

## **FAQs on Election Expenditure of Political Parties**

### **Q1. Do political parties directly collect funds and incur expenditure during elections?**

Yes, they collect funds exclusively for election campaigns and spend the same on publicity, advertisement, travel and on candidates for their individual campaigns.

### **Q2. Are the political parties required to maintain a separate accounts of all the funds thus collected and spent?**

All political parties contesting in Lok Sabha and Assembly elections (recognised National and Regional parties and unrecognised regional parties) are required to maintain the total funds collected during the election period (from the date of announcements of elections to the date of completion of elections) in **cash, cheque and in kind**. Similarly, they are also required to maintain the total **expenditure incurred in cash and cheque** during the same election period apart from the various heads under which the funds were spent. These heads include publicity, travel, on candidates and other expenses.

### **Q3. Are these accounts/ statements available for the public to access?**

The contesting political parties are required to file their expenditure statements to the Election Commission of India in the format specified by the Commission **within 75 days of Assembly elections and 90 days of Lok Sabha elections**. The Commission, thereafter, makes these statements available in the public domain via below link on its website, for the perusal and scrutiny of public:

[http://eci.nic.in/eci\\_main1/PolPar/expenditurereports.aspx](http://eci.nic.in/eci_main1/PolPar/expenditurereports.aspx)

### **Q4. What are the laws/rules/ judgements dealing with the filing of election expenditure statements by political parties?**

Unfortunately, there are no provisions laid down in the Representation of the People's Act, 1951 (RPA) regarding the format and periodicity of submission of expenditure statements nor clause for penalty in case of defaulting parties.

The Supreme Court in its judgement dated 4<sup>th</sup> April, '96 (Common Cause vs. Union of India) had observed the lack of transparency in the election expenditure incurred by parties and directed the Election Commission to create a format for the recognised parties to submit their statements. The judgement can be referred from the link below:

<http://judis.nic.in/supremecourt/imgs1.aspx?filename=15749>

For the first time, the ECI suspended the recognition of a political party (National People's Party) for failing to submit its Lok Sabha expenditure statement incurred in 2014 which prompted the party to duly file its statement.

### **Q5. Is there an existing upper limit on the expenditure incurred by political parties?**

Unlike the limit of election expenditure imposed on a contesting candidate by the Union of India through the ECI, there is no limit on the expenditure that a party can incur during its election campaigns.

### **Q6. Does releasing Election Expenditure statements by political parties promote financial transparency and accountability in political parties?**

The Indian judiciary had observed in a number of judgements that the current legal provisions were not sufficient to hold political parties accountable for the money collected from various sources as the **donor details are unavailable in the public domain** as did other Committee reports. The Apex court had also voiced its concern over the fact that elections were now being contested on the might of monies which might have been obtained from illegal sources.

Thus, ADR has filed a **Public Interest Litigation in the Delhi High Court** requesting the court to issue such directions that the recommendations of the 170<sup>th</sup> Law Commission's report be implemented. The 170<sup>th</sup> Report suggested monitoring and regulation of expenditure by political parties.

**Q7. What are the three major requests in the PIL filed by ADR on Election Expenditures in the Delhi High Court?**

Apart from requesting the High Court to issue directions on implementation of the recommendations of the 170<sup>th</sup> Law Commission report, ADR has included the following 3 major prayers in its petition:

- introduction of a ceiling on election expenditure incurred by political parties, on and during elections;
- direction to political parties to submit election expenditure statements **one year prior to the date of announcements of elections** (Lok Sabha Assembly elections);
- increase the frequency of submission of expenditure statements **during the election period**: once a month before declaration of elections and at least once a week during the election period.

Details of the complete PIL can be accessed from: <http://goo.gl/5MQQb4>

**Q8. Has ADR analysed any election expenditure statements submitted by political parties?**

ADR regularly analyses the election expenditure statements filed by recognised political parties with the ECI. A comparative study of the election expenditure incurred by National Parties during Lok Sabha elections held in 2004, 2009 and 2014 can be accessed from <http://goo.gl/9dozSZ> in which it was observed that 45% or Rs 1007.81 crores was collected in cash during the 3 Lok Sabha elections.

Other statewise reports analysing election expenditure statements of Regional Parties can be found in: <http://adrindia.org/research-and-report/political-party-watch>