

# ANALYSIS OF INCOME AND EXPENDITURE OF NATIONAL POLITICAL PARTIES FOR FY 2022-23

A Report by

Association for Democratic Reforms

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## Analysis of Income & Expenditure of National Political Parties for FY 2022-23

### 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 2022-23**, as declared by the parties in their annual audit report submitted to the ECI.

The National Parties include Bharatiya Janata Party (**BJP**) Indian National Congress (**INC**), Bahujan Samaj Party (**BSP**), Communist Party of India (Marxist) **CPI(M)**, Aam Aadmi Party (**AAP**) and National People's Party (**NPEP**).

#### I. Status of submission of audited reports by the National Parties, FY 2022-23

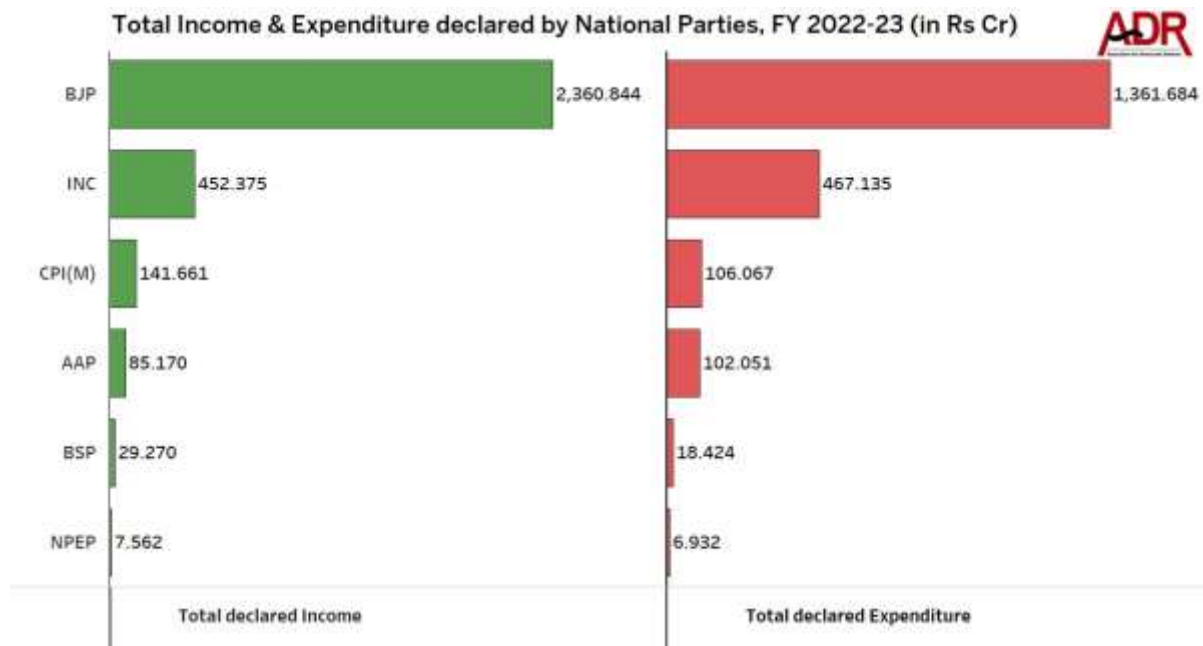
- The due date for submission of annual audited accounts for the parties was **31st October,'2023**.
- Only **CPI(M)** submitted its audit report on time while **AAP, BSP, NPEP, INC** and **BJP** and submitted after a delay of **5 days, 23 days, 27 days, 64 days** and **72 days** respectively.

National Political Parties: Due date for submission: 31 Oct,'23					
S. No.	National Party	Party Code	Status of submission	Date of submission	No. of days by which delayed
1	Communist Party of India (Marxist)	CPI(M)	-	30 October, 2023	-
2	Aam Aadmi Party	AAP	Submitted with delay	6 November, 2023	5 Days
3	Bahujan Samaj Party	BSP	Submitted with delay	24 November, 2023	23 Days
4	National Peoples Party	NPEP	Submitted with delay	28 November, 2023	27 Days
5	Indian National Congress	INC	Submitted with delay	4-January-2024	64 Days
6	Bharatiya Janata Party	BJP	Submitted with delay	12 January, 2024	72 Days

#### II. Total Income and Expenditure of National Political Parties for FY 2022-23

- **BJP** declared a total income of **Rs 2360.844 cr** during FY 2022-23, but spent only **57.68%** (Rs 1361.684 cr) of the total income. **INC's total income** was **Rs 452.375 cr** while the party spent **Rs 467.135 cr**, thus, party's expenditure for that year exceeds its total income by **3.26%**.
- **CPI(M)'s total income** was **Rs 141.661 cr** while the party spent **Rs 106.067 cr**, **74.87%** of its income.
- **AAP's total income** was **Rs 85.17 cr** while the party spent Rs 102.051 cr. The party's expenditure for that year exceeds its total income by **19.82%**.
- **NPEP** declared a total income of **Rs 7.562 cr** during FY 2022-23, and **spent Rs 6.932 cr** (91.67%) of it.

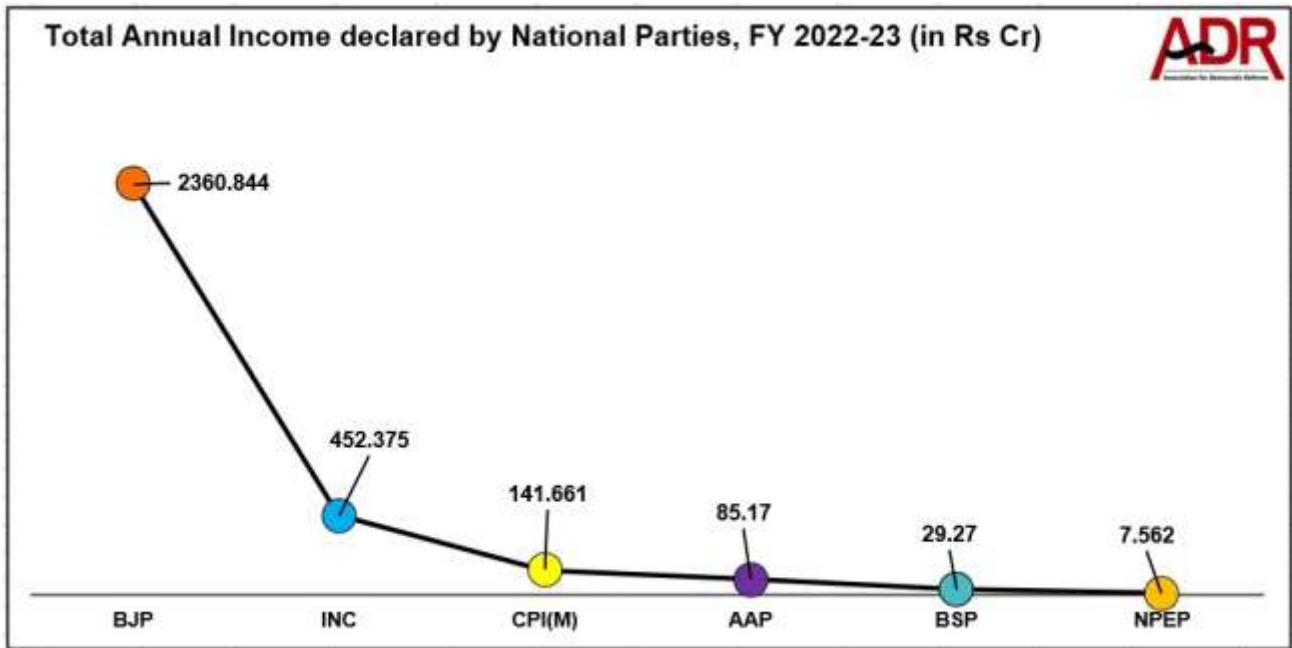
National Party	Total income and expenditure declared by Political Parties, FY 2022-23 (in Rs cr)			
	Total declared Income (A)	Total declared Expenditure (B)	Excess of income over expenditure (A-B=C)	Share of income remaining unspent (C/A*100)
BJP	2360.844	1361.684	999.16	42.32%
INC	452.375	467.135	-14.76	-3.26%
CPI(M)	141.661	106.067	35.594	25.13%
AAP	85.17	102.051	-16.881	-19.82%
BSP	29.27	18.424	10.846	37.06%
NPEP	7.562	6.932	0.63	8.33%
<b>Total</b>	<b>Rs 3076.882 cr</b>	<b>Rs 2062.293 cr</b>	<b>Rs 1014.589 cr</b>	<b>32.97%</b>



### III. Total Income of National Parties for FY 2022-23

- The total Income of the National Parties has been compiled from the income from various sources pan India, as submitted in their annual audit reports.
- **6 National Parties** (BJP, INC, CPI(M), AAP, BSP and NPEP) have declared a **total income of Rs 3076.882 cr**, collected from all over India.
- **BJP** has shown the highest income amongst the National Parties, an **income of Rs 2360.844 cr** during FY 2022-23. This forms **76.73% of the total income of 6 National Parties** during FY 2022-23.
- **INC** declared the second highest income of **Rs 452.375 cr** which forms **14.70%** of the total income of the 6 National Parties.
- **NPEP** declared the least income of **Rs 7.562 cr** which forms a mere **0.25%** of the total income of the 6 National Parties during the FY 2022-23.

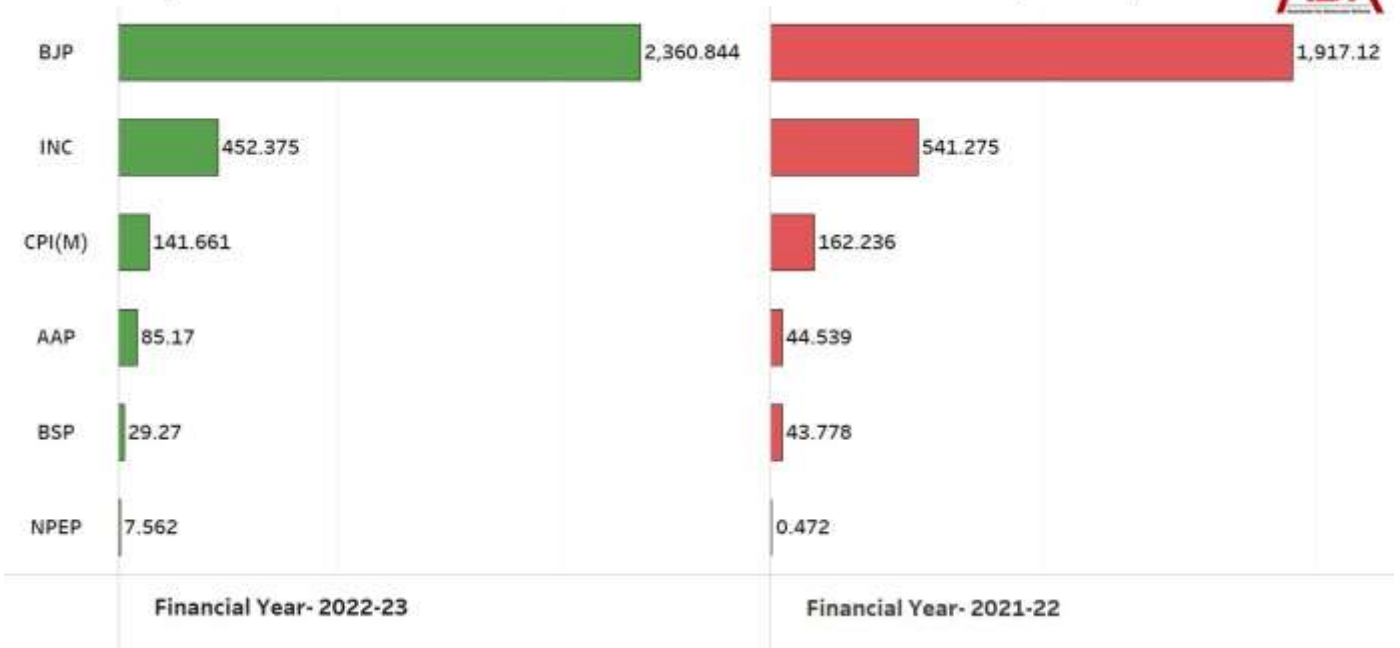
Income of National Parties for FY 2022-23						
National Party	BJP	INC	CPI(M)	AAP	BSP	NPEP
Total Income	Rs 2360.844 cr	Rs 452.375 cr	Rs 141.661 cr	Rs 85.17 cr	Rs 29.27 cr	Rs 7.562 cr
% Share of total Income	<b>76.73%</b>	<b>14.70%</b>	<b>4.60%</b>	<b>2.77%</b>	<b>0.95%</b>	<b>0.25%</b>
<b>Grand Total</b>	<b>Rs 3076.882 cr</b>					



#### IV. Comparison of total income of National Political Parties between FY 2021-22 & FY 2022-23

- Between FY 2021-22 and 2022-23, the **income of BJP increased by 23.15%** (Rs 443.724 cr) from **Rs 1917.12 cr** during FY 2021-22 to **Rs 2360.844 cr** during FY 2022-23.
- Income of **NPEP increased by 1502.12%** (Rs 7.09 cr) from **Rs 47.20 lakhs** during FY 2021-22 to **Rs 7.562 cr** during FY 2022-23 and Income of **AAP increased by 91.23%** (Rs 40.631 cr) from **Rs 44.539 cr** during FY 2021-22 to **Rs 85.17 cr** during FY 2022-23.
- Between FY 2021-22 and 2022-23, the **income of INC, CPI(M) and BSP decreased by 16.42%** (Rs 88.90 cr), **12.68%** (Rs 20.575 cr) and **33.14%** (Rs 14.508 cr), respectively.

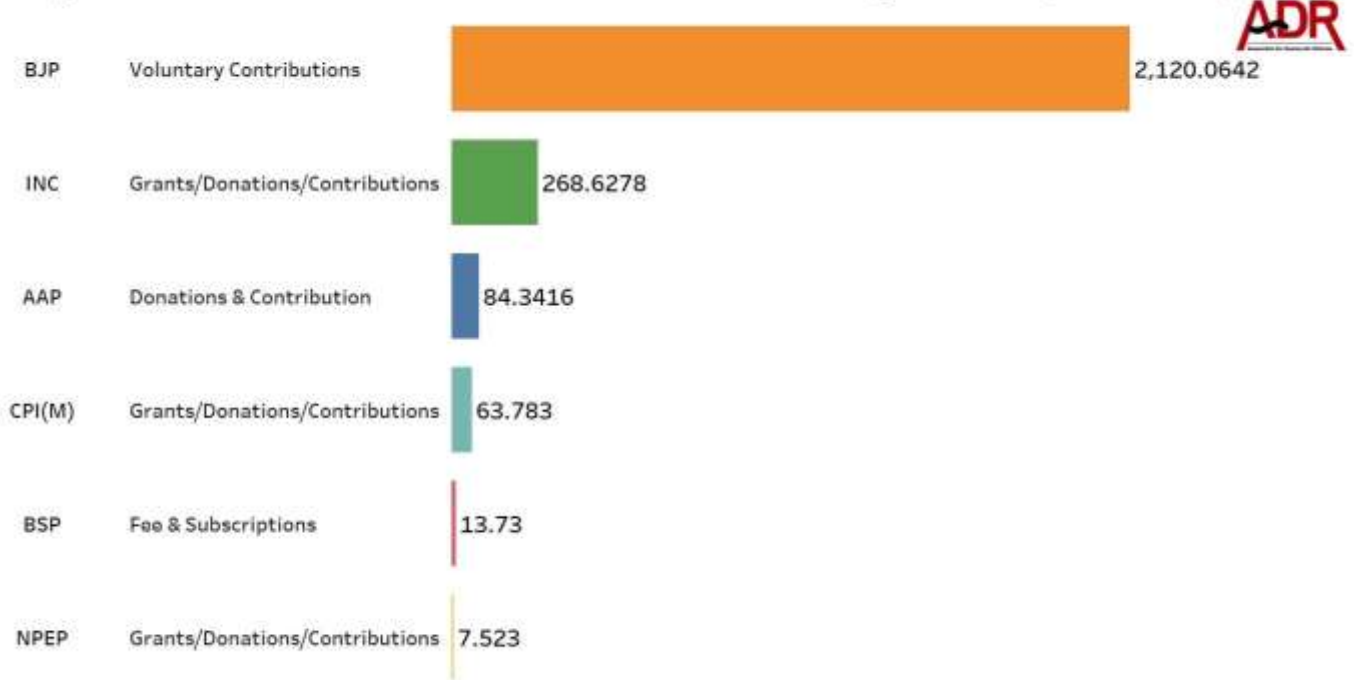
**Comparison of Income of Political Parties, FY 2021-22 and FY 2022-23 (in Rs Cr)**



## V. Top 3 sources of income of National Parties for FY 2022-23

- 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 2120.0642 cr, **INC** – Rs 268.6278 cr, **AAP** – Rs 84.3416 cr, **CPI(M)** – Rs 63.783 cr and **NPEP** – Rs 7.523 cr.
- Collection by Issuing Coupons** of Rs 125.7676 cr declared by **INC** form **27.80%** of its total income during FY 2022-23.

Primary sources of income of National Parties which have declared highest income, FY 2022-23 (in Rs Cr)



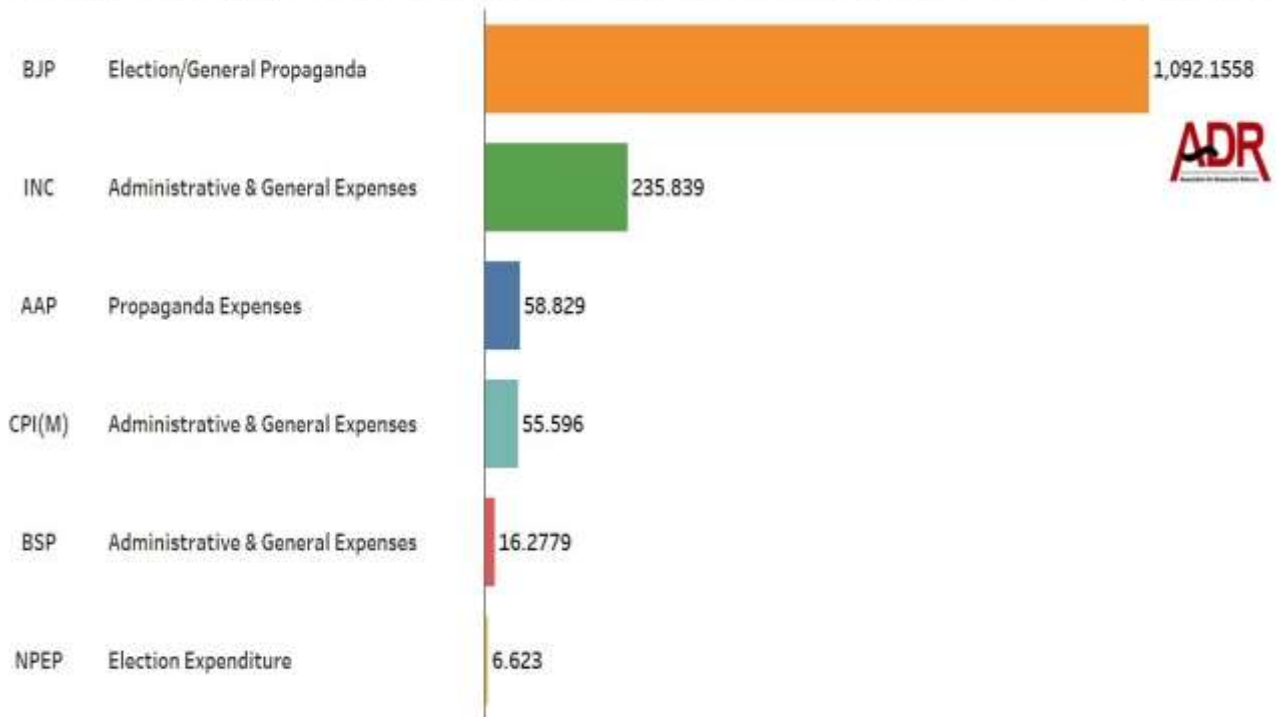
National Party	Total Income	Top 3 sources of Income of Political Parties: Financial Year 2022-23		
		Top 3 Sources of Income	Amount (in Rs cr)	Share of Income
BJP	Rs 2360.844 cr	Voluntary Contributions	2120.0642	89.801%
		Interest from Banks	237.383	10.055%
		Fee and Subscription	2.9776	0.126%
		<b>Other Income</b>	0.4192	0.018%
INC	Rs 452.375 cr	Grants/Donations/Contributions	268.6278	59.38%
		Collection by Issuing Coupons	125.7676	27.80%
		Fee and Subscription	42.4676	9.39%
		<b>Other Income</b>	15.512	3.43%
CPI(M)	Rs 141.661 cr	Grants/Donations/Contributions	63.783	45.03%
		Fees & Subscription	41.739	29.46%
		Revenue from issue of Coupons	11.031	7.79%
		<b>Other Income</b>	25.108	17.72%
AAP	Rs 85.17 cr	Donations & Contribution	84.3416	99.027%
		Interest earned on FDR	0.5679	0.667%
		Interest on Saving Bank Accounts	0.187	0.22%
		<b>Other Income</b>	0.0735	0.086%
BSP	Rs 29.27 cr	Fee & Subscriptions	13.73	46.91%

National Party	Total Income	Top 3 sources of Income of Political Parties: Financial Year 2022-23		
		Top 3 Sources of Income	Amount (in Rs cr)	Share of Income
		Bank Interest	15.0487	51.41%
		Gain on Sale of Immovable Property	0.2849	0.97%
		<b>Other Income</b>	0.2064	0.71%
NPEP	Rs 7.562 cr	Grants/Donations/Contributions	7.523	99.4843%
		FD Interest income	0.0376	0.4972%
		Fee and Subscription	0.001	0.0132%
		<b>Other Income</b>	0.0004	0.0053%
<b>Total Income declared</b>			<b>Rs 3076.882 cr</b>	

## VI. Top 3 items of expenditure of National Parties for FY 2022-23

- The maximum expenditure for **BJP** has been towards **Election/General Propaganda** which amounted to **Rs 1092.1558 cr** followed by expenses towards **Administrative Costs**, **Rs 191.4276 cr**.
- The maximum expenditure for **INC** has been towards **Administrative & General Expenses** which amounted to **Rs 235.839 cr** followed by expenses towards **Election Expenditure**, **Rs 192.556 cr**.
- **AAP** spent the maximum of **Rs 58.829 cr** on **Propaganda Expenses** followed by expenditure of **Rs 36.341 cr** on **Election Expenditure**.
- **CPI(M)** and **BSP** have incurred the maximum spending on **Administrative & General Expenses** of **Rs 55.596 cr** and **Rs 16.2779 cr**, respectively.
- **NPEP** declared to have spent **95.54%** of its total expenditure during FY 2022-23 on **Election Expenditure** (Rs 6.623 cr).

### Major items of Expenditure of National Parties which have incurred highest expenses, FY 2022-23 (in Rs Cr)



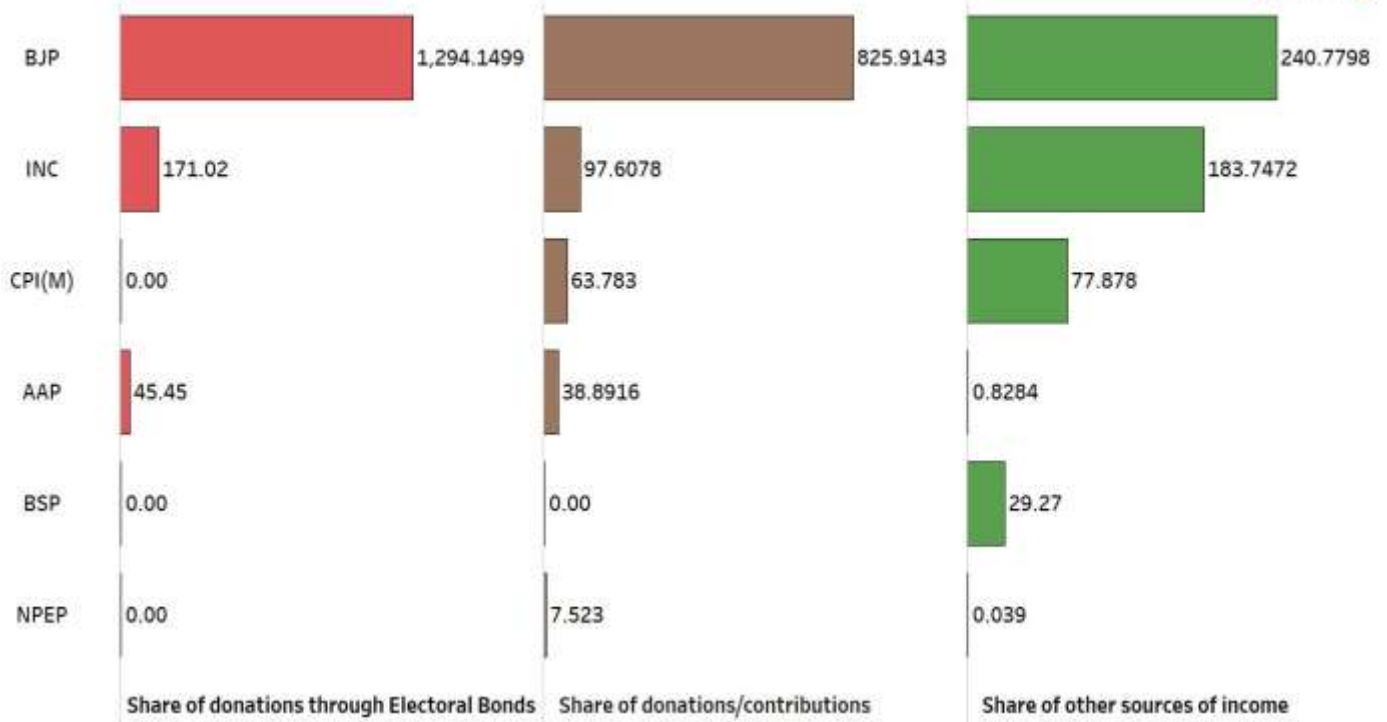
National Party	Total Expenditure	Top 3 Items of Expenditure of Political Parties: Financial Year-2022-23		
		Top 3 Items of Expenditure	Amount (in Rs cr)	% of Expenditure
BJP	Rs 1361.684 cr	Election/General Propaganda	1092.1558	80.21%
		Administrative Costs	191.4276	14.06%
		Employee Costs	51.9158	3.81%
		<b>Other Expenditure</b>	26.1848	1.92%
INC	Rs 467.135 cr	Administrative & General Expenses	235.839	50.49%
		Election Expenditure	192.556	41.22%
		Employee Costs	26.718	5.72%
		<b>Other Expenditure</b>	12.022	2.57%
CPI(M)	Rs 106.067 cr	Administrative & General Expenses	55.596	52.42%
		Employee Costs	44.615	42.06%
		Election Expenditure	5.75	5.42%
		<b>Other Expenditure</b>	0.106	0.10%
AAP	Rs 102.051 cr	Propaganda Expenses	58.829	57.65%
		Election Expenditure	36.341	35.61%
		Administrative & General Expenses	5.827	5.71%
		<b>Other Expenditure</b>	1.054	1.03%
BSP	Rs 18.424 cr	Administrative & General Expenses	16.2779	88.352%
		Election Expenditure	2.088	11.333%
		Employee Costs	0.054	0.293%
		<b>Other Expenditure</b>	0.0041	0.022%
NPEP	Rs 6.932 cr	Election Expenditure	6.623	95.54%
		Employees Cost	0.2398	3.46%
		Administrative and General Expenses	0.0646	0.93%
		<b>Other Expenditure</b>	0.0046	0.07%
<b>Total Expenditure declared</b>			<b>Rs 2062.293 cr</b>	

## VII. All sources of income declared by National Parties, FY 2022-23

- **3 National parties** namely BJP, INC and AAP collected **49.096%** (Rs 1510.6199 cr) of their total income from donations through **Electoral Bonds** for FY 2022-23. **BJP** received donations through Electoral Bonds worth **Rs 1294.1499 cr**, **INC** received **Rs 171.02 cr** and **AAP** received **Rs 45.45 cr**.
- During FY 2022-23, 6 National Parties declared receiving an income from **Donations/Contributions**, a total of **Rs 1033.7197 cr**.
- **Rs 532.5424 cr** was income generated through **other sources of income** by National parties during FY 2022-23.



Share of income of political parties through Electoral Bonds, Donations/Contribution & Other Income, FY 2022-23  
(in Rs Cr)



National Party	Share of income of political parties through Electoral Bonds, Donations/Contributions & other income, FY 2022-23						
	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
BJP	1294.1499	54.82%	825.9143	34.98%	240.7798	10.20%	<b>Rs 2360.844 cr</b>
INC	171.02	37.80%	97.6078	21.58%	183.7472	40.62%	<b>Rs 452.375 cr</b>
CPI(M)	0	0%	63.783	45.03%	77.878	54.97%	<b>Rs 141.661 cr</b>
AAP*	45.45	53.364%	38.8916	45.663%	0.8284	0.973%	<b>Rs 85.17 cr</b>
BSP	0	0%	0	0%	29.27	100%	<b>Rs 29.27 cr</b>
NPEP	0	0%	7.523	99.48%	0.039	0.52%	<b>Rs 7.562 cr</b>
<b>Total</b>	<b>Rs 1510.6199 cr</b>	<b>49.096%</b>	<b>Rs 1033.7197 cr</b>	<b>33.596%</b>	<b>Rs 532.5424 cr</b>	<b>17.308%</b>	<b>Rs 3076.882 cr</b>

\*Party has declared Rs 45.45 cr donations through others (Electoral bond/Electoral Trust), but the party has not declared a separate amount for Electoral Bonds.

## Observations of ADR

- AAP, BSP, NPEP, INC and BJP parties submitted their audit reports after a delay of **5 days to 72 days**.
- The **most common** and popular **items of expenditure** for National parties for FY 2022-23 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 2797.3569 cr** were redeemed by parties in FY 2022-23. **54% (Rs 1510.6199 cr)** of this has been redeemed by National Parties.
- **3 National parties** namely BJP, INC and AAP collected **49.096 %** (Rs 1510.6199 cr) of their total **income from** donations through **Electoral Bonds** for FY 2022-23. **BJP** received donations through Electoral Bonds worth **Rs 1294.1499 cr**, **INC** received **Rs 171.02 cr** and **AAP** received **Rs 45.45 cr**.
- Given the anonymity provided to donors by the scheme, it was seen that Electoral Bonds emerged as the most popular mode of donations to National Political parties for FY 2021-22 as well. Only **4 National Parties (BJP, INC, NCP and AITC)** have received **Donations through Electoral Bonds (Rs 1811.9425 cr)**, wherein the identity of the donor is not disclosed to the public. Of the Regional parties that have submitted their audit reports, **10 Regional Parties (DMK, BJD, BRS, YSR-Congress, JDU, SP, AAP, SAD, MGP and TDP)** have declared receiving donations through Electoral Bonds worth **Rs 852.88 cr in FY 2021-22**.
- During FY 2022-23, out of the 6 National parties, only **2 Parties (INC - Rs 125.7676 cr and CPI(M) - Rs 11.031 cr)** declared receiving a total income of **Rs 136.7986 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**.
- 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](http://myneta.info/party) and <https://old.eci.gov.in/files/category/1649-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.

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