income of **Rs 690.67 cr** of **8 National** and **27 Regional Parties** from unknown sources, **47.06 %** or **Rs 325.06 cr** came from **Electoral Bonds**.
- Income from **sale of coupons** declared by INC, NCP & CPM formed **39.72% (Rs 169.515 cr)** of income from unknown sources while **Donations from Voluntary Contributions** (below Rs 20,000) formed **40.12%** (Rs 171.1957 cr) in income from unknown sources of the 8 National Parties.

Unknown Sources, as per the income-expenditure statements of Political Parties, FY 2020-21 (in Rs cr)					Total Unknown Income
Political Parties	Donations received from Electoral Bonds	Voluntary Contributions (Below Rs 20,000)	By Collection from Sale of coupons	Miscellaneous Income	
National Parties	74.46	171.1957	169.515	11.5716	Rs 426.742 cr
Percentage share	17.45%	40.12%	39.72%	2.71%	100%
Regional Parties	250.60	8.418	4.686	0.224	Rs 263.928 cr
Percentage share	94.95%	3.19%	1.78%	0.08%	100%
Grand Total	Rs 325.06 cr	Rs 179.614 cr	Rs 174.201 cr	Rs 11.796 cr	Rs 690.67 cr
Percentage share	47.06%	26.01%	25.22%	1.71%	100%



Type of Unknown Sources as declared by National and Regional Parties, FY 2020-21



Recommendations of ADR

- Since a very large percentage of the income of political parties cannot be traced to the original donor, 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, it is possible for more than **70%** of the sources of funds to be unknown, but at present it is so in India.
- Mode of payment of all donations (above and below Rs 20,000), income from sale of coupons, membership fees, etc. should be declared by the parties in the ‘Schedules’ of their audit reports, submitted annually to the Income Tax department and the ECI.
- The ECI has recommended that tax exemption be awarded only to those political parties which contest and win seats in Lok Sabha/ Assembly elections. The Commission has also recommended that details of all donors who donate above Rs 2,000 be declared in public domain. ADR supports ECI for its strong stand to enforce reforms in funding of political parties and hopes that these reforms are proactively taken up by the Government for implementation.
- Scrutiny of financial documents submitted by the political parties should be conducted annually by a body approved by CAG and ECI so as to enhance transparency and accountability of political parties with respect to their funding.
- The National and Regional political parties must provide all information under the Right to Information Act. This will only strengthen political parties, elections and democracy. However, RTI or not, political parties should voluntarily account for every rupee that they get or spend.

Disclaimer

Source for the data used in the report are the audit and contribution reports submitted by the National and Regional Political Parties to the Election Commission of India. 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 myneta.info/party and 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 political 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 contribution reports of the political parties submitted to the Election Commission of India and respective state CEOs. 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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Annexure – 1

Unknown Sources, as per the audit reports of Political Parties, FY 2020-21

Unknown Sources, as per the audit reports of Political Parties, FY 2020-21					Total Unknown Income
Political Parties	Donations received from Electoral Bonds	Voluntary Contributions (Below Rs 20,000)	By Collection from Sale of coupons	Miscellaneous Income	
National Parties					
BJP	22.385	78.044	0	0.073	Rs 100.502 cr
INC	10.075	10.825	156.907	0.975	Rs 178.782 cr
CPM	0	82.393	4.408	10.513	Rs 97.314 cr
AITC	42.00	-0.211	0	0	Rs 41.789 cr
NCP	0	0	8.20	0.006	Rs 8.206 cr
NPEP	0	0.0767	0	0	Rs 0.0767 cr
CPI	0	0.068	0	0.0046	Rs 0.0726 cr
BSP	0	0	0	0	Rs 0
Total	Rs 74.46 cr	Rs 171.1957 cr	Rs 169.515 cr	Rs 11.5716 cr	Rs 426.742 cr
Regional Parties					
YSR-Congress	96.25	0.0005	0	0.0002	Rs 96.2507 cr
DMK	80.00	0	0	0.0178	Rs 80.018 cr
BJD	67.00	0.0023	0	0.0011	Rs 67.0034 cr
MNS	0	5.772	0	0.0008	Rs 5.773 cr
AAP	5.95	-0.598	0	0	Rs 5.352 cr
SAD	0	0.0005	4.6855	0	Rs 4.686 cr
JDU	1.40	0.219	0	0	Rs 1.619 cr
JDS	0	0.811	0	0	Rs 0.811 cr
PMK	0	0.772	0	0	Rs 0.772 cr
JMM	0	0.62	0	0	Rs 0.62 cr
CPI(ML) (L)	0	0.411	0	0.062	Rs 0.473 cr
NDPP	0	0.2291	0	0	Rs 0.2291 cr
RLD	0	0	0	0.1415	Rs 0.1415 cr
AIUDF	0	0.077	0	0	Rs 0.077 cr
AIMIM	0	0.0465	0	0	Rs 0.0465 cr
Shivsena	0	0.036	0	0	Rs 0.036 cr
TRS	0	0.0306	0	0	Rs 0.0306 cr
AIFB	0	0.0222	0	0	Rs 0.0222 cr
TDP	0	0.0069	0	0	Rs 0.0069 cr
AGP	0	0.0036	0	0	Rs 0.0036 cr
AIADMK	0	0	0	0	Rs 0
DMDK	0	0	0	0	Rs 0
SKM	0	0	0	0	Rs 0
GFP	0	0	0	0	Rs 0
NPF	0	0	0	0	Rs 0
SDF	0	0	0	0	Rs 0
KC-M	0	-0.044	0	0	Rs -0.044 cr
Total	Rs 250.60 cr	Rs 8.418 cr	Rs 4.686 cr	Rs 0.224 cr	Rs 263.928 cr
Grand Total	Rs 325.06 cr	Rs 179.614 cr	Rs 174.201 cr	Rs 11.796 cr	Rs 690.67 cr

Annexure – 2

Party-wise sources of income of Political Parties, FY 2020-21

Sources of income of Political Parties during FY 2020-21 (in Rs cr)					
Political Parties	Income from Known sources (donations details declared to ECI)	Income from Other known sources	Income from Unknown Sources (as per IT Returns) **	Total Income	Share of Unknown income
National Parties					
BJP	477.545	174.29	100.502	Rs 752.337 cr	13.36%
INC	74.524	32.459	178.782	Rs 285.765 cr	62.56%
CPM	12.901	60.831	97.314	Rs 171.046 cr	56.89%
AITC	0.425	32.203	41.789	Rs 74.417 cr	56.16%
BSP	0	52.467	0	Rs 52.467 cr	0%
NCP	26.261	0.457	8.206	Rs 34.924 cr	23.50%
CPI	1.497	0.5594	0.0726	Rs 2.129 cr	3.41%
NPEP	0.595	0.0263	0.0767	Rs 0.698 cr	10.99%
Total	Rs 593.748 cr	Rs 353.293 cr	Rs 426.742 cr	Rs 1373.783 cr	31.06%
Regional Parties					
DMK	33.993	35.939	80.018	Rs 149.95 cr	53.36%
YSR-Congress	0.0025	11.7368	96.2507	Rs 107.99 cr	89.13%
BJD	0	6.3436	67.0034	Rs 73.347 cr	91.35%
JDU	60.155	3.536	1.619	Rs 65.31 cr	2.48%
TRS	4.15	33.4774	0.0306	Rs 37.658 cr	0.08%
AIADMK	2.00	32.076	0	Rs 34.076 cr	0%
AAP	11.328	0.92	5.352	Rs 17.60 cr	30.41%
Shivsena	0.689	13.116	0.036	Rs 13.841 cr	0.26%
MNS	1.44	0.318	5.773	Rs 7.531 cr	76.65%
SAD	1.2914	0.0206	4.686	Rs 5.998 cr	78.13%
TDP	0.0251	3.223	0.0069	Rs 3.252 cr	0.21%
DMDK	0	2.86	0	Rs 2.86 cr	0%
AIMIM	0.0295	1.544	0.0465	Rs 1.62 cr	2.87%
AIUDF	1.4806	0	0.077	Rs 1.5576 cr	4.94%
JDS	0.30	0.294	0.811	Rs 1.405 cr	57.72%
CPI(ML) (L)	0.049	0.871	0.473	Rs 1.393 cr	33.96%
PMK	0.39	0	0.772	Rs 1.162 cr	66.44%
SKM	0.94	0.093	0	Rs 1.033 cr	0%
JMM	0	0.286	0.62	Rs 0.906 cr	68.43%
RLD	0.0121	0.5594	0.1415	Rs 0.713 cr	19.85%
KC-M	0.69	0	-0.044	Rs 0.646 cr	-6.81%
GFP	0.292	0	0	Rs 0.292 cr	0%
NDPP	0	0	0.2291	Rs 0.2291 cr	100%
AIFB	0.0284	0.0824	0.0222	Rs 0.133 cr	16.69%
AGP	0.07	0.048	0.0036	Rs 0.1216 cr	2.96%
NPF	0.0385	0	0	Rs 0.0385 cr	0%
SDF	0.0012	0.0356	0	Rs 0.0368 cr	0%

Sources of income of Political Parties during FY 2020-21 (in Rs cr)					
Political Parties	Income from Known sources (donations details declared to ECI)	Income from Other known sources	Income from Unknown Sources (as per IT Returns) **	Total Income	Share of Unknown income
Total	Rs 119.395 cr	Rs 147.38 cr	Rs 263.928 cr	Rs 530.703 cr	49.73%
Grand Total	Rs 713.143 cr	Rs 500.673 cr	Rs 690.67 cr	Rs 1904.486 cr	36.30%

Annexure – 3

Regional Parties whose Audit and Contributions reports or both are not available on the ECI website FY 2020-21				
S. No.	Political Parties	Party Code	Status of audit report	Status of contributions report
1	AJSU Party	AJSU Party	Not available on ECI website	Available
2	Indian Union Muslim League	IUML	Not available on ECI website	Available
3	Jannayak Janta Party	JJP	Not available on ECI website	Available
4	Rashtriya Loktantrik Party	RLP	Not available on ECI website	Available
5	Samajwadi Party	SP	Not available on ECI website	Available
6	People's Democratic Alliance	PDA	Available	Not available on ECI website
7	Jammu and Kashmir Peoples Democratic Party	JKPDP	Available	Not available on ECI website
8	Zoram Nationalist Party	ZNP	Available	Not available on ECI website
9	All India N.R. Congress	AINRC	Available	Not available on ECI website
10	Maharashtrawadi Gomantak	MGP	Available	Not available on ECI website
11	Rashtriya Janata Dal	RJD	Available	Not available on ECI website
12	Bodoland Peoples Front	BPF	Not available on ECI website	Not available on ECI website
13	Hill State People's Democratic Party	HSPDP	Not available on ECI website	Not available on ECI website
14	Indian National Lok Dal	INLD	Not available on ECI website	Not available on ECI website
15	Indigenous People's Front of Tripura	IPFT	Not available on ECI website	Not available on ECI website
16	Jammu & Kashmir National Conference	JKNC	Not available on ECI website	Not available on ECI website
17	Jammu & Kashmir National Panthers Party	JKNPP	Not available on ECI website	Not available on ECI website
18	Janta Congress Chhattisgarh (J)	JCC(J)	Not available on ECI website	Not available on ECI website
19	Lok Jan Shakti Party	LJSP	Not available on ECI website	Not available on ECI website
20	Mizo National Front	MNF	Not available on ECI website	Not available on ECI website
21	Mizoram People's Conference	MPC	Not available on ECI website	Not available on ECI website
22	People's Democratic Front	PDF	Not available on ECI website	Not available on ECI website
23	People's Party of Arunachal	PPA	Not available on ECI website	Not available on ECI website
24	Rashtriya Lok Samta Party	RLSP	Not available on ECI website	Not available on ECI website
25	Revolutionary Socialist Party	RSP	Not available on ECI website	Not available on ECI website
26	United Democratic Party	UDP	Not available on ECI website	Not available on ECI website
27	United People's Party, Liberal	UPP,L	Not available on ECI website	Not available on ECI website