

ANALYSIS OF INCOME & EXPENDITURE OF BJP & INC: FY- 2015-2016

A Report by
Association for Democratic Reforms

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Analysis of Income & Expenditure of BJP and INC: FY- 2015-2016

Detailed Report

This report, prepared by Association for Democratic Reforms (ADR) focuses on Income and Expenditure of Bharatiya Janata Party (BJP) and Indian National Congress (INC), during the Financial Year 2015-16, as submitted by the parties to the Election Commission of India (ECI). This report should be read in conjunction with the analysis of income and expenditure for FY 2015-16 declared by the other National Parties (less BJP & INC) which was released by ADR on 9th May, 2017. The report can be accessed from [here](#).

Submission of audited reports by the National Parties

- The due date for submission of annual audited accounts for the parties was **30th Oct,'16**.
- **AITC, CPM and BSP** were the only three National Parties to submit the audit reports on time.
- **BJP** submitted its audit report on **29th May, 2017** and **INC** on **11th July, 2017**, almost six months after the due date for submission.

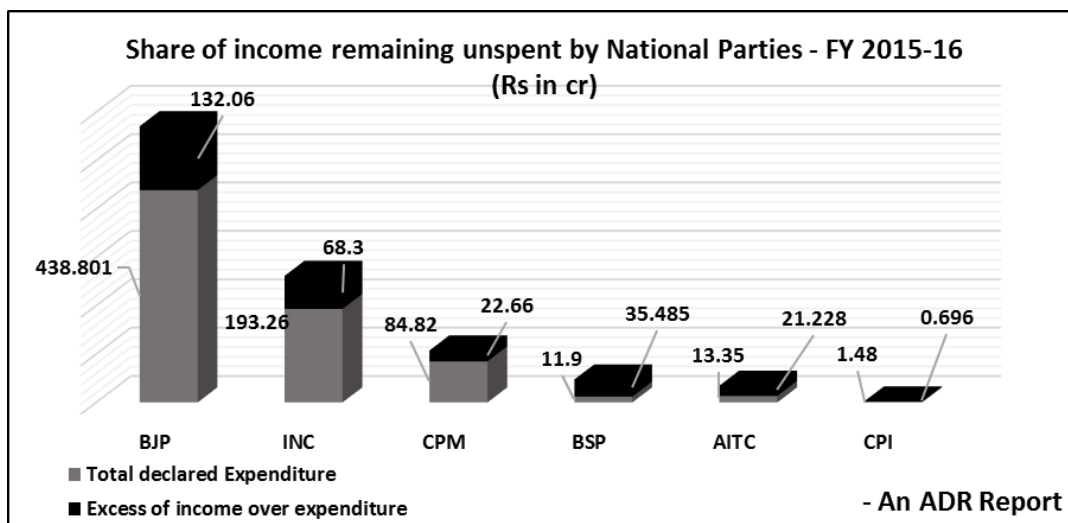
Due date for submission: 31 st Oct,'16		
Party	Date of submission	Delay in submitting their report
CPM	14 th October,'16	-
AITC	22 nd Sep,'16	-
BSP	23 rd August,'16	-
CPI	17 th Nov,'16	16 days
NCP	1 st March,'17	120 days
BJP	29 th May,'17	209 days
INC	11 th July,'17	252 days

Total Income and Expenditure of National Political Parties for - FY-2015-2016

- Total income of the 7 National Parties for FY 2015-16 was **Rs 1033.18 cr** of which the parties spent **Rs 754.45 cr** and declared an **unspent amount of Rs 278.73 cr** (26.98% unspent of total income).
- **BJP's** total declared income was **Rs 570.86 cr** out of which **23.13%** (Rs 132.06 cr) remained unspent by the party.
- **INC** declared a total income of **Rs 261.56 cr** during FY- 2015-16, but **26.11%** (Rs 68.30 cr) was declared **unspent** by the party.
- **NCP** is the only party which has spent 19% more than its total income during FY- 2015-16. While the party's income was **Rs 9.14 cr**, it incurred a total expenditure of Rs 10.84 cr.

Total income and expenditure declared by National Parties, FY 2015-16 (Rs in cr)				
Party	Total declared Income	Total declared Expenditure	Excess of income over expenditure	Share of income remaining unspent
BJP	570.86	438.801	132.06	23.13%
INC	261.56	193.26	68.30	26.11%
CPM	107.48	84.82	22.66	21.08%
BSP	47.385	11.90	35.485	74.89%
AITC	34.578	13.35	21.228	61.39%
NCP	9.137	10.84	(1.703)	-18.64%
CPI	2.176	1.48	0.696	31.99%
Total	Rs 1033.18 cr	Rs 754.45 cr	Rs 278.73 cr	26.98%

Table: Total income and expenditure declared by National Parties in their audit reports for FY 2015-16 (All over India)



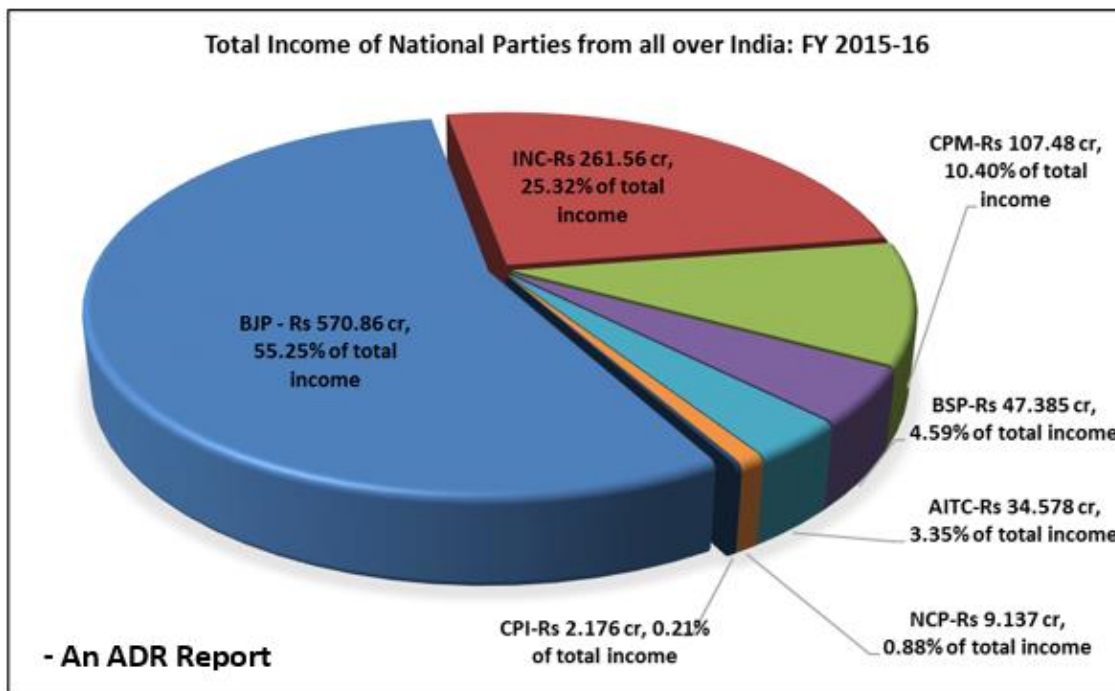
Graph: Share of income remaining unspent, as declared by National Parties in their audit reports for FY 2015-16 (All over India)

Total Income of National Parties FY 2015-2016

- The total Income of the National Parties has been compiled from the income from various sources pan India, as submitted in their Income Tax Returns.
- The 7 National Parties** have declared a **total income** of **Rs. 1033.18 cr**, collected from all over India.
- BJP** has shown the highest income amongst the National Parties with a **total income** of **Rs 570.86 cr** during FY 2015-16. This forms **55.25% of the total income National Parties, together** during FY 2015-16.
- INC** declared the second highest income of **Rs 261.56 cr** which forms **25.32%** of the total income of the National Parties.

Income of National Parties for FY 2015-16							
National Party	BJP	INC	CPM	BSP	AITC	NCP	CPI
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Total Income	570,85,66,498 <i>(Rs 570.86 cr)</i>	261,56,46,086 <i>(Rs 261.56 cr)</i>	107,48,21,606 <i>(Rs 107.48 cr)</i>	47,38,59,177 <i>(Rs 47.385 cr)</i>	34,57,86,458 <i>(Rs 34.578 cr)</i>	9,13,74,181 <i>(Rs 9.137 cr)</i>	2,17,67,309 <i>(Rs 2.176 cr)</i>
% Share in total Income	55.25%	25.32%	10.40%	4.59%	3.35%	0.88%	0.21%
Grand Total	Rs 1033.18 cr						

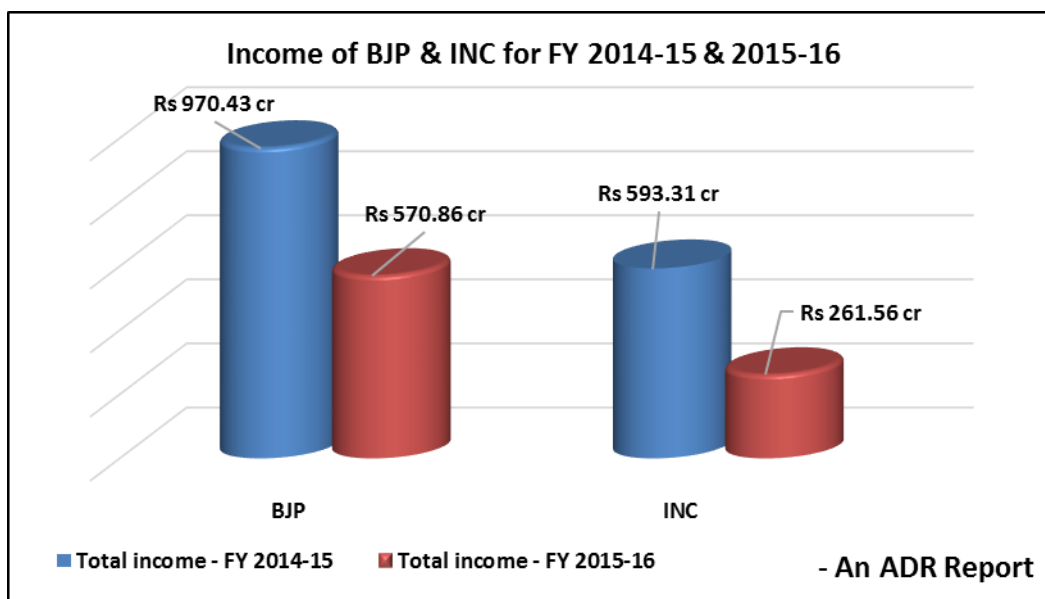
Table: Total income declared by National Parties in their ITR for FY 2015-16 (All over India)



Graph: Total income declared by National Parties in their ITRs for FY 2015-16 (All over India)

Comparison of total income of BJP & INC between FY 2014-15 and 2015-16

- The income of BJP during **FY 2014-15** was highest among all the National Parties. The party had declared a total income of **Rs 970.43 cr** and its income **decreased by 41.17%** to **Rs 570.86 cr** during **FY 2015-16**.
- Income of INC was second highest during **FY 2014-15** with **Rs 593.31 cr** but the party also declared a **decrease of 55.92%** to **Rs 261.56 cr** during **FY 2015-16**.



Graph: Total income of BJP & INC for Financial Years: 2014-15 and 2015-16

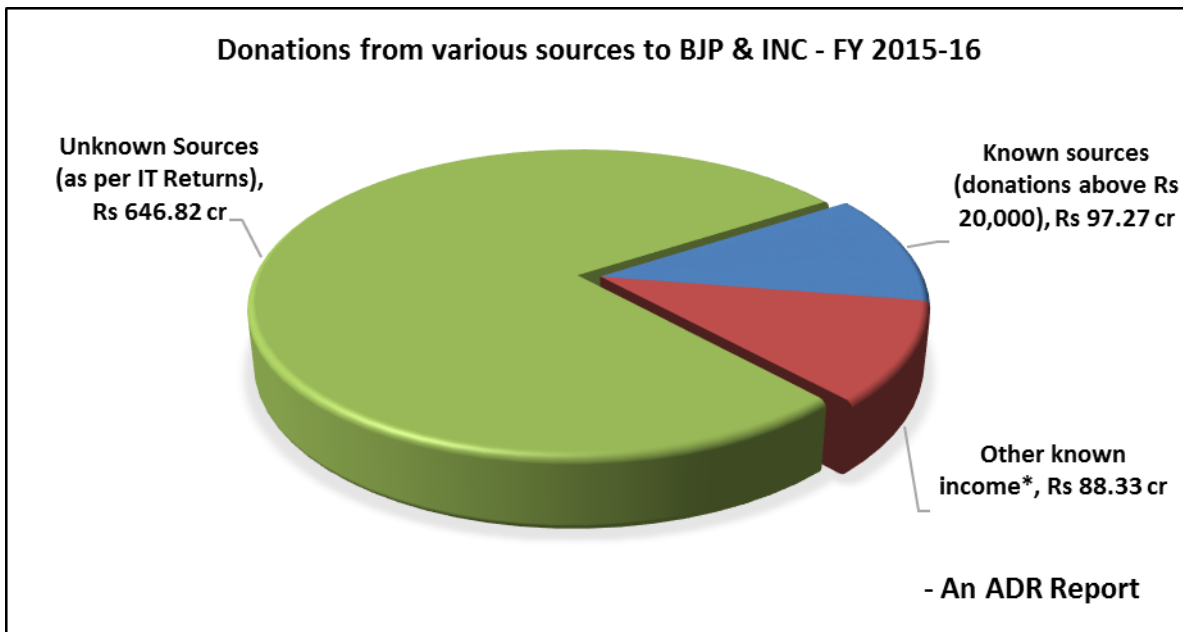
Unknown sources of income of BJP & INC for FY- 2015-2016

- The contribution statements, submitted by the political parties declaring names and other details of donors who contribute above Rs 20,000, are the only **known sources of income parties**.
- The **unknown sources** are income declared in the IT returns but **without giving source of income from donations below Rs.20,000**. Such unknown sources include '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.
- **Total income of BJP & INC during FY 2015-16: Rs 832.42 cr.**
- **Total income of political parties from known donors** (details of donors as available from contribution report submitted by parties to Election Commission): **Rs 97.27 cr**, which is **11.69 %** of the total income of the 2 National parties during FY 2015-16.
- **Total income of BJP & INC from other known sources** (e.g., sale of assets, membership fees, bank interest, sale of publications, party levy etc.): **Rs 88.33 cr**, or **10.61%** of total income.
- **Total income of BJP & INC from unknown sources** (income specified in the IT Returns whose sources are unknown), for the FY 2015-16 is **Rs 646.82 cr**, which is **77.70%** of the total income of the 2 parties from all over India.

Note: Donations above Rs 20,000 have been deducted from the **total donations/ voluntary contributions** declared by the parties and total income derived by the parties from **unknown sources** is given in the table below.

Donations from various sources to BJP & INC during FY 2015-16 (Rs in cr)		
Sources of Income	BJP	INC
Known sources (donations above Rs 20,000)	76.85	20.42
Other known income*	33.23	55.10
Unknown Sources (as per IT Returns)	460.78	186.04
Total Income	Rs 570.86 cr	Rs 261.56 cr

Table: Amounts received as donations from various sources by BJP & INC during FY 2015-16



Graph: Amounts received as donations from various sources by BJP & INC during FY 2015-16

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

Details of unknown sources of income as declared by BJP & INC in their IT Returns

- Among the unknown sources of funding, maximum funds were collected under “**Voluntary Contributions**” by BJP during FY 2015-16. A total of **Rs 459.56 cr** was collected under “**Voluntary Contributions**” by which formed **80.5%** of the total income from unknown sources of BJP.
- The most preferred unknown source of funding for **INC** was “**Sale of coupons**” under the party collected a total of **Rs 167.96 cr** which formed 25.97% of the party’s total income from unknown sources during FY 2015-16.

Unknown Sources, as per the income-expenditure statements of BJP & INC, FY 2015-16 (Rs in cr)				
Political Parties	Voluntary Contributions	Miscellaneous Income	By Collection from Sale of coupons	Total
BJP	459.56	1.216	0	Rs 460.78 cr
INC	16.80	1.28	167.96	Rs 186.04 cr
Total	Rs 476.36 cr	Rs 2.496 cr	Rs 167.96 cr	Rs 646.82 cr

Table: Unknown sources of income of BJP & INC for FY- 2015-2016

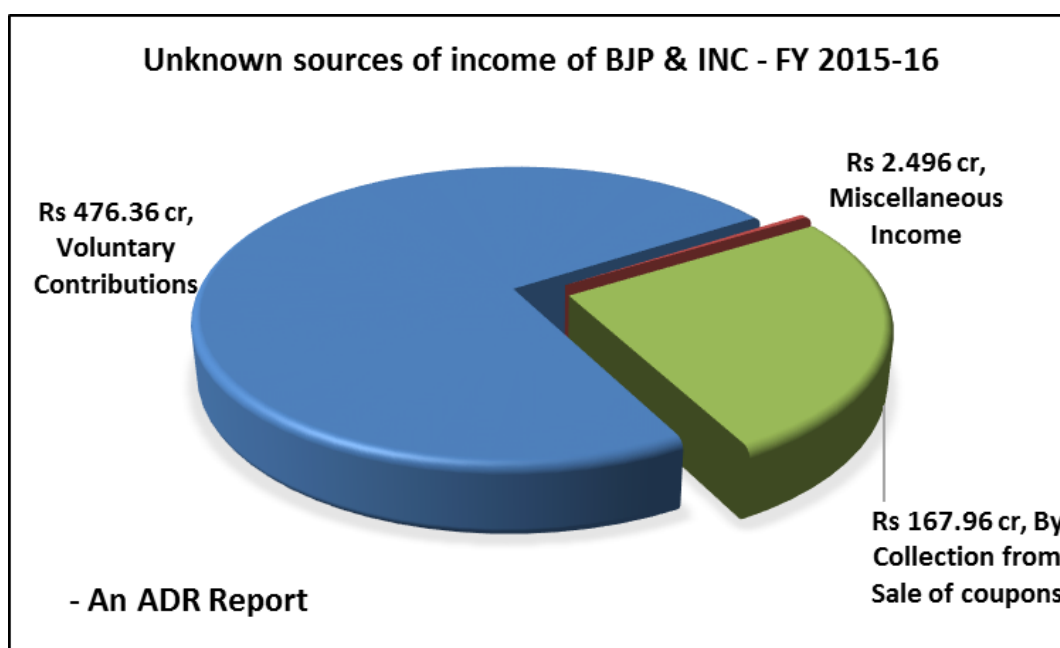


Table: Unknown sources of income of National parties for FY- 2015-2016

Share of donations above Rs 20,000 in total donations

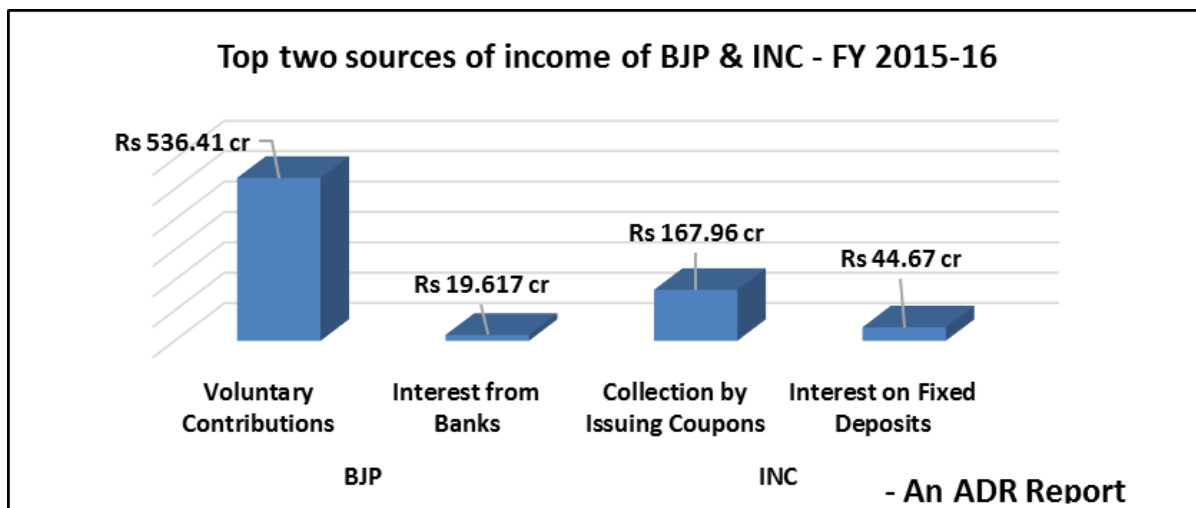
- Apart from submitting details of their audit report to the Election Commission of India, political parties are also required to annually provide details of donors who contributed **above Rs 20,000** to the parties in a financial year.
- A **comparison of total donations** declared by the parties in their **IT returns** (both above and below Rs 20,000) and that declared in the **donations report** shows that only **11.69%** (Rs 97.27 cr) of the total donations of the parties came from **voluntary contributions above Rs 20,000**.
- **Rs 476.36 cr** (83.04% of total donations) of the total donations to BJP & INC were collected during FY 2015-16 from donors whose details are not available in the public domain.
- **BJP**, declared a total income from donations above Rs 20,000 of **Rs 76.85 cr**, a mere **14.33%** of total donations, from donors whose details are available.
- Out of **Rs 37.22 cr** declared by **INC** as total donations of the party, **Rs 20.42 cr**, or **54.86%**, came from donors whose details are declared in the donations report of the party.

% share of contributions in total Income of Political Parties for FY-2015-2016 (Rs. in cr)						
Party	Total Income (A)	Source of Income – IT Returns	Total Contributions/ Donations- From IT Returns (B)	Share of Contributions in total income [(B/A)*100]	Donations above Rs 20,000 From Contribution report (C)	Share of Contributions above Rs 20,000 in total donations [(C/B)*100]
BJP	570.86	Voluntary Contributions	536.41	93.97%	76.85	14.33%
INC	261.56	Grant/ Donation/ Contributions	37.22	14.23%	20.42	54.86%
Total	Rs 832.42 cr	-	Rs 573.63 cr	68.91%	Rs 97.27 cr	16.96%

Table: % share of contributions in total Income of BJP & INC for FY-2015-2016 (Rs. in cr)

Top sources of income of National Parties for FY-2015-2016

- Highest income of **BJP** was from **voluntary contributions** through which the party collected **Rs 536.41 cr** and this formed **93.97%** of the total income of the party from all sources from India.
- **INC** has declared income from **collection by issuing coupons** as its main source of income through which the party collected **Rs 167.96 cr** or **64.22%** of its total income during FY 2015-16.
- **Income from interest from banks** was a common source of income for BJP (Rs 19.617 cr) and INC (Rs 44.67 cr) during FY 2015-16.



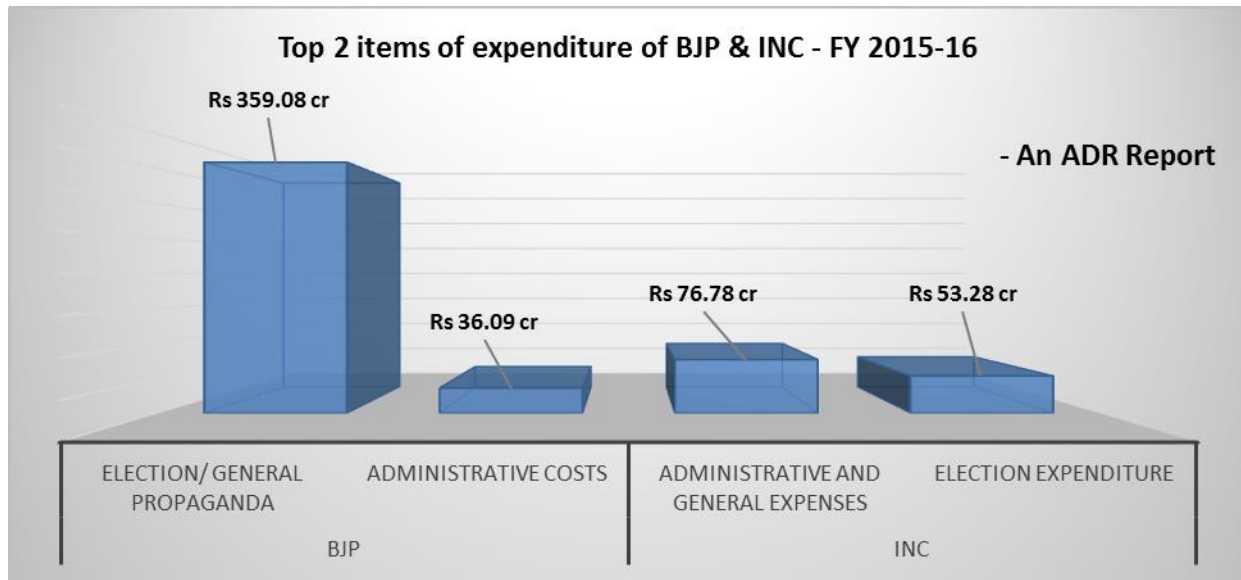
Top 2 sources of income of BJP & INC for FY 2015-16

Party	Total Income	Financial Year- 2015-2016		
		Top 3 Source of Income	Amount (Rs in cr)	Share of Income
BJP	Rs 570.86 crores	Voluntary Contributions	536.41	93.97%
		Interest from Banks	19.617	3.44%
		Fee & Subscription	10.34	1.81%
		Other Income	4.50	0.79%
INC	Rs 261.56 crores	Collection by Issuing Coupons	167.96	64.22%
		Interest on Fixed Deposits	44.67	17.08%
		Grant/Donation/Contributions	37.22	14.23%
		Other Income	11.70	4.47%

Table: Top 3 sources of income of BJP & INC as declared in their audit reports for FY 2015-16

Top items of expenditure of BJP & INC for FY 2015-2016

- The maximum expenditure for **BJP** was towards **Election/ general propaganda** which amounted to **Rs 359.08 cr** followed by expenses towards **Administrative Costs**, **Rs 36.09 cr**.
- **INC** spent the maximum of **Rs 76.78 cr** on **Administrative & General expenses** followed by expenditure of **Rs 53.28 cr** on **Election expenditure**.



Graph: Top 2 items of expenditure of BJP & INC as declared in their audit reports for FY-2015-16

Political Party	Total Expenditure	Financial Year- 2015-2016		
		Top 3 Items of Expenditure	Amount (Rs in cr)	% of Expenditure
BJP	Rs 438.80 crores	Election/General Propaganda	359.08	81.83%
		Administrative Costs	36.09	8.22%
		Books & Publications	16.36	3.73%
		Other Expenditure	27.27	6.21%
INC	Rs 193.26 crores	Administrative and General Expenses	76.78	39.73%
		Election Expenditure	53.28	27.57%
		Finance Costs	28.63	14.81%
		Other Expenditure	34.57	17.89%

Table: Top 3 items of expenditure of BJP & INC as declared in their audit reports for FY-2015-16

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 75% of the source of funds to be unknown.
- Any party which does not submit its IT returns or donation statement to the ECI 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. **The National political parties must provide all information on their finances under the Right to Information Act.** This will only strengthen political parties, elections and democracy.

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.

For details of Income and Expenditure declared by the National Political parties during FY 2014-15, kindly visit:

<https://goo.gl/1ml2o2>

For details of donations declared above Rs 20,000 by National Parties during FY 2015-16, kindly visit: <https://goo.gl/s4IGvz>

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 and http://eci.nic.in/eci_main1/PolPar/annualauditreport2016.aspx

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 political parties should be treated as correct. Association for Democratic Reforms, National Election Watch and their volunteers are not responsible or liable for any damage arising directly or indirectly from the publication of this report.

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