

Press Release

28th Oct, '13

Analysis of Funds Collected and Expenditure Incurred by Political Parties during Election Period

Analysis of Rajasthan, Chhattisgarh, Delhi, Mizoram, Madhya Pradesh and Jammu & Kashmir Assembly Elections held in 2008

- Political parties are required to submit a statement of election expenditure to the Election Commission within 75 days of completion of Assembly Elections
- The expenditure statement contains details of the **total amount received as funds in the form of cash, cheques and Demand Drafts and the total amount spent under various heads**
- The expenditure statement **contains information on the amount spent on various heads** at the state, district and constituency levels by the party
- Expenditure is **declared under the following heads**:
 - Publicity
 - Travel expenses
 - Other expenses
 - Travel expenses of leaders and workers
 - Miscellaneous expenses
- Political parties submit these statements providing information of funds **collected and spent from the date of announcement of elections to the date of completion of elections**, which could be between 3 weeks and 3 months based on the notification issued by the Election Commission.
- This report analyses the funds received by the political parties, **during the election period of 79 days (14-10-2008 to 31-12-2008)**

Executive Summary

- Submission of Statement of Election Expenditure:**

National parties		
Party	Assembly Elections contested in	Status of submission of expenditure statement to the ECI
Indian National Congress (INC)	Rajasthan, Chhattisgarh, Delhi, Mizoram, M.P. & Jammu & Kashmir	Submitted to ECI
Bharatiya Janata Party (BJP)	Rajasthan, Chhattisgarh, Delhi, Mizoram, M.P. & Jammu & Kashmir	Submitted to ECI
Bahujan Samaj Party (BSP)	Rajasthan, Chhattisgarh, Delhi, M.P. & Jammu & Kashmir	Submitted to ECI
Communist Party of India – Marxist (CPM)	Rajasthan, Chhattisgarh, Delhi, M.P. & Jammu & Kashmir	Submitted to ECI
Communist Party of India (CPI)	Rajasthan, Chhattisgarh, Delhi, M.P. & Jammu & Kashmir	Submitted to ECI
Nationalist Congress Party (NCP)	Rajasthan, Chhattisgarh, Delhi, Mizoram, M.P. & Jammu & Kashmir	Not submitted to the ECI
Regional Parties		
Jammu and Kashmir National Conference (JKNC)	Jammu & Kashmir	Submitted to ECI

Political Parties	Assembly Elections Contested in	Status of submission of expenditure statement to the ECI
Rashtriya Janata Dal (RJD)	Delhi, M.P., Chhattisgarh	Not submitted to the ECI
All India Forward Block (AIFB)	Delhi, M.P., Rajasthan	Not submitted to the ECI
Janata Dal Secular (JDS)	Delhi, M.P., Rajasthan	Not submitted to the ECI
Janata Dal United (JDU)	Delhi, M.P., Chhattisgarh, Mizoram, Rajasthan	Not submitted to the ECI
Rashtriya Lok Dal (RLD)	Delhi, M.P., Rajasthan	Not submitted to the ECI
Shiv Sena (SHS)	Delhi, M.P., Chhattisgarh, Rajasthan	Not submitted to the ECI
Samajwadi Party (SP)	Delhi, MP, Chhattisgarh, Rajasthan	Not submitted to the ECI
Communist Party of India (Marxist-Leninist) Liberation (CPI(ML) (L))	Delhi, M.P., Chhattisgarh, Rajasthan	Not submitted to the ECI
J&K National Panthers Party (JKNPP)	Delhi,	Not submitted to the ECI
Jharkhand Mukti Morcha (JMM)	MP, Chhattisgarh	Not submitted to the ECI
Revolutionary Socialist Party (RSP)	MP	Not submitted to the ECI
Zoram Nationalist Party (ZNP)	Mizoram	Not submitted to the ECI
Mizoram People's Conference (MPC)	Mizoram	Not submitted to the ECI
Indian National Lok Dal (INLD)	Rajasthan	Not submitted to the ECI

• **Details provided in the Election Expenditure Statement:**

National Parties: Funds Collected and Expenditure Incurred

- National Parties considered for the report: INC, BJP, BSP, NCP, CPI, CPM
- **NCP is the only national party which has not submitted its expenditure statement to the Election Commission**
- Number of days within which the funds were collected and spent: **79 days (14-10-2008 to 31-12-2008)**
- Total funds collected by the national parties during the assembly elections: **Rs 182.12 crores**
- Total expenditure incurred by the national parties: **Rs 135.52 crores**

Regional Parties: Funds Collected and Expenditure Incurred

- Regional Parties considered for the report: JKNC, JKNPP, RJD, AIFB, JD(S), JD(U), RLD, Shiv Sena, SP, CPI(ML)(L), JMM, RSP, ZNP, MPC, INLD
- **Of the above 14 regional parties which contested in at least one assembly election of the 6 considered, only JKNC has submitted its election expenditure statement to the Election Commission***
- Total funds collected by JKNC: **No funds collected**
- Total Expenditure incurred by JKNC: **Rs 1.36 crores**

Funds Collected and Expenditure Incurred in Cash and Cheque

- **93.43%** of the total funds received by INC during election period was **by cash** (Rs 81.92 crores) while 85.60% of the total funds received by BJP was **by cash** (Rs 14.44 crores)
- **100% BSP's funds of Rs 76.20 crores was collected in cash**

*According to the reply to ADR's RTI to the Election Commission, the mentioned regional parties have not submitted their election expenditure statement to the ECI

- Unlike the funds collected, the **parties' preferred mode of expenditure is by cheque/DD**, according to the statements submitted
- **58.29% of the total expenditure of INC** was by cheque/DD (Rs 59.78 crores) while **98.78% of the total expenditure of BJP** was by cheque or DD (Rs 25.17 crores)

Party	Funds collected (Rs in crores)			Expenditure incurred (Rs in crores)			
	Cash	Cheque/DD	Total	Cash	Cheque/DD	Remaining unpaid	Total
INC	81.92	5.76	87.68	30.64	59.78	12.13	102.56
BJP	14.44	2.43	16.87	0.31	25.17	Not applicable	25.48
BSP	76.20	0	76.20	1.88	4.22	Not applicable	6.10
CPI	0.10	0.45	0.55	0.09	0.53	Not applicable	0.62
CPM	0.01	0.81	0.82	0.04	0.72	Not applicable	0.76
NCP	Not submitted to the ECI						
Total	Rs 172.67 crores	Rs 9.45 crores	Rs 182.12 crores	Rs 32.97 crores	Rs 90.42 crores	Rs 12.13 crores	Rs 135.52 crores
Regional Parties							
JKNC	0	0	0	0.38	0.98	Not applicable	1.36
Grand Total	Rs 172.67 crores	Rs 9.45 crores	Rs 182.12 crores	Rs 33.35 crores	Rs 91.4 crores	Rs 12.13 crores	Rs 136.88 crores

• **Expenditure of Political Parties**

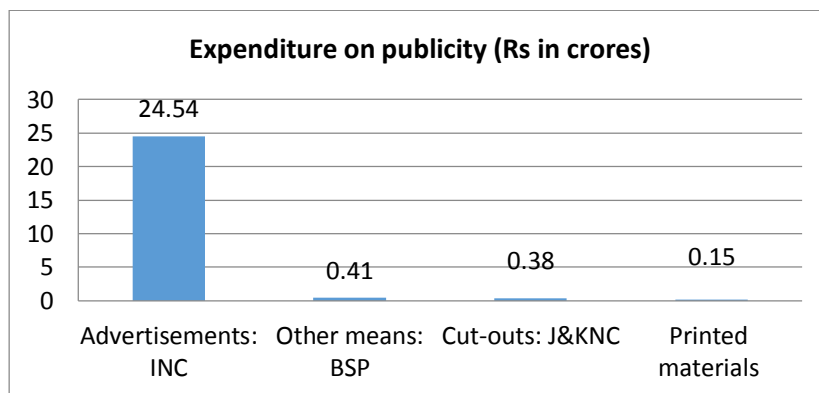
- CPM and CPI are the only two national parties to submit a break-up of expenses under various heads at the state, district and constituency levels while INC and BSP submitted a consolidated expenditure statement
- **BJP has stated that the party incurred no expenditure under any of the 5 heads in the statement**
- Publicity is one of the three top items of election expenditure for INC, BSP, CPI, CPM and JKNC
- INC spent Rs 41.38 crores out of Rs 102.56 crores on publicity which constitutes 40.35 % of the total expenditure of the party followed by Rs 27.75 crores on candidates (27.06%)
- Similarly, BSP spent Rs 1.13 crores out of Rs 6.10 crores on publicity which constitutes 18.52% of the total election expenditure of the party

Party	Division of expenditure as provided in the statement submitted by the parties (Rs in crores)						Total
	Publicity	Travel expenses	Other expenses	Travel expenses of leaders and workers	Miscellaneous expenses	Expenditure towards candidates	
INC	41.38	22.99	0.44	7.58	2.42	27.75	Rs 102.56 crores
BJP	NIL	NIL	NIL	NIL	NIL	NIL	NIL
BSP	1.13	0.0038	0.05	-	4.92	NIL	Rs 6.10 crores
CPI	0.135	0.003	0.003	0.001	0.247	NIL	Rs 0.39 crores*
CPM	0.246	0.037	0.025	0.115	0.183	NIL	Rs 0.606 crores*
NCP	Not submitted to the ECI						
Total	Rs 42.89 crores	Rs 23.03 crores	Rs 0.518 crores	Rs 7.70 crores	Rs 7.77 crores	Rs 27.75 crores	Rs 109.66 crores
Regional Parties							
JKNC	0.55	0.75	-	0.03	0.03	NIL	Rs 1.36 crores
Grand Total	Rs 43.44 crores	Rs 23.78 crores	Rs 0.518 crores	Rs 7.73 crores	Rs 7.8 crores	Rs 27.75 crores	Rs 111.02 crores

*Total expenditure of CPI and CPM as given under cash/cheque do not match with the details provided under various heads by the party

• **Expenditure of Political Parties on Publicity:**

- There are seven main items listed under publicity expenditure which are: **printed material** (manifesto, pamphlets, poster, handbill etc), **electronic media** (hiring time slots etc in private channels), making and distribution of **video films, audio cassettes, advertisements** in newspapers/magazines/souvenirs, **cut-out, hoardings/banners/flags/arches/gates** etc, **others**
- Among the expenditure incurred on publicity, **INC has spent the maximum amount of Rs 24.54 crores on advertisements** in newspapers and magazines followed by **Rs 6.97 crores on electronic media** (including hiring time slot spots in private channels)
- BSP spent the maximum amount on '**other means**' incurred on publicity (**Rs 0.41 crores**) followed by **Rs 0.36 crores on cut-outs, hoardings, banners, flags, arches, gates** etc
- JKNC has spent the maximum amount of **Rs 0.38 crores on cut-outs**, hoardings, banners etc followed by **Rs 0.08 crores on electronic media**



• **Expenditure of Political Parties on Helicopter/ Aircrafts:**

- Expenditure on helicopters is given under two heads: travel expenses and travel expenses of leaders and workers
- While only INC, CPM and JKNC have declared expenditure on helicopters/aircrafts, maximum amount was spent on travel expenses rather than on travel of leaders and workers
- A total of Rs 30.759 crores was spent by the three parties on travel expenses and travel of leaders and workers

Expenditure on Aircrafts/ helicopters/ ship etc			Total
Party	Travel expenses	Travel expenses of leaders and workers	
INC	Rs 22.83 crores	Rs 7.17 crores	Rs 30 crores
CPM	Rs 0.009 crores	NIL	Rs 0.009 crores
JKNC	Rs 0.75 crores	NIL	Rs 0.75 crores
TOTAL	Rs 23.584 crores	Rs 7.17 crores	Rs 30.759 crores

• **Recommendations of ADR:**

- The **details of all donors** who contribute to national and regional parties exclusively for their election campaigns must be declared in the public domain irrespective of the amount donated
- A **format similar to the donations report along with the date of donations**, submitted to the ECI on an annual basis, has to be prescribed for the expenditure statement so as to **bring in more transparency in the finances of the political parties especially during elections** when it is said that black money plays a major role
- The format for donations should include all modes of payments such as cash, DD, cheque and electronic transfer
- All political parties must submit their statements of expenditure in the format given by the ECI including **details of expenditure at the state, district and constituency levels**
- The **difference in amounts declared as spent in cash/cheque and under various heads** must be thoroughly scrutinized so that all items of expenditure are disclosed along with the amount spent by the parties under each head
- Where possible, **expenditure must be limited to transactions via cheque/ DD** so as to reduce black money in elections
- Similar to the shadow observers of the ECI for monitoring expenditure of candidates, there must also be **observers for monitoring the expenditure of political parties**

Detailed Summary

Funds received during election period of 79 days

- INC, BJP and NCP were the only three national parties which contested in all the 6 Assembly Elections considered in this report. **NCP has not submitted its election expenditure statement to the ECI**
- The funds were collected between the date of announcement of elections and date of completion of elections: **79 days**
- INC has declared the maximum of **Rs 87.68 crores** as funds collected during the election period followed by **BSP (Rs 76.20 crores)** and **BJP (Rs 16.87 crores)**
- CPI has declared the least amount of funds collected: **Rs 55 lakhs**
- JKNC is the only regional party among the 14 regional parties considered in the report, which has submitted its election expenditure statement. The party, in its statement, has specified that no funds were collected during the Jammu and Kashmir elections the party contested in

Top Items of Expenditure:

- Publicity, travel, travel of leaders and workers, other expenses and miscellaneous expenses are the main items listed under which political parties declare their expenditure
- Among all the items of expenditure, publicity is one of the three top items of election expenditure for INC, BSP, CPI, CPM and JKNC
- BJP has declared that the **party incurred no expenditure** during any of the elections to Madhya Pradesh, Rajasthan, Chhattisgarh, Delhi, Mizoram and Jammu & Kashmir
- **NCP has not submitted its statement of expenditure** to the Election Commission
- INC spent Rs 41.38 crores out of Rs 102.56 crores on publicity which constitutes 40.35% of the total expenditure of the party followed by Rs 27.75 crores on candidates (27.06%)
- Similarly, BSP spent Rs 1.13 crores out of Rs 6.10 crores on publicity which constitutes 18.52% of the total election expenditure of the party

Details of submission of Election Expenditure statement to the ECI

- Out of the 6 national parties, **NCP is the only party which has not submitted its election expenditure details to the Election Commission of India (ECI)**

Party	Assembly Elections contested in	Status of submission of expenditure statement to the ECI	Total funds received by the party
Indian National Congress (INC)	Rajasthan, Chhattisgarh, Delhi, Mizoram, M.P. & Jammu & Kashmir	Submitted to ECI	Rs 87.68 crores
Bharatiya Janata Party (BJP)	Rajasthan, Chhattisgarh, Delhi, Mizoram, M.P. & Jammu & Kashmir	Submitted to ECI	Rs 16.22 crores
Bahujan Samaj Party (BSP)	Rajasthan, Chhattisgarh, Delhi, M.P. & Jammu & Kashmir	Submitted to ECI	Rs 76.20 crores
Communist Party of India – Marxist (CPM)	Rajasthan, Chhattisgarh, Delhi, M.P. & Jammu & Kashmir	Submitted to ECI	Rs 0.83 crores
Communist Party of India (CPI)	Rajasthan, Chhattisgarh, Delhi, M.P. & Jammu & Kashmir	Submitted to ECI	Rs 0.48 crores
Nationalist Congress Party (NCP)	Rajasthan, Chhattisgarh, Delhi, Mizoram, M.P. & Jammu & Kashmir	Not submitted to the ECI	Not applicable
Jammu and Kashmir National Conference (JKNC)	Jammu & Kashmir	Submitted to ECI	Not specified in the statement to the ECI

Other regional parties which had contested in Assembly Elections in 2008 but **failed to submit their election expenditure statements to the ECI** are listed below, along with details of the elections the parties contested in:

Political Parties	Assembly Elections Contested in	Status of submission of expenditure statement to the ECI
Rashtriya Janata Dal (RJD)	Delhi, M.P., Chhattisgarh	Not submitted to the ECI
All India Forward Block (AIFB)	Delhi, M.P., Rajasthan	Not submitted to the ECI
Janata Dal Secular (JDS)	Delhi, M.P., Rajasthan	Not submitted to the ECI
Janata Dal United (JDU)	Delhi, M.P., Chhattisgarh, Mizoram, Rajasthan	Not submitted to the ECI
Rashtriya Lok Dal (RLD)	Delhi, M.P., Rajasthan	Not submitted to the ECI
Shiv Sena (SHS)	Delhi, M.P., Chhattisgarh, Rajasthan	Not submitted to the ECI
Samajwadi Party (SP)	Delhi, MP, Chhattisgarh, Rajasthan	Not submitted to the ECI
Communist Party of India (Marxist-Leninist) Liberation (CPI(ML) (L))	Delhi, M.P., Chhattisgarh, Rajasthan	Not submitted to the ECI
J&K National Panthers Party (JKNPP)	Delhi,	Not submitted to the ECI
Jharkhand Mukti Morcha (JMM)	MP, Chhattisgarh	Not submitted to the ECI
Revolutionary Socialist Party (RSP)	MP	Not submitted to the ECI
Zoram Nationalist Party (ZNP)	Mizoram	Not submitted to the ECI
Mizoram People's Conference (MPC)	Mizoram	Not submitted to the ECI
Indian National Lok Dal (INLD)	Rajasthan	Not submitted to the ECI

Description of funds received by national parties during elections

- While analyzing the statements submitted by the parties during the assembly elections to the 6 state assemblies, it is seen that **maximum funds received was by cash** while collection by cheques/DD come a distant second
- 93.43% of the total funds received by INC during election period was **by cash (Rs 81.92 crores)** while only 6.57% of the funds was by **cheque (Rs 5.76 crores)**
- 85.60% of the total funds received by BJP was **by cash (Rs 14.44 crores)** while only 14.40% of the funds received was by **cheque/DD (Rs 2.43 crores)**
- BSP is the only national party which has **declared 100% of its funds received in the form of cash (Rs 76.20 crores)**

Party	Total funds received during elections (Rajasthan, Chhattisgarh, Delhi, Mizoram, M.P. & J&K)	Description of funds received	Funds received (Rs in crores)	% share in total donation
INC	Rs 87.68 crores	Cash	81.92	93.43%
		Cheque/ DD	5.76	6.57%
BJP	Rs 16.87 crores	Cash	14.44	85.60%
		Cheque/ DD	2.43	14.40%
BSP	Rs 76.20 crores	Cash	76.20	100%
		Cheque/ DD	0	0.00%
CPI	Rs 0.55 crores	Cash	0.10	18.18%
		Cheque/ DD	0.45	81.45%
CPM	Rs 0.82 crores	Cash	0.01	1.22%
		Cheque/ DD	0.81	98.78%
NCP	Not submitted details to the ECI	Cash	Not Applicable	
		Cheque/ DD		
JKNC	No funds collected	Cash	Not Applicable	
		Cheque/ DD		

Table: Description of funds collected by political parties during the Assembly Elections in 2008

Expenditure incurred by political parties during election period

- Unlike the funds collected, **the parties' preferred mode of expenditure was by cheque/DD**, according to the statements submitted,
- 58.29% of the total expenditure of INC was by cheque/DD (Rs 59.78 crores) while only 29.88% of the expenditure was in cash (Rs 30.64 crores)
- 98.74% of the total expenditure of BJP was by cheque or DD (Rs 25.17 crores) but only 1.26% by cash (Rs 0.32 crores)
- Similarly, 69.18% of the total expenditure of BSP was by cheque/DD (Rs 4.22 crores) and 94.74% of total expenditure of CPM was by cheque or DD (Rs 0.72 crores)

Party	Total expenditure incurred during elections (Rajasthan, Chhattisgarh, Delhi, Mizoram, M.P. & J&K)	Mode of payment	Expenditure incurred (Rs in crores)	% share in total expenditure
INC	Rs 102.56 crores	Cash	30.64	29.88%
		Cheque/ DD	59.78	58.29%
		Remaining unpaid	12.13	11.83%
BJP	Rs 25.48 crores	Cash	0.31	1.22%
		Cheque/ DD	25.17	98.78%
BSP	Rs 6.10 crores	Cash	1.88	30.82%
		Cheque/ DD	4.22	69.18%
CPI	Rs 0.62 crores	Cash	0.09	14.52%
		Cheque/ DD	0.53	85.48%
CPM	Rs 0.76 crores	Cash	0.04	5.26%
		Cheque/ DD	0.72	94.74%
JKNC	Rs 1.36 crores	Cash	0.38	27.94%
		Cheque/ DD	0.98	72.06%

Table: Expenditure incurred by political parties during the Assembly Elections in 2008

Items of expenditure of political parties

- Various items of expenditure are categorized under four main heads: **publicity, travel expenses, travel expenses of leaders and workers and other miscellaneous expenses**
- Publicity is one of the three top items of election expenditure for INC, BSP, CPI, CPM and JKNC
- INC spent Rs 41.38 crores out of Rs 102.56 crores on publicity which constitutes 40.35% of the total expenditure of the party followed by Rs 27.75 crores on candidates (27.06%)
- Similarly, BSP spent Rs 1.13 crores out of Rs 6.10 crores on publicity which constitutes 18.52% of the total election expenditure of the party
- Travel expenses is also one of the major expenses of the political parties: INC spent Rs 22.98 crores (30.72% of total expenditure), CPM spent Rs 46,000 (8.39% of the total expenditure of the party) and JKNC spent Rs 75 lakhs (55.15% of the total expenditure of the party) on travel by helicopters and airplanes

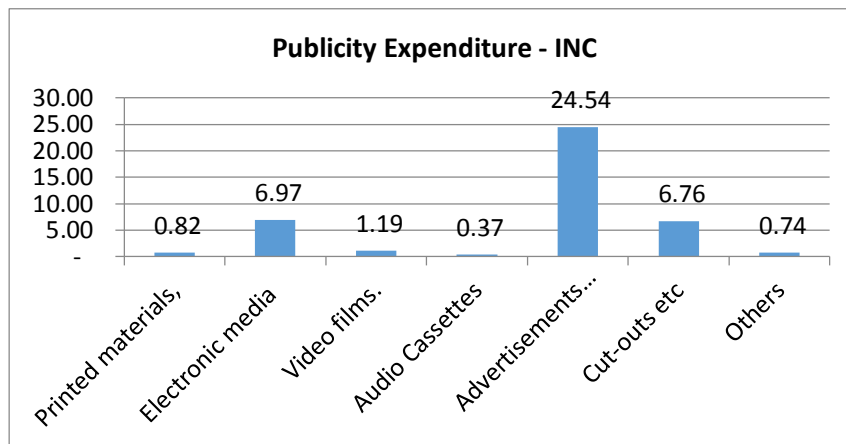
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Total	Rs 42.89 crores	Rs 23.03 crores	Rs 0.518 crores	Rs 7.70 crores	Rs 7.77 crores	Rs 27.75 crores	Rs 109.66 crores
Regional Parties							
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Grand Total	Rs 43.44 crores	Rs 23.78 crores	Rs 0.518 crores	Rs 7.73 crores	Rs 7.8 crores	Rs 27.75 crores	Rs 111.02 crores

Table: Top three items of expenditure incurred under various heads by the political parties during Assembly Elections in 2008

*Total expenditure of CPI and CPM as given under cash/cheque do not match with the details provided under various heads by the party

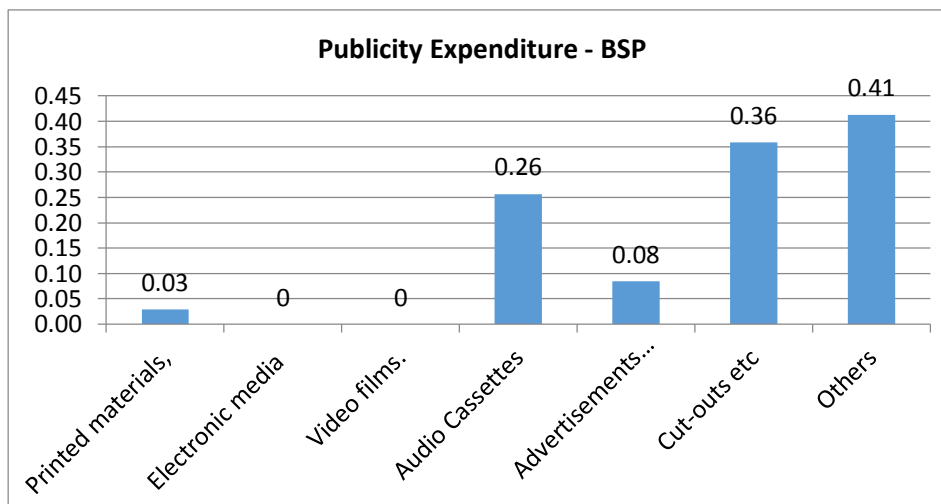
Expenditure of political parties on publicity

- Among the expenditure incurred on publicity, INC has spent the maximum amount of **Rs 24.54 crores** on **advertisements** in newspapers and magazines followed by **Rs 6.97 crores on electronic media** (including hiring time slot spots in private channels)



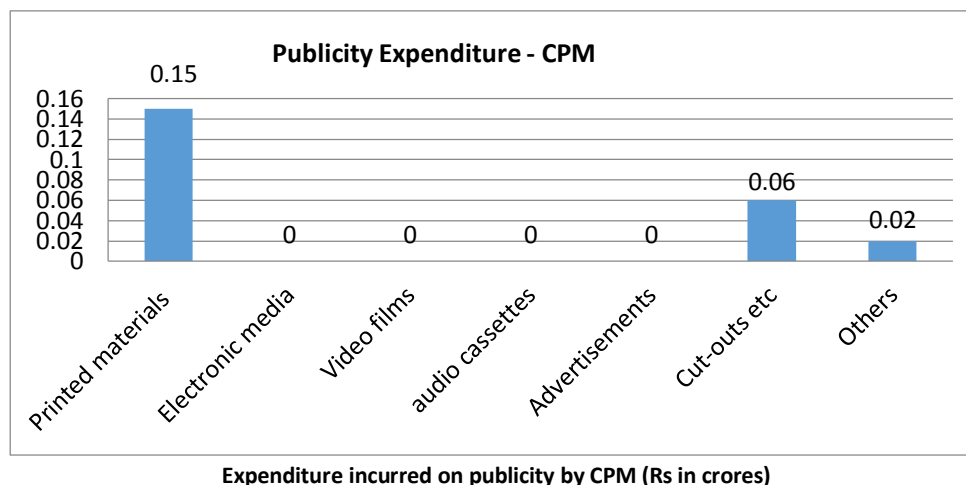
Expenditure incurred on publicity by INC (Rs in crores)

- BSP spent the maximum amount on 'other expenses' incurred for publicity (Rs 0.41 crores) followed by Rs 0.36 crores on cut-outs, hoardings, banners, flags, arches, gates etc

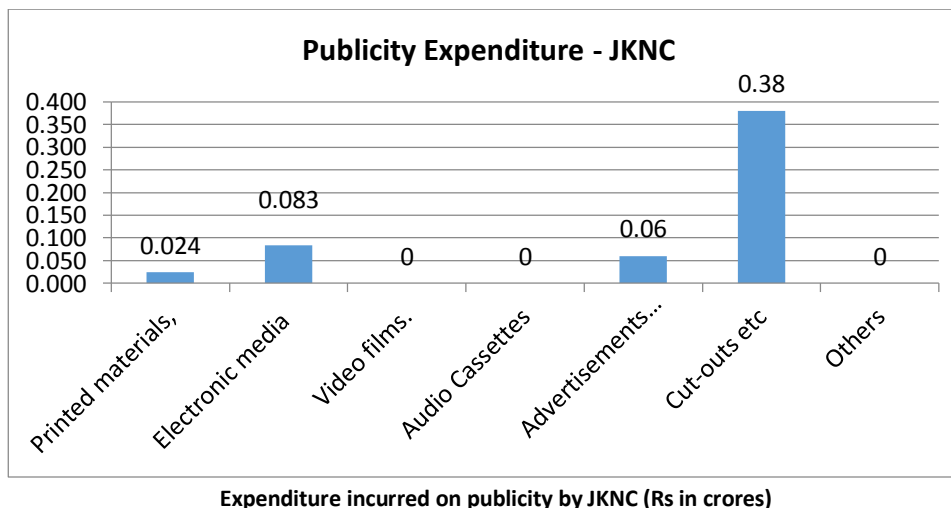


Expenditure incurred on publicity by BSP (Rs in crores)

- CPM spent the maximum of Rs 15.45 lakhs on printed material (manifesto, pamphlets, handbills, etc) followed by Rs 1.86 lakhs on cut-outs, banners, hoardings etc.



- JKNC has spent the maximum amount of Rs 0.38 crores on cut-outs, hoardings, banners etc followed by Rs 0.08 crores on electronic media



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