

Date: 16 May, 2023

ANALYSIS OF SOURCES OF FUNDING OF REGIONAL PARTIES: FY 2021-22

A Report by
Association for Democratic Reforms

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Analysis of Sources of Funding of Regional Parties of India, FY 2021-22

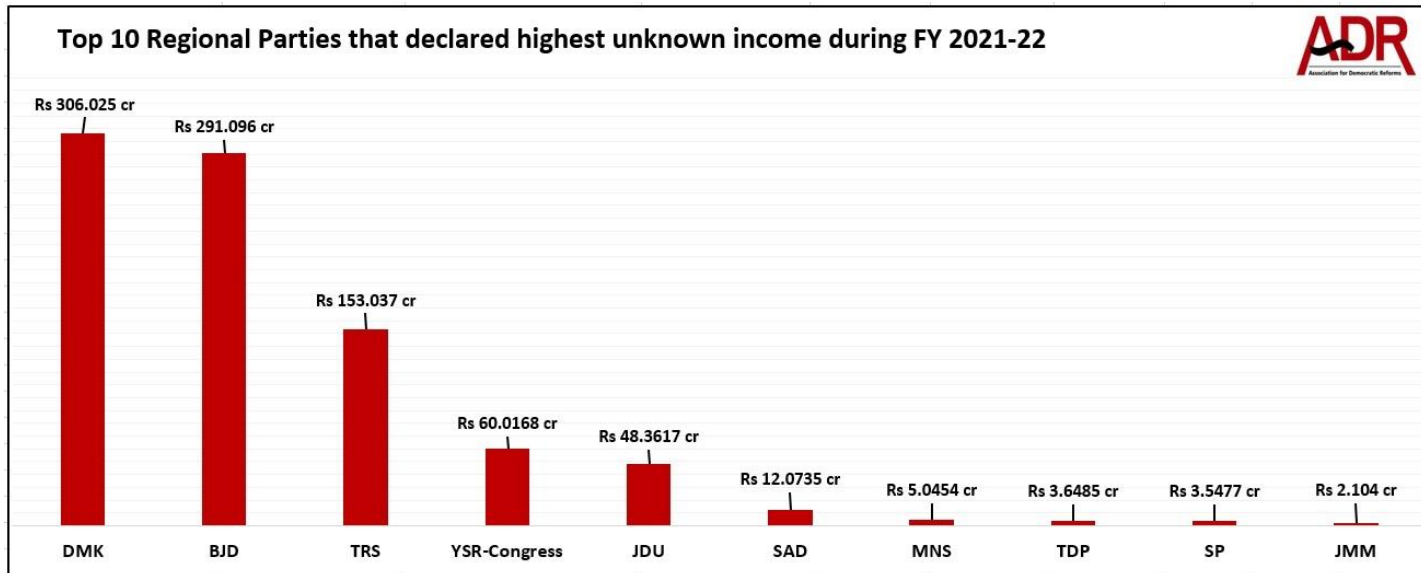
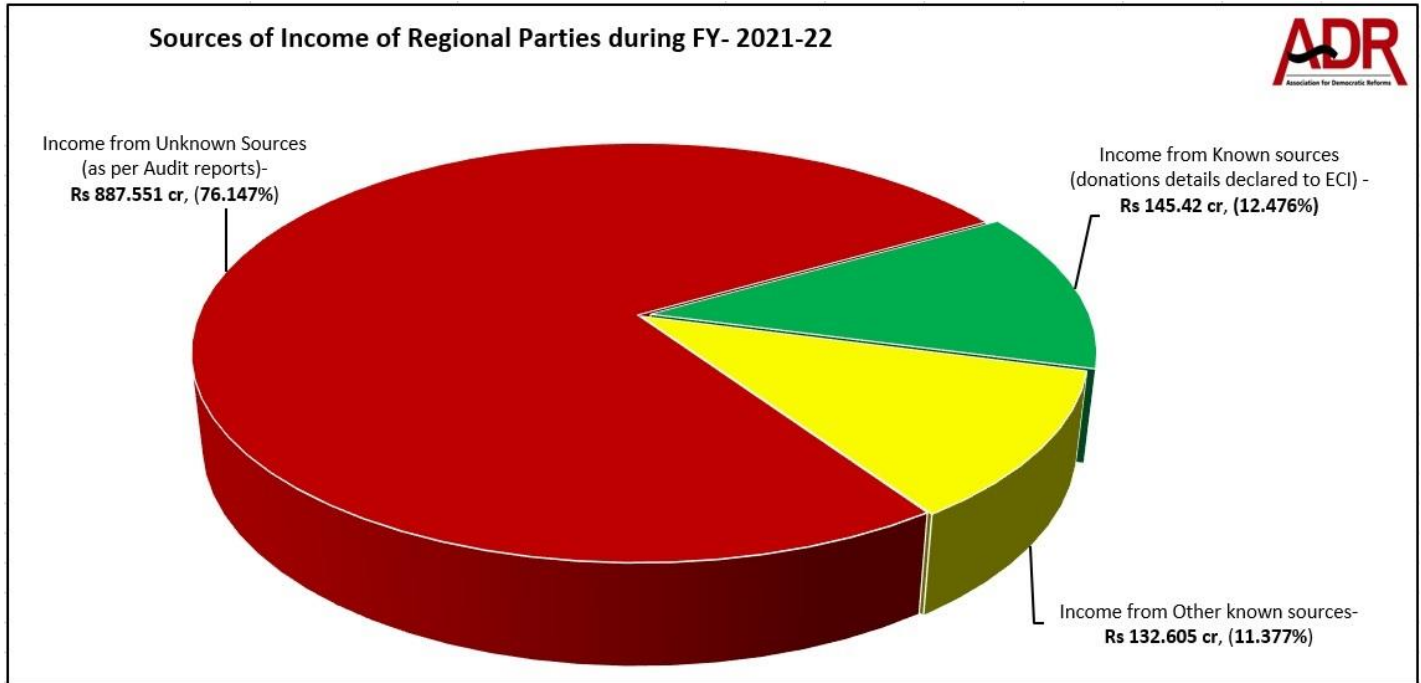
Political Parties play a key role in democracies as they contest elections, form governments, formulate policies and are responsible for providing governance and improving the lives of the common man. Political parties need access to money in order to reach out to the electorate, explain their goals/policies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

An analysis of their audit reports 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. As a result, **a substantial amount of funds cannot be traced and are from 'unknown' sources**. While the National Political Parties were brought under the RTI Act by the CIC ruling in June 2013, parties 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.

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

- For this report, **known sources** have been defined as donations above and below Rs 20,000, whose donor details are available through contribution reports as submitted by regional parties to the ECI.
- The **unknown sources** are income declared in the Annual Audit reports 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.
- Association for Democratic Reforms (ADR), in its previous [report dated 26th August, 2022](#), analysed **27** Regional parties which filed both their Annual Audit and Contribution reports. For FY 2020-21, total income of Regional parties amounted to **Rs 530.703 cr, of which Rs 263.928 cr or 49.73%** came from **unknown sources**.
- For this analysis, **54** Regional (recognized) parties were initially considered, but out of them only **28** have filed both their Annual Audit and Contribution reports (refer Annexure – 1), remaining **14** had not submitted one out of the two reports to be submitted (refer Annexure – 2). None of the two reports of **12** Regional parties are available on the ECI website at the time of preparation of this report.
- The Annual Audit and Contribution reports of **AAP** is available on the website, but party's donation declarations show discrepancies between data in the both reports for FY 2021-22. Therefore, this party has not been analyzed in this report.
- **Total income of 27 Regional political parties** in FY 2021-22 (which have submitted both reports): **Rs 1165.576 cr** (refer Annexure – 3).
- **Total income of political parties from known donors** (details of donors as available from Contribution report submitted by parties to Election Commission): **Rs 145.42 cr**, which is **12.476%** of the total income of the parties.
- **Total income of political parties from other known sources** (e.g. Membership fees, bank interest, sale of publications, party levy etc.): **Rs 132.605 cr**, or **11.377%** of total income.
- **Total income of political parties from unknown sources** (income specified in the audit reports whose sources are unknown): **Rs 887.551 cr**, which is **76.147%** of the total income of the parties.

Sources of Income of Regional Parties for FY 2021-22				
Regional Political Parties	Income from known sources (donation details declared to ECI)	Income from other known sources	Income from Unknown Sources (as per Audit reports)	Total Income
		145.42	132.605	887.551
Percentage share	12.476%	11.377%	76.147%	100%

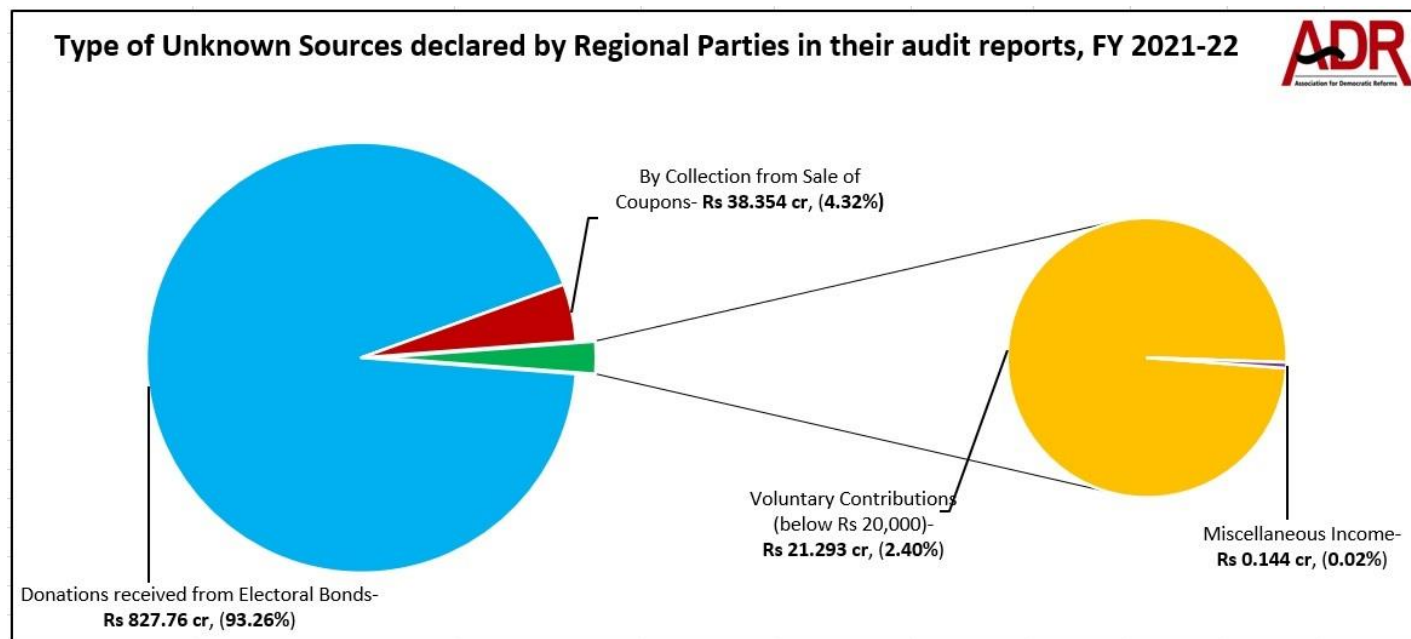


Income from Unknown Sources

- Rs 887.551 cr of the total income of Regional Parties came from **unknown sources**, 93.26% or Rs 827.76 cr of this came from **Electoral Bonds**.

- Income from **Sale of coupons** formed **4.32%** (Rs 38.354 cr) and **Voluntary contributions** (below Rs 20,000) formed **2.40%** (Rs 21.293 cr) in income from unknown sources of **27 Regional parties**. Refer to Annexure – 4.

Unknown Sources, as per the income-expenditure statements of Regional Parties, FY 2021-22 (in Rs cr)					
Regional Political Parties	Donations received from Electoral Bonds	By Collection from Sale of Coupons	Voluntary Contributions (below Rs 20,000)	Miscellaneous Income	Total Unknown Income
	827.76	38.354	21.293	0.144	Rs 887.551 cr
Percentage share	93.26%	4.32%	2.40%	0.02%	100%



Observations of ADR

- In FY 2021-22, **either of the two reports** of the **14 Regional Parties** (audit reports of 8 parties and contribution reports of 6 parties) are not available on the ECI website. In FY 2021-22, for **12 regional parties**, both reports (audit and contribution) are unavailable on the ECI website.
- The contribution report of **AAP** is available on the website, but the party's donations data show discrepancies as declared in their Annual Audit report and Contribution report (donations above Rs 20,000) for FY 2021-22. Therefore, this party has not been analyzed in this report. (Party has declared Rs 25.12 cr donations through others (Electoral bond/Electoral Trust), but the party has not declared a separate amount for Electoral Bonds).

Aam Aadmi Party (AAP): FY 2021-22			
Donation & Contribution	Others (Electoral Bonds/Electoral Trust)	Other Donations	Voluntary Contributions (Above Rs 20,000)
Rs 43.592 cr	Rs 25.12 cr	Rs 18.472 cr	Rs 38.243 cr

- During FY 2021-22, total income of Regional Parties from Unknown Sources amounted to **Rs 887.551 cr** and constituted **76.147%** of their total income as declared in their audit reports. **93.26%** or **Rs 827.76 cr** of this came from **Electoral Bonds**, and Regional Parties collected **Rs 38.354 cr** from **Sale of Coupons**.

- Some of the **top Regional Parties to declare highest income from unknown sources** include DMK (Rs 306.025 cr), BJD (Rs 291.096 cr), TRS (Rs 153.037 cr), YSR-Congress (Rs 60.0168 cr) and JDU (Rs 48.3617 cr).
- Regional Parties such as the **DMK, MNS** and **NPF** provided **details of donations below Rs 20,000** also.

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 India, during **FY 2021-22**, total **income of National Parties** from **unknown sources** totaled **66.04%**.
- Any organization that receives foreign funding should not be allowed to support or campaign for any candidate or political party.
- 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/ State 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.

Disclaimer

Source for the data used in the report are the Annual Audit Reports and Contribution Reports 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 from the Election Commission of India’s website ([annual audit report](#) and [contribution report](#)). 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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Annexure – 1

Regional Parties whose Audit and Contributions reports are available

Regional Parties whose Audit and Contributions reports are available – FY 2021-2022				
S. No	Regional Party Name	Party code	Audit Report	Donations Report
1	Aam Aadmi Party**	AAP	Available	Available
2	All Jharkhand Students Union Party	AJSU Party	Available	Available
3	All India Anna Dravida Munnetra Kazhagam	AIADMK	Available	Available
4	All India Forward Bloc	AIFB	Available	Available
5	All India United Democratic Front	AIUDF	Available	Available
6	Biju Janata Dal	BJD	Available	Available
7	Communist Party of India (Marxist-Leninist) (Liberation)	CPI(ML)(L)	Available	Available
8	Desiya Murpokku Dravida Kazhagam	DMDK	Available	Available
9	Dravida Munnetra Kazhagam*	DMK	Available	Available
10	Goa Forward Party	GFP	Available	Available
11	Janata Dal (Secular)	JDS	Available	Available
12	Janata Dal (United)	JDU	Available	Available
13	Jannayak Janta Party	JJP	Available	Available
14	Jharkhand Mukti Morcha	JMM	Available	Available
15	Kerala Congress (M)	KC-M	Available	Available
16	Maharashtra Navnirman Sena*	MNS	Available	Available
17	Maharashtrawadi Gomantak	MGP	Available	Available
18	Nationalist Democratic Progressive Party	NDPP	Available	Available
19	Pattali Makkal Katchi	PMK	Available	Available
20	People’s Democratic Front	PDF	Available	Available
21	Rashtriya Lok Dal	RLD	Available	Available
22	Samajwadi Party	SP	Available	Available
23	Shiromani Akali Dal	SAD	Available	Available
24	Sikkim Democratic Front	SDF	Available	Available
25	Telangana Rashtra Samithi	TRS	Available	Available
26	Telugu Desam Party	TDP	Available	Available
27	Yuvajana Sramika Rythu Congress Party	YSR-Congress	Available	Available
28	Naga Peoples Front*	NPF	Available	Available

*Contains details of donations declared below Rs 20,000

** Party’s donation amount shows discrepancy in its declared statements

Annexure – 2

Regional Parties whose Audit/ Contribution reports were unavailable

Regional Parties whose Audit/Contribution reports were unavailable - FY 2021-22				
S. No	Regional Party Name	Party code	Audit Report	Donations Report
1	All India Majilis-e-Ittehadul Muslimeen	AIMIM	Not available on ECI website	Available
2	Indian Union Muslim League	IUML	Not available on ECI website	Available
3	Jammu & Kashmir National Conference	JKNC	Not available on ECI website	Available
4	People's Party to Arunachal	PPA	Not available on ECI website	Available
5	Rashtriya Loktantrik Party	RLTP	Not available on ECI website	Available
6	Sikkim Krantikari Morcha	SKM	Not available on ECI website	Available
7	All India N.R. Congress	AINRC	Available	Not available on ECI website
8	Asom Gana Parishad	AGP	Available	Not available on ECI website
9	Indian National Lok Dal	INLD	Available	Not available on ECI website
10	Jammu and Kashmir Peoples Democratic Party	JKPDP	Available	Not available on ECI website
11	Janta Congress Chhattisgarh (J)	JCC(J)	Available	Not available on ECI website
12	People's Democratic Alliance	PDA	Available	Not available on ECI website
13	Rashtriya Janata Dal	RJD	Available	Not available on ECI website
14	United People's Party, Liberal	UPPL	Available	Not available on ECI website
15	Bodoland Peoples Front	BPF	Not available on ECI website	Not available on ECI website
16	Hill State People's Democratic Party	HSPDP	Not available on ECI website	Not available on ECI website
17	Indigenous People's Front of Tripura	IPFT	Not available on ECI website	Not available on ECI website
18	Jammu & Kashmir National Panthers Party	JKNPP	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	Rashtriya Lok Samta Party	RLSP	Not available on ECI website	Not available on ECI website
23	Revolutionary Socialist Party	RSP	Not available on ECI website	Not available on ECI website
24	Shiv Sena	SHS	Not available on ECI website	Not available on ECI website
25	United Democratic Party	UDP	Not available on ECI website	Not available on ECI website
26	Zoram Nationalist Party	ZNP	Not available on ECI website	Not available on ECI website

Annexure – 3

Sources of income of Regional Parties during FY 2021-22

Sources of income of Regional Parties during FY 2021-22 (in Rs cr)					
Regional Political Party	Income from Known sources (donations details declared to ECI)	Income from Other known sources	Income from Unknown Sources (as per Audit reports)	Total Income	Share of Unknown income
DMK	2.143	10.577	306.025	Rs 318.745 cr	96.01%
BJD	0	16.192	291.096	Rs 307.288 cr	94.73%
TRS	40.90	24.175	153.037	Rs 218.112 cr	70.16%
YSR-Congress	20.01	13.6972	60.0168	Rs 93.724 cr	64.04%
JDU	33.257	4.9363	48.3617	Rs 86.555 cr	55.87%
SP	29.795	27.6683	3.5477	Rs 61.011 cr	5.81%
SAD	13.262	0.0785	12.0735	Rs 25.414 cr	47.51%
AIADMK	0	25.2608	0.0022	Rs 25.263 cr	0.01%
MNS	1.439	0.2819	5.0474	Rs 6.7683 cr	74.57%
TDP	0.629	1.7505	3.6485	Rs 6.028 cr	60.53%
JJP	0.135	4.346	0	Rs 4.481 cr	0%
JMM	0.01	0.303	2.104	Rs 2.417 cr	87.05%
JDS	1.00	0.7788	0.39	Rs 2.1688 cr	17.98%
MGP	1.315	0	0.55	Rs 1.865 cr	29.49%
CPI(ML)(L)	0.24	1.342	0.127	Rs 1.709 cr	7.43%
RLD	0.507	0.726	0.001	Rs 1.234 cr	0.08%
GFP	0.25	0	0.85	Rs 1.10 cr	77.27%
KC-M	0.266	0	0.234	Rs 0.50 cr	46.80%
PMK	0	0.354	0	Rs 0.354 cr	0%
NDPP	0	0	0.3156	Rs 0.3156 cr	100%
AJSU Party	0.13	0	0.0932	Rs 0.2232 cr	41.67%
AIFB	0	0.1036	0.0022	Rs 0.1058 cr	2.08%
AIUDF	0.073	0	0.004	Rs 0.077 cr	5.19%
PDF	0.008	0	0.0247	Rs 0.0327 cr	75.54%
SDF	0	0.0282	0	Rs 0.0282 cr	0%
DMDK	0.005	0.0058	0	Rs 0.0108 cr	0%
NPF	0.0458	0	0	Rs 0.0458 cr	0%
Total	Rs 145.42 cr	Rs 132.605 cr	Rs 887.551 cr	Rs 1165.576 cr	76.157%
AAP	38.243	0.947	5.349	Rs 44.539 cr	-

Annexure – 4

Unknown sources of income of Regional Parties during FY 2021-22

Unknown Sources of Income of Regional Parties during FY 2021-22 (in Rs cr)					Total Unknown Income
Regional Political Party	Donations received from Electoral Bonds	By Collection from Sale of coupons	Voluntary Contributions (Below Rs 20,000)	Miscellaneous Income	
DMK	306.00	0	0	0.0248	Rs 306.025 cr
BJD	291.00	0	0	0.096	Rs 291.096 cr
TRS	153.00	0	0.037	0	Rs 153.037 cr
YSR-Congress	60.00	0	0.0168	0	Rs 60.0168 cr
JDU	10.00	36.5247	1.837	0	Rs 48.3617 cr
SAD	0.50	0.4285	11.145	0	Rs 12.0735 cr
MNS	0	0	5.0474	0	Rs 5.0454 cr
TDP	3.50	0	0.1485	0	Rs 3.6485 cr
SP	3.21	0	0.335	0.0027	Rs 3.5477 cr
JMM	0	0.80	1.304	0	Rs 2.104 cr
GFP	0	0	0.85	0	Rs 0.85 cr
MGP	0.55	0	0	0	Rs 0.55 cr
JDS	0	0.38	0.0099	0	Rs 0.39 cr
NDPP	0	0	0.3156	0	Rs 0.3156 cr
KC-M	0	0.221	0.013	0	Rs 0.234 cr
CPI(ML)(L)	0	0	0.109	0.0184	Rs 0.127 cr
AJSU Party	0	0	0.0932	0	Rs 0.0932 cr
PDF	0	0	0.0247	0	Rs 0.0247 cr
AIUDF	0	0	0.004	0	Rs 0.004 cr
AIFB	0	0	0.0022	0	Rs 0.0022 cr
AIADMK	0	0	0	0.0022	Rs 0.0022 cr
RLD	0	0	0.001	0	Rs 0.001 cr
JJP	0	0	0	0	Rs 0 cr
PMK	0	0	0	0	Rs 0 cr
SDF	0	0	0	0	Rs 0 cr
DMDK	0	0	0	0	Rs 0 cr
NPF	0	0	0**	0	Rs 0 cr
Total	Rs 827.76 cr	Rs 38.354 cr	Rs 21.293 cr	Rs 0.144 cr	Rs 887.551 cr
AAP*	25.12	0	-19.771	0	Rs 5.349 cr

*AAP has declared Rs 25.12 cr worth donations through Others (Electoral bond/Electoral Trust) and it declared donations above Rs 20,000 worth Rs 38.243 cr. The total donations declared by AAP amount to Rs 43.592 cr. the above amounts are not matching, therefore we are not taking the party's data in the table.

** donation details given by NPF party.