

ANALYSIS OF SOURCES OF FUNDING OF NATIONAL PARTIES: FY 2022-23

A Report by
Association for Democratic Reforms

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Analysis of Sources of Funding of National Parties of India, FY 2022-23

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 names of individuals or organizations giving less than Rs. 20,000. As a result, **more than 59% of the funds cannot be traced and are from 'unknown' sources (including Electoral Bonds)**. While the National 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.

Observations of ADR

- Between **FY 2004-05 and 2022-23**, the National Parties collected **Rs 19,083.08 cr from unknown sources** (click [here](#) for access).
- During FY 2022-23, **BJP** declared **Rs 1400.2398 cr** as income **from unknown sources** which is **76.396%** of the total income of National Parties from unknown sources (Rs 1832.8788 cr). This income of **BJP** is **Rs 967.6008 cr more** than the aggregate of income from unknown sources declared by the other 5 National Parties (**Rs 432.639 cr**).
- INC** declared **Rs 315.114 cr** as income from unknown sources which is **17.192%** of the total income of National Parties from unknown sources.
- Out of **Rs 1832.8788 cr** as income from unknown sources, the share of income from Electoral Bonds was **Rs 1510.6199 cr** or **82.42%**.
- INC** and **CPI(M)** have declared **Rs 136.7986 cr** combined income from the Sale of Coupons for FY 2022-23.

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

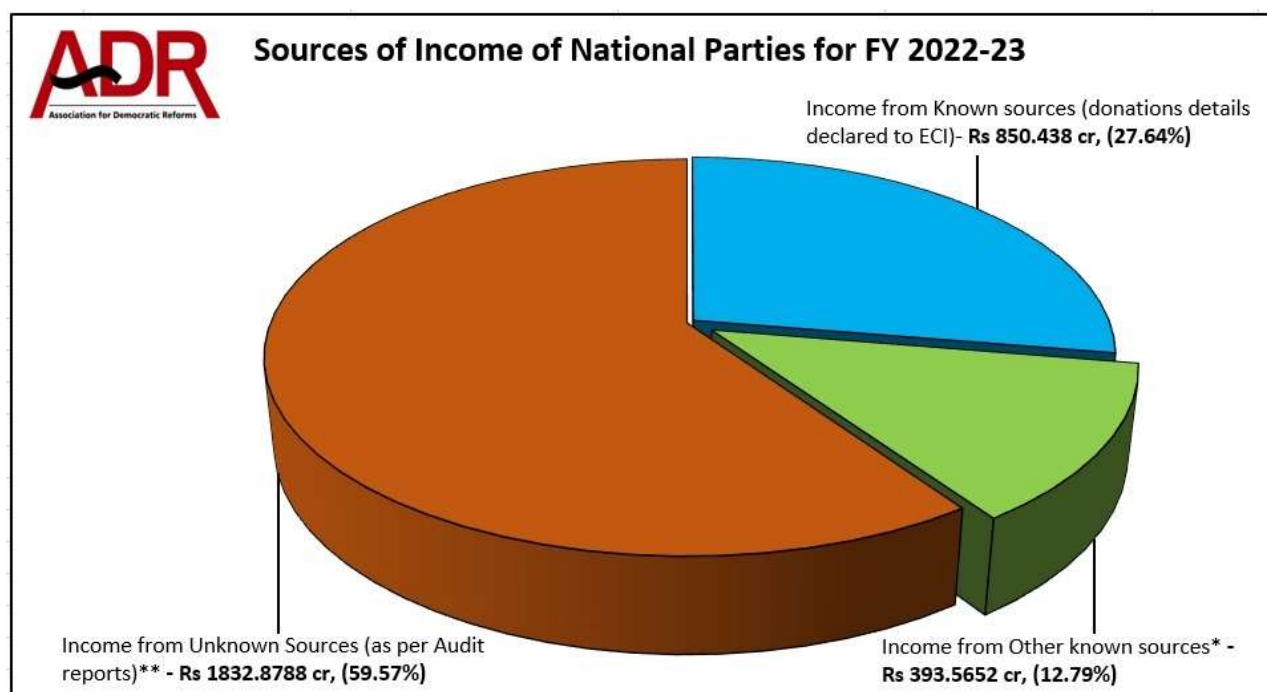
- For this report, **known sources** have been defined as donations above Rs 20,000, whose donor details are available through contributions report as submitted by National parties to the ECI.
- The **unknown sources** are income declared in the annual audit report but **without giving source of income for donations below Rs. 20,000**. Such unknown sources include 'donations via Electoral Bonds (which are now prohibited)', '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 the sale of moveable & immoveable 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.

For this analysis, **6 National parties** were considered – **BJP, INC, CPI(M), BSP, AAP** and **NPEP**. 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. **BSP received Rs 29.27 cr from other known sources of income** which include bank interest (Rs 15.0487 cr), membership fees (Rs 13.73 cr), gain on sale of immovable property (Rs 28.49 lakhs) and interest on income tax refund for AY 2021-22 (Rs 20.65 lakhs).

- Total income of 6 National political parties** in FY 2022-23: **Rs 3076.882 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 [here](#)): **Rs 850.438 cr**, which is **27.64%** 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 393.5652 cr**, or **12.79%** of the total income.
- **Total income of political parties from unknown sources** (income specified in the annual audit report whose sources are unknown): **Rs 1832.8788 cr**, which is **59.57%** of the total income of the parties.
- Out of **Rs 1832.8788 cr** as income from unknown sources, the share of income from Electoral Bonds: **Rs 1510.6199 cr** or **82.42%**.

Sources of Income of National Parties for FY 2022-23				
National Political Parties	Income from Unknown Sources (as per audit report) **	Income from Other Known Sources*	Income from Known Sources (donations details declared to ECI)	Total Income
	Rs 1832.8788 cr	Rs 393.5652 cr	Rs 850.438 cr	Rs 3076.882 cr
Percentage share	59.57%	12.79%	27.64%	100%



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

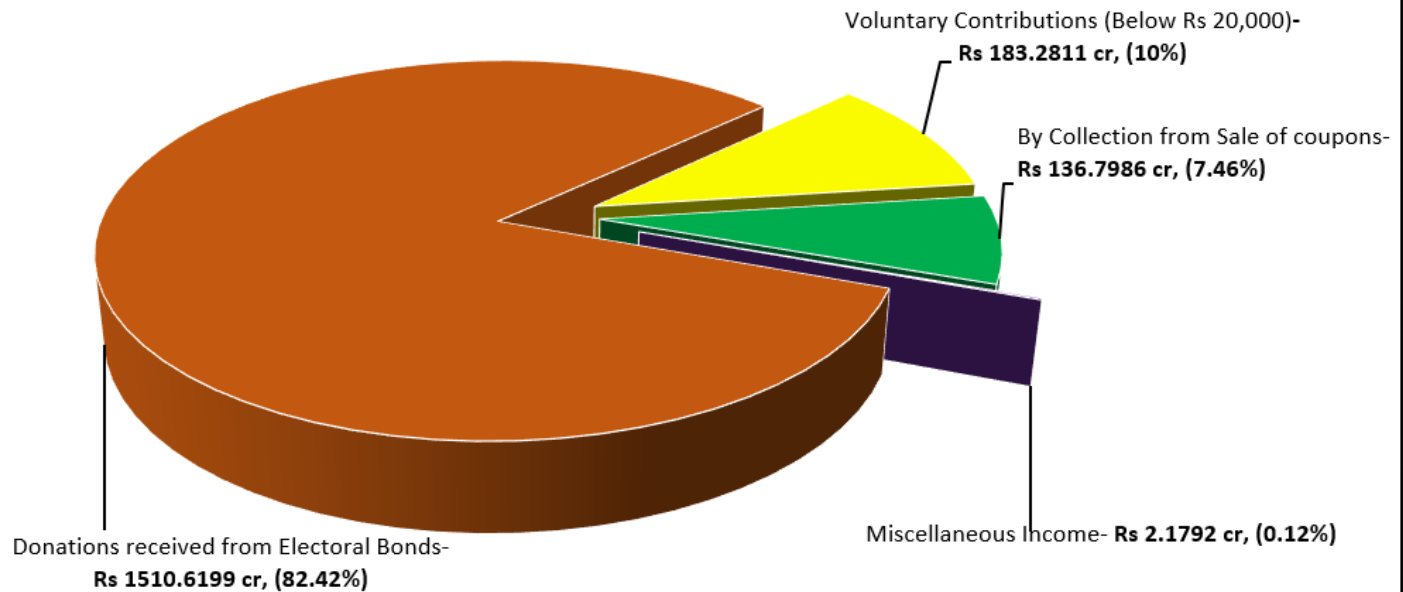
**Details of income from unknown sources is given in Annexure – 1; Party-wise sources of income are given in Annexure – 2

Income from Unknown Sources

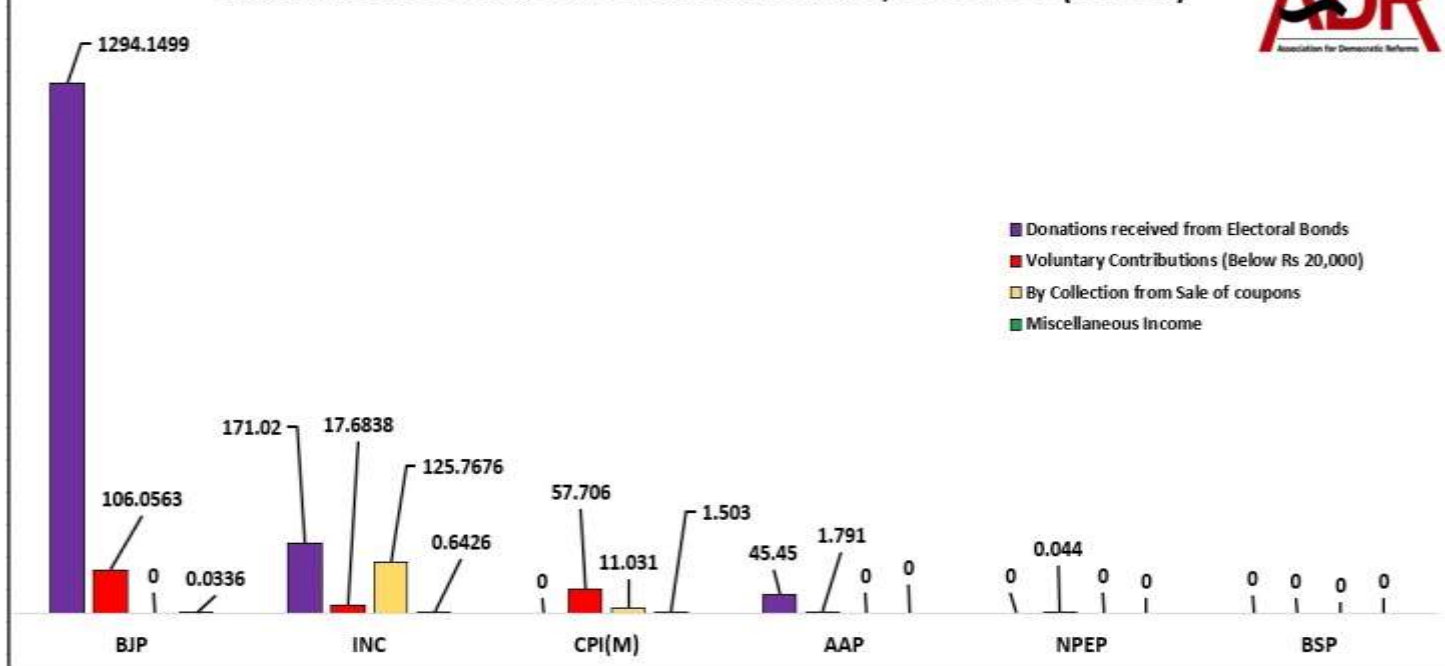
- Out of the total income of **Rs 1832.8788 cr** of 6 National Parties from unknown sources, **82.42%** or **Rs 1510.6199 cr** came from **Electoral Bonds**.
- Income from the **sale of coupons** declared by INC and CPI(M) formed **7.46% (Rs 136.7986 cr)** of income from unknown sources while **Donations from Voluntary Contributions** (below Rs 20,000) formed **10.00%** (Rs 183.2811 cr) in income from unknown sources of the 6 National Parties.

Unknown Sources as per the income-expenditure statements of National Parties, FY 2022-23 (in Rs cr)					
National Political Parties	Donations received from Electoral Bonds	Voluntary Contributions (below Rs 20,000)	By Collection from Sale of Coupons	Miscellaneous Income	Total Income from Unknown sources
	1510.6199	183.2811	136.7986	2.1792	Rs 1832.8788 cr
Percentage share	82.42%	10.00%	7.46%	0.12%	100%

Type of Unknown Sources as declared by National Parties, FY 2022-23



Unknown sources of Income of National Parties, FY 2022-23 (in Rs Cr)



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 **59%** of the source 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 the public domain. ADR supports ECI for its strong stand to enforce reforms in the 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 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](#)) here. 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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Annexure – 1

Party-wise unknown Sources of Income of National Parties during FY 2022-23

Unknown Sources of Income of National Parties during FY 2022-23 (in Rs cr)					Total Income from unknown sources
National Parties	Donations received from Electoral Bonds	Voluntary Contributions (Below Rs 20,000)	By Collection from Sale of coupons	Miscellaneous Income	
BJP	1294.1499	106.0563	0	0.0336	Rs 1400.2398 cr
INC	171.02	17.6838	125.7676	0.6426	Rs 315.114 cr
CPI(M)	0	57.706	11.031	1.503	Rs 70.24 cr
AAP*	45.45	1.791	0	0	Rs 47.241 cr
NPEP	0	0.044	0	0	Rs 0.044 cr
BSP	0	0	0	0	Rs 0 cr
Total	Rs 1510.6199 cr	Rs 183.2811 cr	Rs 136.7986 cr	Rs 2.1792 cr	Rs 1832.8788 cr

*Party has declared Rs 45.45 cr donations under others (Electoral Bond/Electoral Trust), hence the consolidated amount includes donations from both and the separate amount for Electoral Bonds is not known.

Annexure – 2

Party-wise sources of income of National Parties, FY 2022-23

Sources of income of National Parties during FY 2022-23 (in Rs cr)					
National Parties	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 income from unknown sources
BJP	719.858	240.7462	1400.2398	Rs 2360.844 cr	59.31%
INC	79.924	57.337	315.114	Rs 452.375 cr	69.66%
CPI(M)	6.077	65.344	70.24	Rs 141.661 cr	49.58%
AAP	37.10	0.829	47.241	Rs 85.17 cr	55.47%
BSP	0	29.27	0	Rs 29.27 cr	0.00%
NPEP	7.479	0.039	0.044	Rs 7.562 cr	0.58%
Total	Rs 850.438 cr	Rs 393.5652 cr	Rs 1832.8788 cr	Rs 3076.882 cr	59.57%