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Analysis of Income, Expenditure and Donations of West Bengal's Major Political Parties for 5 FYs 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15

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 report to the Commission.

This report analyses the total income and expenditure incurred by the **3 political parties; All India Trinamool Congress (AITC), All India Forward Block (AIFB) and Revolutionary Socialist Party (RSP)** in the state of West Bengal during 5 FYs 2010-11 to 2014-15, as declared by the parties in their IT Returns submitted to the ECI.

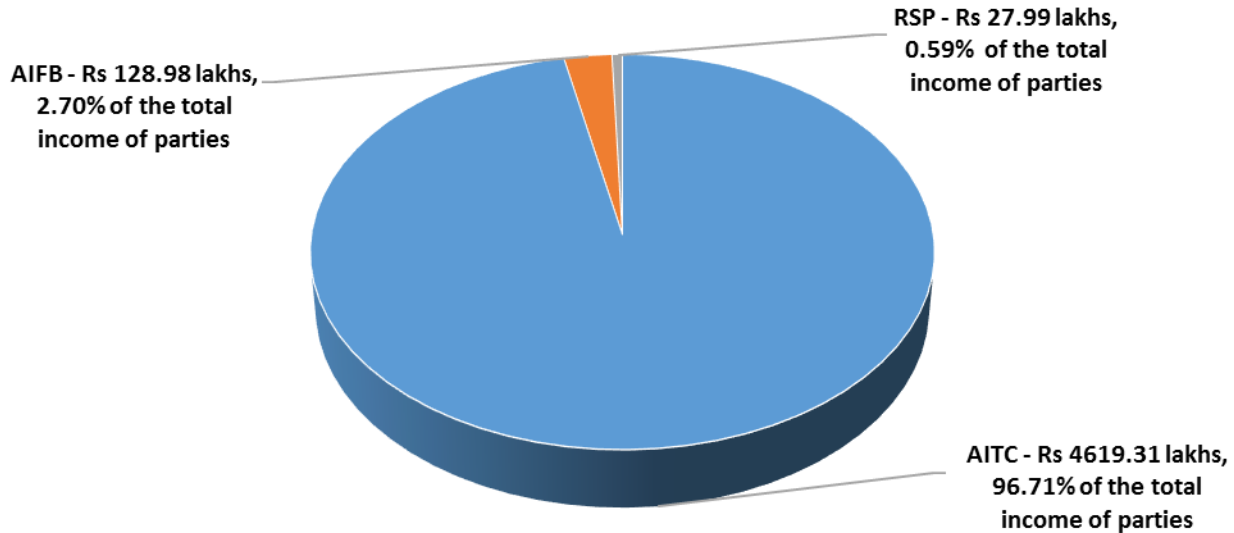
Total Income of West Bengal's 3 Major State Parties for FY 2010-11 to 2014-15

- The total Income of the 3 State Political Parties have been compiled from the income from various sources pan India, as submitted in their Income Tax Returns.
- **Three state parties (AITC, AIFB and RSP)**, whose IT Returns are available in the public domain, have declared a **total income of Rs 4776.28 lakhs**, collected from all over India.
- **RSP** is the only party which has not submitted ITR for FY 2010-11 and 2012-13.
- **AITC** has shown the highest income amongst all the state parties, which amounts to a total of **Rs 4619.31 lakhs**, for all the five years together. This constitutes a majority, **96.71% of the total income of all the 3 state parties**, during FY 2010-11 till 2014-15.
- **AIFB** and **RSP** declared the least income of **Rs 128.98 lakhs** and **Rs 27.99 lakhs** respectively. This forms a mere **2.70%** and **0.59%** of the total income of the State Parties between FY 2010-11 to 2014-15.

Party	Total Income (Rs. In lakhs)					Total	Share in Total Income
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15		
All India Trinamool Congress (AITC)	616.23	1,056.75	468.85	1,245.01	1,232.47	Rs 4,619.31 lakhs (Rs 46.19 crores)	96.71%
All India Forward Block (AIFB)	17.24	28.69	29.62	34.43	19.00	Rs 128.98 lakhs (Rs 1.28 crores)	2.70%
Revolutionary Socialist Party (RSP)	Not Available	3.82	Not Available	14.79	9.38	Rs 27.99 lakhs (Rs 0.27 crores)	0.59%
Total	633.47	1,089.26	498.47	1,294.23	1,260.85	Rs 4,776.28 lakhs (Rs 47.76 crores)	100.00%

Table: Total income declared by Major State Parties of West Bengal in their ITR for 5 FYs, 2010-11 to 2014-15*IT Returns of RSP for FY 2010-11 and 2012-13 are not available

Total Income of West Bengal's major political parties during FYs 2010-11, 2011-12, 2012-13, 2013-14 & 2014-15



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Graph: Total income declared by 3 State Parties of West Bengal in their ITR for FYs 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 (comb.)

*IT Returns of RSP for FY 2010-11 and 2012-13 are not available

Top 3 sources of income of Major State Parties of West Bengal from FY 2010-11 to 2014-15

- **Donations & Contributions** is amongst the top sources of income for all major State Parties of West Bengal; AITC – Rs 1942.83 lakhs, AIFB – Rs 7.08 lakhs and RSP – Rs 16.28 lakhs. This constitutes a total of **Rs 1966.19 lakhs** which is **41.16% of the total income of all 3 political parties** between FY 2010-11 till 2014-15.
- For **AITC** and **RSP**, **Donations & Contributions** constitute **more than 40% of the parties' respective total incomes**. In case of AITC it is **42.06%** while for RSP it is **58.16%**
- The top 3 sources of income for AITC between FY 2010-11 to 2014-15 also includes **'Sale of Painting'** through which it has collected **Rs 646.90 lakhs**.
- **'Special Collection'** contributes to almost **1/5th** of RSP's total income.

Party	Total Income	FY 2010-11, 2011-12, 2012-13, 2013-14 & 2014-15 (combined)		Share of sources in total income
		Top 3 Source of Income	Amount (Rs in lakhs)	
All India Trinamool Congress (AITC)	Rs 4619.31 lakhs	Donations & Contributions	1942.83	42.06%
		Subscription, Fees & Collection	1161.43	25.14%
		Sale of Painting	646.90	14.00%
		Other Income	868.15	18.79%
All India Forward Block (AIFB)	Rs 128.98 lakhs	Levy & Membership Fees	69.55	53.92%
		Interest Received - Saving Bank & Fixed Deposits	51.16	39.67%
		Contribution/Donation	7.08	5.49%
		Other Income	1.19	0.92%

Party	Total Income	FY 2010-11, 2011-12, 2012-13, 2013-14 & 2014-15 (combined)		Share of sources in total income
		Top 3 Source of Income	Amount (Rs in lakhs)	
Revolutionary Socialist Party (RSP)	Rs 27.99 lakhs	Subscription, Donation & Contribution From State Offices	16.28	58.16%
		Miscellaneous Receipt & Other Income	5.55	19.83%
		Special Collection	5.4	19.29%
		Other Income	0.76	2.72%

Table: Top 3 Sources of Income of Major State Parties of West Bengal in their ITR for 5 FYs, 2010-11 to 2014-15 (combined)

*IT Returns of RSP for FY 2010-11 and 2012-13 are not available

Top 3 items of expenditure of Major State Parties of West Bengal from FY 2010-11 to 2014-15

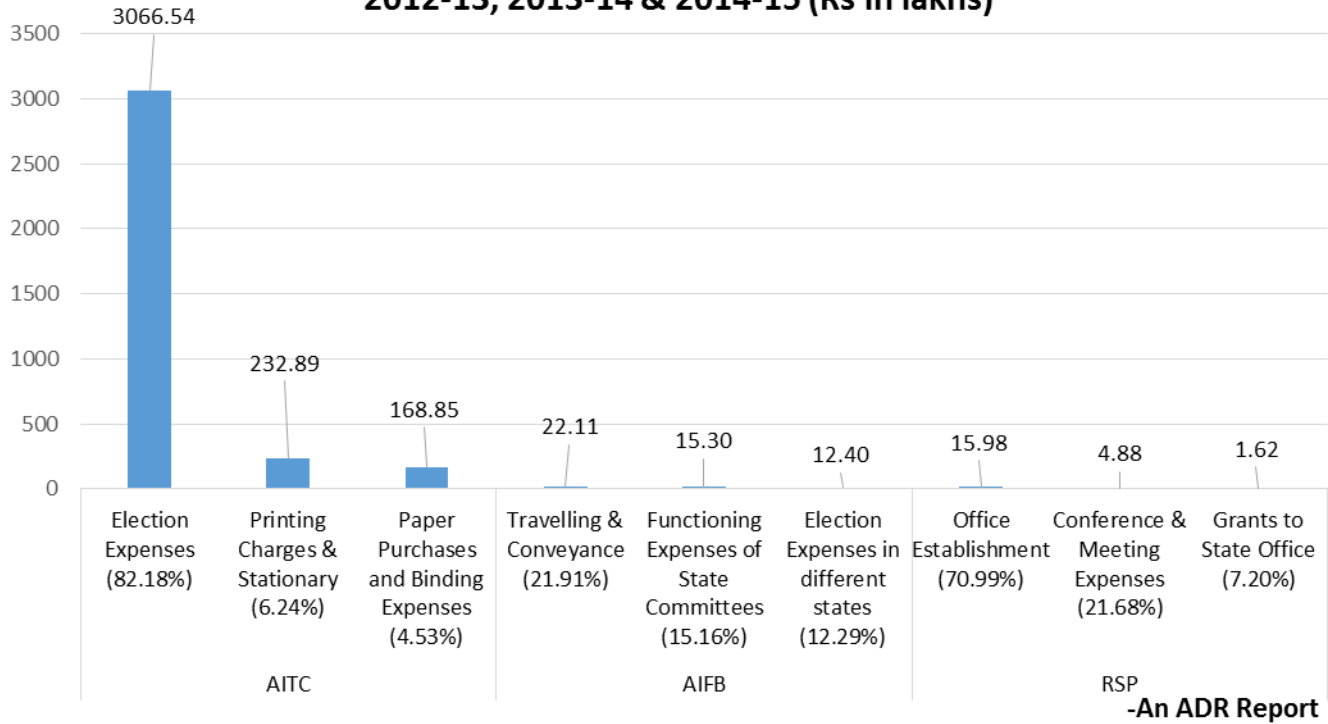
- The highest and most common form of expenditure that is also a part of the top 3, across most parties, is **expenses on elections**; AITC spent Rs 3066.54 lakhs, while AIFB spent Rs 12.40 lakhs on elections. Together, this forms **79.87% of the total expenditure of all parties**.
- Total expenses of AIFB and RSP during these 5 FYs 2010-11 to 2014-15 forms **only 3.30%** (Rs 123.43 lakhs) of the total expenses of AITC (Rs 3731.40 lakhs) during the same period.
- In case of AITC, there is a stark difference between the top most item of expenditure and the item that witnessed the 2nd highest amount of expenditure. Expenses on Printing Charges & Stationary is only 7.59% of the Election Expenses.

Party	Total Expenses	FY 2010-11, 2011-12, 2012-13, 2013-14 & 2014-15 (combined)		Share of items in total expenses
		Top 3 Items of Expenditure	Amount (Rs in lakhs)	
All India Trinamool Congress (AITC)	Rs 3731.40 lakhs	Election Expenses	3,066.54	82.18%
		Printing Charges & Stationary	232.89	6.24%
		Paper Purchases and Binding Expenses	168.85	4.53%
		Other Expenditure	263.12	7.05%
All India Forward Block (AIFB)	Rs 100.92 lakhs	Travelling & Conveyance	22.11	21.91%
		Functioning Expenses of State Committees	15.30	15.16%
		Election Expenses in different states	12.40	12.29%
		Other Expenditure	51.11	50.64%
Revolutionary Socialist Party (RSP)	Rs 22.51 lakhs	Office Establishment	15.98	70.99%
		Conference & Meeting Expenses	4.88	21.68%
		Grants to State Office	1.62	7.20%
		Other Expenditure	0.03	0.13%

Table: Top 3 Items of Expenditure of Major State Parties of West Bengal in their ITR for 5 FYs, 2010-11 to 2014-15 (combined)

*IT Returns of RSP for FY 2010-11 and 2012-13 are not available

Top 3 items of Expenditure of 3 state political parties during FY 2010-11, 2011-12, 2012-13, 2013-14 & 2014-15 (Rs in lakhs)



Graph: Top 3 Items of Expenditure of 3 State Parties of West Bengal in their ITR for 5 FYs, 2010-11 to 2014-15 (comb)

*IT Returns of RSP for FY 2010-11 and 2012-13 is not available

Analysis of donations received above Rs 20,000 by Major State Parties of West Bengal during FY 2010-11 to 2014-15

- AIFB has submitted its Donations Report only once in 5 years (FY 2011-12), while **RSP has not even submitted it once** during all 5 FYs, 2010-11 to 2014-15.
- **Of the total income** of all 3 political parties during FY 2010-11 to 2014-15, **Rs 1966.19 lakhs** was received through donations above Rs 20,000. This forms **41.16%** of the total income of the parties. .
- AITC received the maximum donations of Rs 1942.83 lakhs, in excess of Rs 20,000. This is 42.06% of the total income of the party. RSP received Rs 16.28 lakhs in donations above Rs 20,000 which is 58.16% of the total income of RSP.
- There is a sudden upsurge in donations above Rs 20,000 for all state parties from FY 2012-13 to 2013-14 which is around 2156.15%, highest in comparison to all other Financial Years.

Party	Status of Donation Reports during FY 2010-11 to 2014-15				
	2010-11	2011-12	2012-13	2013-14	2014-15
AITC	Not Available	Available	Available	Available	Available
AIFB	Not Available	Available	Not Available	Not Available	Not Available
RSP	Not Available	Not Available	Not Available	Not Available	Not Available

Party	For FY 2010-11, 2011-12, 2012-13, 2013-14 & 2014-15		
	Total Income (Rs in lakhs)	Donations received in excess of Rs 20,000 (Rs in lakhs)/Known Sources	% Share of donation received in excess of Rs 20,000 over total income
AITC	4,619.31	1,942.83	42.06%
AIFB*	128.98	7.08	5.49%
RSP*	27.99	16.28	58.16%
Total	4,776.28	1,966.19	41.16%

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

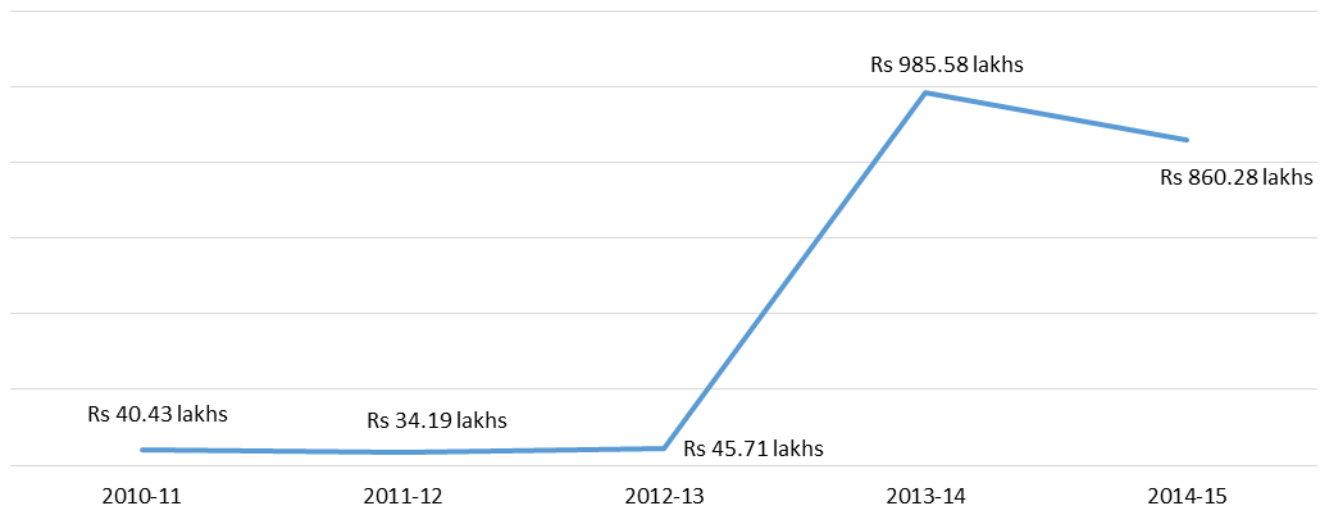
*Form No. 24A of AIFB for FY 2010-11, 2012-13 to 2014-15 & RSP for FYs 2010-11 to 2014-15 are not available

Party	Total Donations received in excess of Rs 20,000* (Rs in lakhs)					Total (in lakhs)
	2010-11	2011-12	2012-13	2013-14	2014-15	
AITC	40.11	33.67	45.71	972.6	850.74	1,942.83
AIFB	0.32	0.52	0	2.63	3.61	7.08
RSP	NA	0	NA	10.35	5.93	16.28
Total	40.43	34.19	45.71	985.58	860.28	1,966.19

Table: Total Donations declared by Parties in Form 24A for FYs 2010-11 to 2014-15

*This includes all donations above Rs 20,000 - as per what has been stated by political parties in Form No.24A

Mapping the trend of donations received in excess of Rs 20,000 by Major State parties of West Bengal on an yearly basis between FY 2010-11 till 2014-15



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Party wise list of donations received in excess of Rs 20,000 for FY 2010-11 to 2014-15

- Amongst all the major state parties, there are only a total of 16 donations between FY 2010-11 to 2014-15, out of which 13 belong to AITC and 3 to AIFB.
- For AITC, 10 donations have incomplete mode of contribution details, this also includes 2 other donations where PAN is not given. These together form 85.62% of the total amount received by AITC above Rs 20,000 between FY 2010-11 and 2014-15.
- One donation to AITC, which does not carry address of the donor, contributes 14.22% of AITC's total donations.
- For AIFB, none of the 3 donations carry addresses of the donors, their PAN nos. and mode of contributions.

S. No.	Party	Issues regarding donations received	Total no. of donations with issues	Total amount received from donors with these issues	% share of total funds received above Rs 20,000
1	AITC	Incomplete Mode of contribution details	8	84,214,115	85.56%
		Incomplete Mode of contribution details + No PAN	2	55,000	0.06%
		No Address	1	14,000,000	14.22%
		No Address + Incomplete Mode of contribution details	1	111,555	0.11%
		No Address + No PAN + Incomplete Mode of contribution details	1	50,001	0.05%
2	AIFB	No Address + No PAN + Incomplete Mode of contribution details	3	120,000	100%

- Sector-wise analysis of donations: AITC - 6 from Individuals, 5 from Corporate/Business Houses and 2 from Associations; AIFB – 3 from Individuals.
- **Rs 668.84 lakhs** or **67.95%** of the total donations received by AITC above Rs 20,000 between FY 2010-11 and 2014-15 was from corporate/business houses.
- For AITC, Trinetra Consultant Pvt Ltd has alone donated twice a total sum of Rs 490 lakhs, while Progressive Electoral Trust has also donated Rs 153.84 lakhs to AITC during the same period.

S. No.	Party	Sector	Total no. of donations received	Total amount of donations received from a particular sector	% share of total funds received above Rs 20,000
1	AITC	Individuals	6	31,491,556	31.99%
		Corporate/Business Houses	5	66,884,115	67.95%
		Associations	2	55,000	0.06%
2	AIFB	Individuals	3	120,000	100%

Issues related to disclosure of financial statements by political parties

Sections 13A of the Income Tax Act clearly indicates that the object is to ensure that there is transparency in the process of financial functioning of the political parties. ADR, while gathering the income tax returns of political parties by filing of RTIs in the respective Income Tax department/circle, has come across various instances where many state/regional parties recognized by ECI have not filed their income tax returns.

Political parties have been exempted from paying tax, however, to claim such exemption, they have to maintain audited accounts and comply with provisions of the Income Tax Act. Some regional parties have defaulted on this account on a regular basis. They have been openly flouting the provisions of the Income Tax Act and are not filing their annual income returns, which is a violation of the mandatory provisions laid down in law. Many of these parties are major regional parties in their respective state/region and their financial position is not known.

Need for a strict mechanism for reporting financial information

To ensure that there is financial transparency and accountability on the part of the political parties, there must be a strict mechanism with respect to reporting of financial information. The procedures and reporting framework must be standardized to ensure that a true picture of the financial position of the political parties is revealed to the general public. Institute of Chartered Accounts of India (ICAI) has put forward a set of recommendations on the request of the Election Commission of India (ECI). These recommendations relate to a standardized and comprehensive reporting framework of financial statements of political parties. ADR feels that there is a dire need for these recommendations to be implemented at the earliest.

Recommendations of ADR

- While the ECI had **issued guidelines** to the political parties in order to **promote transparency** in the parties' functioning and to aid the Commission **to conduct free and fair elections**, INC submitting its details **under protest** displays a **lack of enthusiasm** from the party in **promoting and practicing** the desired quality of transparency and accountability in its functioning. Those parties playing a decisive role at the national political arena should **lead by example** rather than curtailing any attempt at transparency.
- The Supreme Court gave a judgment on September 13, 2013 declaring that no part of a candidate's affidavit should be left blank. Similarly, **no part of the Form 24A submitted by political parties providing details of donations above Rs 20,000 should be 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 **80% of the source of funds to be unknown**, but at present it is so in India.
- Those parties not following the ICAI guidelines for auditing of reports should be scrutinized by the IT department.
- **The National and regional political parties must provide all information on their finances under the Right to Information Act.** This will only strengthen political parties, elections and democracy.

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Annexure

Details of donations declared by AITC – between FY 2010-11 and 2014-15

AITC**							
S.No	Name	Complete Address of the Contributing Person/Company	PAN (Yes/No)	Total Contribution (In Rs)	Amount of Contribution (Rs.)	Mode of Contribution *(Cheque/Dem and Draft /cash	Financial Year
1	Trinetra Consultant Pvt Ltd	1, British India Street, 2nd Floor Room No. 209, Kolkata-700069	Yes	49,000,000	35,000,000	RTGS	2014-15
		Not given	Yes		14,000,000	RTGS Allahabad Bank Harish Mukherjee Rd. Kol 26	2013-14
2	Amit Kumar Singh	238B, AJC Bose Road 3rd Floor Kolkata-700020	Yes	27,500,000	27,500,000	RTGS	2014-15
3	Progressive Electoral Trust	10, Veer Nariman Road Elphinstone Building Mumbai-400001	Yes	15,384,115	15,384,115	Cheque	2014-15
4	Ankit Patni	132A, S.P. Mukherjee Road Kolkata-700026	Yes	3,600,000	3,600,000	RTGS	2014-15

AITC**							
S.No	Name	Complete Address of the Contributing Person/Company	PAN (Yes/No)	Total Contribution (In Rs)	Amount of Contribution (Rs.)	Mode of Contribution *(Cheque/Dem and Draft /cash	Financial Year
5	Ankit Metal & Power Ltd	35, Chittaranjan Avenue Kolkata-700012	Yes	1,400,000	1,400,000	RTGS	2014-15
6	Unit Construction	Company Private Limited	Yes	1,100,000	1,100,000	By Cheque	2011-12
7	Pradip Mazumder	2, Mohan Bagan Lane, Kolkata-700004	Yes	200,000	200,000	Cheque	2014-15
8	Dr. B.B. Dutta	Not given	Yes	111,555	111,555	By Cheque	2011-12
9	Raj Kumar Datta	Not given	No	50,001	50,001	By Cheque	2011-12
10	The Calcutta Tram Mazdoor Sabha	22/1/11A, Jogendra Basak Road Kolkata-700036	No	30,000	30,000	Cheque	2014-15
11	Anita Chattopadhyay Gupta	270, Garagacha, Garia, Belmont Apartment, 4th Floor, Flat-4A, Block-2, Kolkata-700084	Yes	30,000	30,000	Cheque	2014-15
12	National Textile Corporation Employee Congress	7, J.N. Road, Kolkata-700013	No	25,000	25,000	Cheque	2014-15

Table: Total Donations received by AITC from FY 2010-11 to FY 2014-15

**Form No. 24A of AITC for FYs 2010-11 is not available

Details of donations declared by AIFB – between FY 2010-11 and 2014-15

AIFB**						
S.No.	Name	Complete Address of the Contributing Person/Company	PAN (Yes/No)	Amount of Contribution (in Rs.)	Mode of Contribution (Cheque/demand Draft/Cash)	Financial Year
1	Nara Hari Mahato-LS	Not given	No	40,000	SBI Parliament Branch, New Delhi	2011-12
2	Nrpendra Nath Roy-LS	Not given	No	40,000	SBI Parliament Branch, New Delhi	2011-12
3	Dr. Barun Mukhrji-RS	Not given	No	40,000	SBI Parliament Branch, New Delhi	2011-12

Table: Total Donations received by AIFB from FY 2010-11 to FY 2014-15

**Form No. 24A of AIFB for FYs 2010-11, 2012-13, 2013-14 and 2014-15 are not available