

**For Immediate release**

**17<sup>th</sup> August 2010**

## **Analysis of Income Tax Returns & Assessment Orders of Political Parties from Assessment Year 2002-03 to Assessment Year 2009-10**

**New Delhi:** Association for Democratic Reforms (ADR) obtained copies of the IT Returns and Assessment Orders of various political parties through the filing of RTI applications. This was made possible as per the Central Information Commission's order number CIC/AT/A/2007/01029 & 1263-1270, according to which public authorities (Income Tax Departments) holding Income Tax returns of political parties are directed to make these returns available to an appellant.

The data was obtained for the following parties: Bhartiya Janta Party (BJP), Bahujan Samaj Party (BSP), Communist Party of India (CPI), Communist Party of India Marxist (CPM), Indian National Congress (INC), Samajwadi Party (SP), Nationalist Congress Party (NCP) and Rashtriya Janta Dal (RJD). The data received was for the time period from Assessment Year 2002-03(Financial Year 2001-02) to Assessment Year 2009-10(Financial Year 2008-09). ADR is in the process of scanning copies of all these Income tax returns and Assessment orders and uploading them on its website – [www.adrindia.org](http://www.adrindia.org)

Details pertaining to Assets & Liabilities have been included in Balance Sheets submitted by political parties as part of their IT Returns. BSP & BJP have followed cash method of accounting (Receipt & Payment statements) while INC, CPI, CPM, SP, NCP & RJD have followed accrual method of accounting (Income & Expenditure statements).

**Here are some highlights of the analysis:**

### **1. Year wise Total Income of Political Parties from Assessment Year (AY) 2002-03 to 2009-10**

#### **Summary**

- 1) As on 31<sup>st</sup> March 2009, the maximum income for the AY 2009-10 was shown by INC (497 crores), followed by BJP (220 crores) and BSP (182 crores).
- 2) Amongst the other parties the income shown for AY 2009-10 by CPI is 1 crore, RJD (4 crores), SP (39 crores), NCP (40 crores) and CPM (63 crores)
- 3) The maximum aggregate income over the period AY 2002-03 to AY 2009-10 has been shown by INC (1518 crores) followed by BJP (754 crores) and BSP (358 crores).
- 4) Amongst other parties, the aggregate income for the period AY 2002-03 to AY 2009-10 for CPI is 7 crores, RJD (15 crores), NCP (109 crores), SP (263 crores) and CPM (339 crores).

Assessment	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	Accounting	Aggregate
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Year→									Method	AY 2002-03 to 2009-10
Financial Year→	2001-02 (crores)	2002-03 (crores)	2003-04 (crores)	2004-05 (crores)	2005-06 (crores)	2006-07 (crores)	2007-08 (crores)	2008-09 (crores)	Used by party	
Party ↓										
BJP	44.22	49.46	91.49	104.12	38.34	82.49	123.78	220.02	Receipt & Payment	753.92
BSP*	5.91	29.51	10.91	4.20	9.76	45.89*	69.74	182.02	Receipt & Payment	357.94
CPI	0.70	0.60	0.47	0.66	1.22	0.74	1.24	1.16	Income & Expenditure	6.79
CPM	20.06	18.42	32.82	39.88	41.60	63.40	59.70	62.83	Income & Expenditure	338.71
INC	69.56	61.50	153.04	222.07	124.93	169.36	220.81	496.88	Income & Expenditure	1518.15
SP	8.65	3.86	15.51	28.54	48.35	87.05	32.30	39.00	Income & Expenditure	263.26
NCP	5.73	4.17	6.89	12.10	7.37	15.80	17.39	40.01	Income & Expenditure	109.46
RJD	0.54	0.22	0.58	3.68	2.55	1.19	2.15	4.05	Income & Expenditure	14.96

\* BSP has not submitted Receipts & Payments statement for AY 2007-08. Data taken from schedule EI (Exempt Income) of Income tax Return.

**Table: Total Income of Political Parties from AY 2002-03 [FY 2001-02] to AY 2009-10 [FY 2008-09] in crores.**

## 2. Year wise Total Assets of Political Parties from Assessment Year (AY) 2002-03 to Assessment Year 2009-10

### Summary

- 1) As on 31<sup>st</sup> March 2009, INC has shown the maximum total assets (612 crores), followed by BSP (286 crores) and BJP (261 crores).
- 2) Amongst the other parties, RJD has shown total assets of 3 crores, CPI (7 crores), NCP (32 crores), SP (178 crores) and CPM (185 crores).
- 3) The maximum growth rate in total assets over the period AY 2002-03 to AY 2009-10 has been shown by BSP (59%) followed by NCP( 51%) and SP( 44%).
- 4) Amongst the other parties, the growth rate in assets over the period AY 2002-03 to AY 2009-10 for CPI has been 4%, BJP(18%), CPM(20%), RJD (35%) and INC (42%),

Assessment Year→	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	Annualized Growth AY 2002-03 to AY 2009-10
Financial Year→	2001-02 (crores)	2002-03 (crores)	2003-04 (crores)	2004-05 (crores)	2005-06 (crores)	2006-07 (crores)	2007-08 (crores)	2008-09 (crores)	
Party ↓									
BJP	81.41	90.50	155.42	122.93	111.80	137.17	177.44	260.70	18.1%
BSP	10.92	39.39	43.69	43.10	44.06	68.90	118.31	286.15	59.4%
CPI	5.53	5.49	5.50	5.57	6.25	6.33	7.07	7.10	3.6%
CPM	52.83	59.78	84.99	90.55	107.89	143.07	156.82	185.47	19.7%
INC	53.33	65.37	135.85	167.35	228.50	285.36	340.26	611.77	41.7%
SP	13.86	13.91	26.56	38.01	77.07	141.56	144.14	177.80	44.0%
NCP	1.84	1.45	4.04	1.61	3.77	7.22	8.80	32.32	50.6%
RJD	0.40	0.41	0.55	1.91	1.62	1.10	2.16	3.28	35.1%

**Table: Total Assets of Political Parties from AY 2002-03 [FY 2001-02] to AY 2009-10 [FY 2008-09] in crores.**

### **3. Breakdown of Total Liabilities & Capital of Political Parties as on March 31<sup>st</sup> 2009**

#### **Summary**

- 1) As on 31<sup>st</sup> March 2009, the maximum capital fund was shown by INC (549 crores), followed by BSP (286 crores) and BJP (246 crores).
- 2) Amongst the other parties RJD showed capital fund of 60 lakhs approx, CPI( 7 crores), NCP( 32 crores), SP(178 crores) and CPM(185 crores).
- 3) INC has shown the maximum amount of bank borrowing (49 crores) followed by BJP (13 crores).

<b>Party</b>	<b>Total Liabilities &amp; Capital (crores)</b>	<b>Capital Fund (crores)</b>	<b>Bank Borrowing (crores)</b>	<b>Other Liabilities (crores)</b>
BJP	260.70	245.92	13.44	1.34
BSP	286.15	286.15	0.00	0.00
CPI	7.10	6.92	NA	0.18
CPM	185.47	135.04	0.00	50.43
INC	611.77	549.00	49.09	13.68
SP	177.80	177.07	0.01	0.72
NCP	32.32	32.06	0.00	0.26
RJD	3.28	0.58	0.00	2.70

**Table: Break down of Total Liabilities & Capital of Political Parties based on AY 2009-10 (FY 2008-09)**

4. Recent events where MPS and MLAs have sold their votes have shaken public confidence in the political system. Voters are also aware of the misuse of funds during elections. The above analysis reiterates this point by highlighting the ever increasing income and assets of Political Parties.

There is a need for Political parties to have inner party democracy, transparency in their accounts and their funding, internal elections for office bearers etc. All advanced democracies of the world have detailed laws defining how the political parties should function. In India, several commissions like The Law Commission of India, National Commission for the Review of Working of Constitution and The Election Commission have recommended bringing in a law to this effect. Unfortunately, the law makers have refused to budge.

National Election Watch (NEW), a coalition of more than 1200 organizations is demanding for Members of Parliament and Leaders of National Political Parties to bring in a law to regulate the functioning of political parties.

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