

Analysis of Donations of Political Parties

Political parties rely heavily on donations for fighting elections and running their daily affairs. They receive huge sums of money in the form of donations and contributions from corporate, trusts and individuals.

Section 29C of the Representation of People Act, 1951 says that political parties are required to submit contribution details received in excess of Rs 20,000 from any person or a company. This section has been interpreted by political parties, to include every single donation made above Rs 20,000 by any person at one time. This section however, would also include in it multiple donations made by the same person, entity or company aggregating Rs 20,000 or above during the year.

In addition to this, the coupon system has been adopted by political parties for collecting funds by issuing of coupons in lieu of receipts to donors for cash contributions. Moreover, these are cash donations and it becomes all the more difficult to establish the identity of the donor. This implies that a lot of cash donations received remain unaccounted for in the books of accounts as only those amounts would be recorded for which a receipt has been issued.

Thus it becomes all the more important to have a strict regulatory mechanism wherein political parties have to report the correct quantum and the source of donations received.

Analysis of Total Donations of Parties

- BJP has declared that it has received the maximum donations amongst the national parties. Total Donations received for the three financial years is ₹ 520.3 crore.
- Even though INC is in power at the center, its total donations for the three financial years is ₹ 168 crore only. INC has received approximately ₹ 920 crore from 'sale of coupons'. NCP has shown donations of only ₹ 10.7 crore. It has earned close to ₹ 89 crore from 'sale of coupons'.
- BSP (₹ 231.2 crore), CPI (M) (95.6 crore), CPI (₹ 1.7 crore)
- Samajwadi Party has shown that it has received the maximum donations amongst the regional parties analyzed for three financial years combined i.e. ₹ 61.98 crore followed by Janata Dal (United) with ₹ 20.46 crore.
- Shiromani Akali Dal - ₹ 15.54 crore, AIADMK- ₹ 5.44 crore, J&K National Conference- ₹ 15.06 crore, Biju Janata Dal- ₹ 3 crore (for 2008 & 2009)

Party	Total Donations (Rs. In crore)			Total (Rs. In Crore)
	2007-2008	2008-2009	2009-2010	
National Parties				
Indian National Congress	24.2	47.9	95.9	168
Bharatiya Janata Party	101.4	196.3	222.6	520.3
Bahujan Samaj Party	47.5	155.4	28.3	231.2
Communist Party of India(Marxist)	30.1	25.1	40.4	95.6

Party	Total Donations (Rs. In crore)			Total (Rs. In Crore)
	2007-2008	2008-2009	2009-2010	
Nationalist Congress Party	1	5.6	4	10.7
Communist Party of India	0.7	0.5	0.5	1.7
Regional Parties				
Samajwadi Party	22.3	24.16	15.52	61.98
Shiromani Akali Dal	7.96	1.28	6.3	15.54
Janata Dal (United)	0.21	9.25	11	20.46
AIADMK	0.07	5.17	0.2	5.44
J & K National Conference	1.89	9.99	3.18	15.06
Biju Janata Dal*	0.22	2.78	n/a	3

Table: Total Donations declared by Parties in their ITR for FYs 2007-2008 to 2009-2010. * For Biju Janata Dal, donation figures are available only for 2008 and 2009. Their annual ITR does not contain Income and Expenditure A/C

Share of Donations from Total Income

- The highest share of donations from the total income amongst the national parties is for BJP (86%) followed by BSP (75%).
- INC and NCP have shown that their share of donations received from total income is a mere 10% and 14% respectively.
- Amongst the regional parties analyzed, Shiromani Akali Dal and Janata Dal (United) have shown that they derive 98% of their total income from donations for the three financial years 2008, 2009 and 2010.

Party	For FY 2007-08, 2008-09 and 2009-2010		
	Total Income (Rs in Crore)	Total Donations (Rs in Crore)	% share of Donations from Total Income
National Parties			
Indian National Congress	1185.2	168	14%
Bharatiya Janata Party	601.8	520.3	86%
Bahujan Samaj Party	308.7	231.2	75%
Communist Party of India(Marxist)	195.8	95.6	49%
Nationalist Congress Party	102.2	10.7	10%
Communist Party of India	3.7	1.7	45%
Regional Parties			
Samajwadi Party	99.4	61.98	62%
Shiromani Akali Dal	15.92	15.54	98%
Janata Dal (United)	20.86	20.52	98%
AIADMK	25.23	5.44	22%

Party	For FY 2007-08, 2008-09 and 2009-2010		
	Total Income (Rs in Crore)	Total Donations (Rs in Crore)	% share of Donations from Total Income
J & K National Conference	20.45	15.06	74%
Biju Janata Dal*	n/a	3*	n/a

Table: Share of Donations from Total Income for National Parties. * For Biju Janata Dal, donation figures are available only for 2008 and 2009. Their annual ITR does not contain Income and Expenditure A/C.

Share of Donations received in excess of Rs 20,000 from Total Income

- INC has shown that its share of donations received in excess of Rs 20,000 from total income is a mere 10% and for BJP it is 23%.
- BSP is the only party which has declared that it has not received a single donation in excess of Rs 20,000 in all the three financial years considered even though its total donations are around ₹ 231 crore.
- SP and AIADMK have shown that their share of donations received in excess of Rs 20,000 from total income is a mere 2% and 1% respectively.

Party	For FY 2007-08, 2008-09 and 2009-2010		
	Total Income (Rs in Crore)	Donations received in excess of Rs 20,000 (Rs in Crore)	% of donations received in excess of Rs 20,000 over total income
National Parties			
Indian National Congress	1185.2	119.9	10%
Bharatiya Janata Party	601.8	137.8	23%
Bahujan Samaj Party	308.7	0	0%
Communist Party of India(Marxist)	195.8	1.5	1%
Nationalist Congress Party	102.2	10	9%
Communist Party of India	3.7	1.5	40%
Regional Parties			
Samajwadi Party	99.4	2.4	2%
Shiromani Akali Dal	15.92	1.93	12%
Janata Dal (United)	20.86	5.7	27%
AIADMK	25.23	0.27	1%
J & K National Conference	20.45	n/a	n/a
Biju Janata Dal*	n/a	5*	n/a

Table: Share of Donations from Total Income for National Parties. * For Biju Janata Dal, donation figures is available only for 2009-2010.

Top Donors of Parties (for FY 2009-2010)

Party	Top Donors	Amount (Rs.)
Indian National Congress	General Electoral Trust	13.95 Crore
	Electoral Trust	5.64 Crore
	Infrastructure Development & Consultant (I) (P) Ltd.	5.50 Crore
Bharatiya Janata Party	General Electoral Trust	16.60 Crore
	M/s Asianet V Holding Pvt. Ltd.	10 Crore
	Torrent Power Ltd.	5.50 Crore
Nationalist Congress Party	HINDUSTAN CONSTRUCTION COMPANY LIMITED	1 Crore
	SATYA ELECTORAL TRUST	1 Crore
	MAHINDRA & MAHINDRA LIMITED	50 Lakh
Communist Party of India (Marxist)	NUZIVEEDU SEEDS PRIVATE LTD	10 Lakh
	HETRO DRUGS LTD	6 Lakh
	SHRI KAMANI M MORKHA	5 Lakh
Communist Party of India	A P STATE COUNCIL CPI MAKHDOOM BHAVAN	20 Lakh
	A.B. BARDHAN	15.61 Lakh
	D. RAJA	12.55 Lakh
Samajwadi Party	Sew Infrastructure Ltd.	1.25 Crore
	Nippon Investment & Fin Co. Pvt. Ltd.	1 Crore
	Srinivasa Raju Chalapathi	1 Crore
	Teckare India Pvt. Ltd.	1 Crore
Shiromani Akali Dal	Ambuja Cement Ltd.	75 Lakh
	Trig Guardi Force Ltd	21 Lakh
	Punj Lloyd Ltd	20 Lakh
	Avon Cycles Ltd. Ludhiana. Punjab	5 Lakh
Janata Dal (United)	Sushma Marine Services	40 Lakh
	Electoral Trust	34.5 Lakh
	Mahindra & Mahindra Ltd.	25 Lakh
AIADMK	Ennore Thiru G.A. Adhikesavan Ex, Secretary	5.04 Lakh
J & K National Conference	Contribution reports not available	
Biju Janata Dal	General Electoral Trust	5 crore

Table: Top Donors for FY 2009-2010