

Press Release

30-11-2013

Analysis of Funds Collected and Expenditure Incurred by Bihar's Major Political Parties during Election Period

Analysis of Bihar Assembly Elections held in 2010

**A REPORT BY
ASSOCIATION FOR DEMOCRATIC REFORMS
&
NATIONAL ELECTION WATCH**

Association for Democratic Reforms
B-35, 'Kiwanis Centre', 4th Floor
Qutub Institutional Area
New Delhi – 110016
Tel: 011 4165 4200

Analysis of Funds Collected and Expenditure Incurred by Bihar's Major Political Parties during Election Period

Analysis of Bihar Assembly Elections held in 2010

- 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 Bihar's major political parties, **during the election period of 72 days (06-09-2010 to 26-11-2010)**

Executive Summary

- Submission of Statement of Election Expenditure Incurred during Bihar Assembly Elections, 2010:**

National Parties	
Party	Status of submission of expenditure statement to the ECI
Indian National Congress (INC)	Submitted to ECI
Bharatiya Janata Party (BJP)	Submitted to ECI
Bahujan Samaj Party (BSP)	Submitted to ECI
Communist Party of India – Marxist (CPM)	Submitted to ECI
Communist Party of India (CPI)	Submitted to ECI
Nationalist Congress Party (NCP)	Submitted to ECI
Regional Parties	
Samajwadi Party (SP)	Submitted to ECI
Janata Dal (United) (JD(U))	Submitted to ECI
Lok Jan Shakti Party (LJP)	Submitted to ECI
Rashtriya Janata Dal (RJD)	Not submitted to the ECI
All India Forward Block (AIFB)	Not submitted to the ECI
Janata Dal (Secular) (JD(S))	Not submitted to the ECI
Jammu and Kashmir National Panthers Party (JKNPP)	Not submitted to the ECI
Jharkhand Mukti Morcha (JMM)	Not submitted to the ECI
Jharkhand Vikas Morcha (Prajatantrik) (JVM)	Not submitted to the ECI
Muslim League Kerala State Committee (MUL)	Not submitted to the ECI
Revolutionary Socialist Party (RSP)	Not submitted to the ECI
Shiv Sena (SHS)	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
- Number of days within which the funds were collected and spent: **72 days (06-09-2010 to 26-11-2010)**
- Total funds collected by the national parties during the assembly elections: **Rs 112 crores**
- Total expenditure incurred by the national parties: **Rs 78.02 crores**

Regional Parties: Funds Collected and Expenditure Incurred

- Regional Parties considered for the report: SP, JD(U), LJP, RJD, AIFB, JD(S), JKNPP, JMM, JVM, MUL, RSP and Shiv Sena
- **Of the above 12 regional parties which contested in the Bihar assembly election, only SP, JD(U) and LJP have submitted their election expenditure statements to the Election Commission**
- Total funds collected by the regional parties: **Rs 3.42 crores**
- Total Expenditure incurred by the regional parties: **Rs 11.88 crores**

Funds Collected and Expenditure Incurred in Cash and Cheque

- **97.18%** of the total funds received by INC during election period was **by cash** (Rs 47.55 crores) while 51.24% of the total funds received by BJP was **by cash (Rs 11.17 crores)**
- JD(U) collected **Rs 56 lakhs in cash** (26.17% of the total funds of Rs 2.14 crores) while LJP collected **Rs 85 lakhs in cash** (80.95% of the total funds of Rs 1.05 crores)
- **NCP's total funds of Rs 1.93 crores was collected in cash**
- Unlike the funds collected, the **parties' preferred mode of expenditure was by cheque/DD**, according to the statements submitted
- **56.61% of the total expenditure of INC** was by cheque/DD (Rs 25.74 crores) while **58.50% of the total expenditure of BJP** was by cheque or DD (Rs 14.86 crores); JD(U) spent Rs 6.1 crores in cheque/DD (67.25% of total expenditure of Rs 9.07 crores)

Party	Funds collected (Rs in crores)				Expenditure incurred (Rs in crores)				
	Cash	Cheque/DD	Others*	Total	Cash	Cheque/DD	Remaining unpaid	Others*	Total
INC	47.55	1.38	0	48.93	14.43	25.74	5.29	Not applicable	45.47
BJP	11.17	1.63	9	21.8	4.55	14.86	0.99	5	25.4
BSP	22.7	0	14.76	37.46	2.64	0.87	0.89	Not applicable	4.4
CPI	0.09	0.74	0	0.83	0.11	0.64	Not applicable	Not applicable	0.75
CPM	0.05	1	0	1.05	0.1	0.37	Not applicable	Not applicable	0.47
NCP	1.93	0	0	1.93	1.14	0.39	Not applicable	Not applicable	1.53
Total	Rs 83.49 crores	Rs 4.75 crores	Rs 23.76 crores	Rs 112 crores	Rs 22.97 crores	Rs 42.87 crores	Rs 7.17 crores	Rs 5 crores	Rs 78.02 crores
Regional Parties									
SP	0.13	0.1	0	0.23	0.2	0.94	0.62	Not applicable	1.76
JD(U)	0.56	1.58	0	2.14	0.39	6.1	2.58	Not applicable	9.07
LJP	0.85	0.2	0	1.05	0.39	0.66	0	Not applicable	1.05
Total	Rs 1.54 crores	Rs 1.88 crores	Rs 0 crores	Rs 3.42 crores	Rs 0.98 crores	Rs 7.7 crores	Rs 3.2 crores	Not applicable	Rs 11.88 crores
Grand Total	Rs 85.03 crores	Rs 6.63 crores	Rs 23.76 crores	Rs 115.42 crores	Rs 23.95 crores	Rs 50.57 crores	Rs 10.37 crores	Rs 5 crores	Rs 89.9 crores

Others*- Income from sale of assets, expenditure incurred from funding state units during elections

• **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 all the remaining parties submitted a consolidated expenditure statement
- Publicity is one of the three top items of election expenditure for most of the national and regional parties
- INC spent Rs 19.59 crores out of Rs 45.47 crores on publicity which constitutes 43.08% of the total expenditure of the party followed by Rs 12.2 crores on candidates (26.83% of total expenditure)
- Similarly, BJP spent Rs 8.89 crores out of Rs 25.84 crores on publicity which constitutes 34.40% of the total election expenditure of the party
- JD(U) is the only party which spent more on travel than publicity – Rs 3.64 crores out of Rs 9.07 crores on travel (40.13%) and Rs 2.4 crores on publicity (26.46%)
- **SP has declared that the party spent no amount on publicity (on pamphlets, electronic media, video films, advertisements in magazines, cut-outs, hoardings etc.), and on travel**

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	19.59	11.36	0.31	0.53	1.48	12.2	45.47
BJP	8.89	3.66	0	2.74	10.55	0	25.84
BSP	1.4	0.89	0.07	0	2.03	0	4.39
CPI	0.07	0	0	0.02	0.39	0	0.48
CPM	0.181	0.022	0.001	0.286	0.223	0	0.713
NCP	0.41	0.4	0	0	0.72	0	1.53
Total	Rs 30.541 crores	Rs 16.332 crores	Rs 0.381 crores	Rs 3.576 crores	Rs 15.393 crores	Rs 12.2 crores	Rs 78.423 crores
Regional Parties							
SP	0	0.62	0	0	1.14	0	1.76
JD(U)	2.4	3.64	0.05	0.09	2.89	0	9.07
LJP	0.39	0.66	0.007	0	0	0	1.057
Total	Rs 2.79 crores	Rs 4.92 crores	Rs 0.057 crores	Rs 0.09 crores	Rs 4.03 crores	0	Rs 11.887 crores

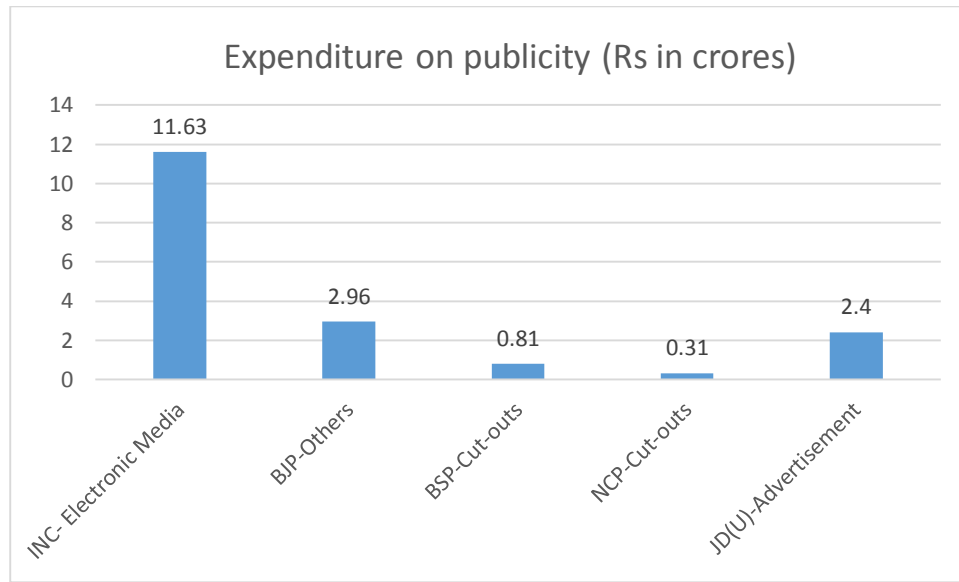
Grand Total	Rs 33.331 crores	Rs 21.252 crores	Rs 0.438 crores	Rs 3.666 crores	Rs 19.423 crores	Rs 12.2 crores	Rs 90.31 crores
--------------------	-------------------------	-------------------------	------------------------	------------------------	-------------------------	-----------------------	------------------------

*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 11.63 crores on electronic media** (including hiring time slot spots in private channels) followed by **Rs 5.63 crores on advertisements** in newspapers and magazines
- JD(U) spent the maximum amount on **advertisements for publicity (Rs 2.4 crores)** followed by **Rs 20,000 on printed material**



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

- Expenditure on helicopters is given under two heads: travel expenses and travel expenses of leaders and workers
- Apart from CPI, all the national and the three regional parties have declared expenditure on helicopters/aircrafts,
- A total of Rs 22.75 crores was spent by the eight parties on travel expenses and travel of leaders and workers
- INC spent the maximum on travel by aircrafts/ helicopters (**Rs 10.925 crores**) followed by BJP spending **Rs 5.71 crores** and JD(U) **Rs 3.54 crores**

Expenditure on Aircrafts/ helicopters/ ship etc.			Total
Party	Travel expenses	Travel expenses of leaders and workers	
INC	10.92	0.005	10.925
BJP	3.58	2.13	5.71
BSP	0.89	0	0.89
NCP	0.4	0	0.4
CPM	0.005	0	0.005
SP	0.62	0	0.62
JD(U)	3.54	0	3.54
LJP	0.66	0	0.66
TOTAL	Rs 20.615 crores	Rs 2.135 crores	Rs 22.75 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/RTGS** 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**
- **Social media expenditure** should be accounted for, hence it should be included under Electronic media in the format subscribed by the Election Commission for expenditure accounting of political parties
- **Use of Information Technology** for accounting of funds collected and expenditure incurred by political parties, should be explored and used

Detailed Summary

Funds received during election period of 72 days

- All the six national parties (INC, BJP, BSP, NCP, CPI and CPM) contested in the Bihar assembly elections, 2010
- The funds were collected between the date of announcement of elections and date of completion of elections: **72 days**
- INC has declared the maximum of **Rs 48.93 crores** as funds collected during the election period followed by **BSP (Rs 37.46 crores)** and **BJP (Rs 21.8 crores)**
- CPI has declared the least amount of funds collected: **Rs 83 lakhs**
- Of the 12 regional parties which contested in the Bihar assembly elections, only SP, JD(U) and LJP submitted their election expenditure statements to the Election Commission where the regional parties together amassed **Rs 3.42 crores**

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 all the parties considered in this report
- INC spent Rs 19.59 crores out of a total expenditure of Rs 45.47 crores on publicity which constitutes 43.08% of the total expenditure of the party followed by Rs 12.2 crores on candidates (26.83%)
- BJP spent Rs 8.89 crores out of Rs 25.84 crores on publicity which constitutes 34.40% of the total election expenditure of the party
- **JD(U)** is the only party which spent more on travel than publicity – **Rs 3.64 crores out of Rs 9.07 crores on travel (40.13%) and Rs 2.4 crores on publicity (26.46%)**

Details of submission of Election Expenditure statement to the ECI

Below is the list of political parties which contested in the Bihar Assembly Elections and submitted their statement of expenditure to the Election Commission within the stipulated time:

National Parties	
Party	Status of submission of expenditure statement to the ECI
Indian National Congress (INC)	Submitted to ECI
Bharatiya Janata Party (BJP)	Submitted to ECI
Bahujan Samaj Party (BSP)	Submitted to ECI
Communist Party of India – Marxist (CPM)	Submitted to ECI
Communist Party of India (CPI)	Submitted to ECI
Nationalist Congress Party (NCP)	Submitted to ECI
Samajwadi Party (SP)	Submitted to ECI
Janata Dal (United) (JD(U))	Submitted to ECI
Lok Jan Shakti Party (LJP)	Submitted to ECI

Other regional parties which had contested in Assembly Elections in 2010 but **failed to submit their election expenditure statements to the ECI** are listed below:

Party	Status of submission of expenditure statement to the ECI
Rashtriya Janata Dal (RJD)	Not submitted to the ECI
All India Forward Block (AIFB)	Not submitted to the ECI
Janata Dal (Secular) (JD(S))	Not submitted to the ECI
Jammu and Kashmir National Panthers Party (JKNPP)	Not submitted to the ECI
Jharkhand Mukti Morcha (JMM)	Not submitted to the ECI
Jharkhand Vikas Morcha (Prajatantrik) (JVM)	Not submitted to the ECI
Muslim League Kerala State Committee (MUL)	Not submitted to the ECI
Revolutionary Socialist Party (RSP)	Not submitted to the ECI
Shiv Sena (SHS)	Not submitted to the ECI

Description of funds received by national parties during elections

- While analyzing the statements submitted by the parties during the election to the Bihar State assembly, it was seen that **maximum funds received was by cash** while collection by cheques/DD came a distant second
- 97.18% of the total funds received by INC during election period was **by cash (Rs 47.55 crores)** while only 2.82% of the funds was by **cheque (Rs 1.38 crores)**
- 51.24% of the total funds received by BJP was **by cash (Rs 11.17 crores)** while only 7.48% of the funds received was by **cheque/DD (Rs 1.63 crores)**
- JD(U) was the only regional party which collected **Rs 56 lakhs in cash (26.17%)** and **Rs 1.58 crores in cheque (73.83%)** out of a total of Rs 2.14 crores collected as funds during elections

Party	Total funds collected	Description of funds received	Funds received (Rs in crores)	% share in total donation
INC	Rs 48.93crores	Cash	47.55	97.18%
		Cheque/ DD	1.38	2.82%

Party	Total funds collected	Description of funds received	Funds received (Rs in crores)	% share in total donation
BJP	Rs 21.8 crores	Cash	11.17	51.24%
		Cheque/ DD	1.63	7.48%
		From party headquarters	9	41.28%
BSP	Rs 37.46 crores	Cash	22.7	60.60%
		Cheque/ DD	0	0.00%
		Income from sale of assets	14.76	39.40%
CPI	Rs 0.83 crores	Cash	0.09	10.84%
		Cheque/ DD	0.74	89.16%
CPM	Rs 1.05 crores	Cash	0.05	4.76%
		Cheque/ DD	1	95.24%
NCP	Rs 1.93 crores	Cash	1.93	100%
		Cheque/ DD	0	0.00%
SP	Rs 0.23 crores	Cash	0.13	56.52%
		Cheque/ DD	0.1	43.48%
JD(U)	Rs 2.14 crores	Cash	0.56	26.17%
		Cheque/ DD	1.58	73.83%
LJP	Rs 1.05 crores	Cash	0.85	80.95%
		Cheque/ DD	0.2	19.05%

Table: Description of funds collected by political parties during the Assembly Elections in 2010

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,
- 56.61% of the total expenditure of INC** was by cheque/DD (Rs 25.74 crores) while only Rs 14.43 crores was by cash (31.74%)
- 58.50% of the total expenditure of BJP** was by cheque or DD (Rs 14.86 crores) and Rs 4.55 crores in cash (17.91%)
- JD(U) spent Rs 6.1 crores in cheque/DD (67.25% of total expenditure of Rs 9.07 crores) and Rs 39 lakhs in cash (4.30%)

Party	Total expenditure incurred	Mode of payment	Expenditure incurred (Rs in crores)	% share in total expenditure
INC	Rs 45.47 crores	Cash	14.43	31.74%
		Cheque/ DD	25.74	56.61%
		Remaining unpaid	5.29	11.63%
BJP	Rs 25.4 crores	Cash	4.55	17.91%
		Cheque/ DD	14.86	58.50%
		Remaining unpaid	0.99	3.90%
BSP	Rs 4.4 crores	Cash	2.64	60.00%
		Cheque/ DD	0.87	19.77%
		Remaining unpaid	0.89	20.23%
CPI	Rs 0.75 crores	Cash	0.11	14.67%
		Cheque/ DD	0.64	85.33%
CPM	Rs 0.47 crores	Cash	0.1	21.28%
		Cheque/ DD	0.37	78.72%
NCP	Rs 1.53 crores	Cash	1.14	74.51%

Party	Total expenditure incurred	Mode of payment	Expenditure incurred (Rs in crores)	% share in total expenditure
		Cheque/ DD	0.39	25.49%
SP	Rs 1.76 crores	Cash	0.2	11.36%
		Cheque/ DD	0.94	53.41%
		Remaining unpaid	0.62	35.23%
JD(U)	Rs 9.07 crores	Cash	0.39	4.30%
		Cheque/ DD	6.1	67.25%
		Remaining unpaid	2.58	28.45%
LJP	Rs 1.05 crores	Cash	0.39	37.14%
		Cheque/ DD	0.66	62.86%

Table: Expenditure incurred by political parties during the Assembly Elections in 2010

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 most of the national and regional parties
- INC spent Rs 19.59 crores out of Rs 45.47 crores on publicity which constitutes 43.08% of the total expenditure of the party followed by Rs 12.2 crores on candidates (26.83%)
- Similarly, BJP spent Rs 8.89 crores out of Rs 25.84 crores on publicity which constitutes 34.40% of the total election expenditure of the party but the maximum amount of Rs 10.55 crores (40.83%) was spent on 'Miscellaneous expenses'
- JD(U) spent the maximum on travel, Rs 3.64 crores which constitutes 40.13% of the total expenditure of Rs 9.07 crores of the party followed by expenditure of Rs 2.89 crores on 'Miscellaneous expenses' (26.46%)

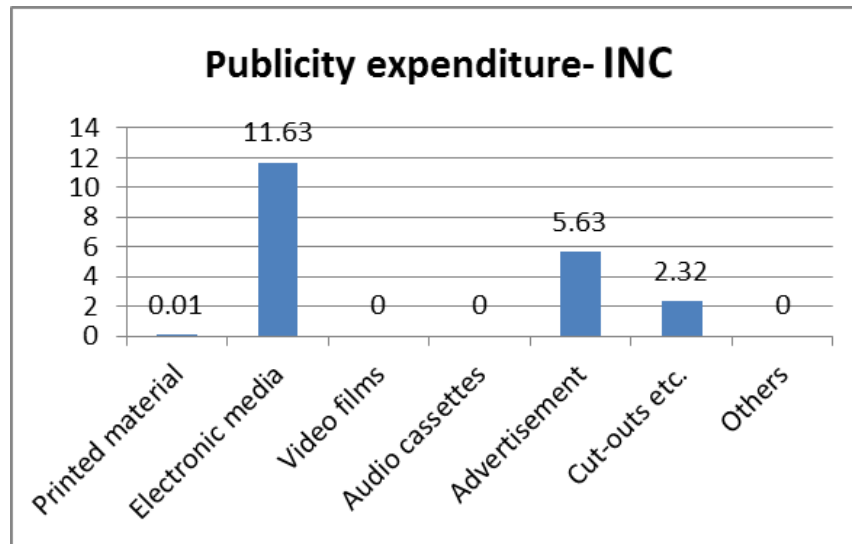
Party	Funds collected (Rs in crores)				Expenditure incurred (Rs in crores)				
	Cash	Cheque/DD	Others	Total	Cash	Cheque/DD	Remaining unpaid	Others	Total
INC	47.55	1.38	0	48.93	14.43	25.74	5.29	Not applicable	45.47
BJP	11.17	1.63	9	21.8	4.55	14.86	0.99	5	25.4
BSP	22.7	0	14.76	37.46	2.64	0.87	0.89	Not applicable	4.4
CPI	0.09	0.74	0	0.83	0.11	0.64	Not applicable	Not applicable	0.75
CPM	0.05	1	0	1.05	0.1	0.37	Not applicable	Not applicable	0.47
NCP	1.93	0	0	1.93	1.14	0.39	Not applicable	Not applicable	1.53
Total	Rs 83.49 crores	Rs 4.75 crores	Rs 23.76 crores	Rs 112 crores	Rs 22.97 crores	Rs 42.87 crores	Rs 7.17 crores	Rs 5 crores	Rs 78.02 crores
Regional Parties									
SP	0.13	0.1	0	0.23	0.2	0.94	0.62	Not applicable	1.76
JD(U)	0.56	1.58	0	2.14	0.39	6.1	2.58	Not applicable	9.07
LJP	0.85	0.2	0	1.05	0.39	0.66	0	Not applicable	1.05
Total	Rs 1.54 crores	Rs 1.88 crores	Rs 0 crores	Rs 3.42 crores	Rs 0.98 crores	Rs 7.7 crores	Rs 3.2 crores	Not applicable	Rs 11.88 crores
Grand Total	Rs 85.03 crores	Rs 6.63 crores	Rs 23.76 crores	Rs 115.42 crores	Rs 23.95 crores	Rs 50.57 crores	Rs 10.37 crores	Rs 5 crores	Rs 89.9 crores

Table: Top three items of expenditure incurred under various heads by the political parties during Assembly Elections in 2010

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

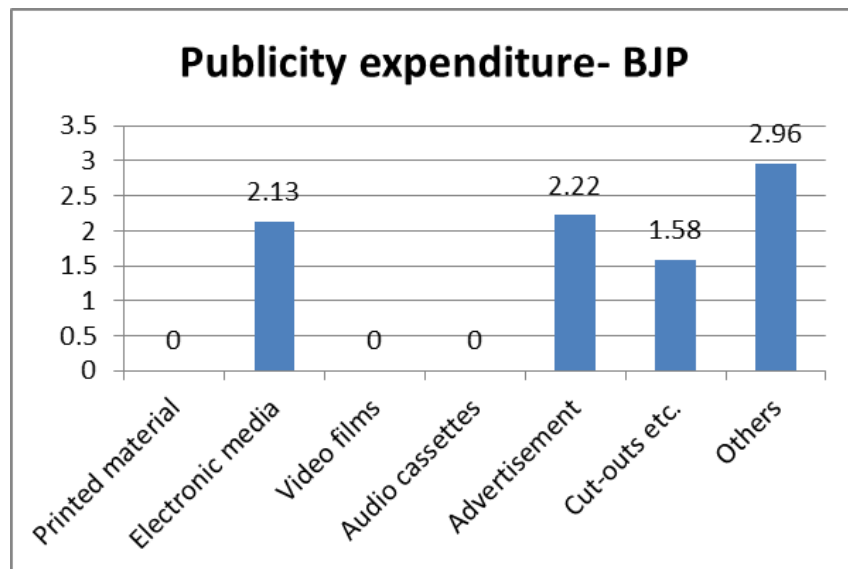
Expenditure of political parties on publicity

- Among the expenditure incurred on publicity, INC has spent the maximum amount of **Rs 11.63 crores on electronic media** (including hiring time slot spots in private channels) followed by **Rs 5.63 crores on advertisements** in newspapers and magazines



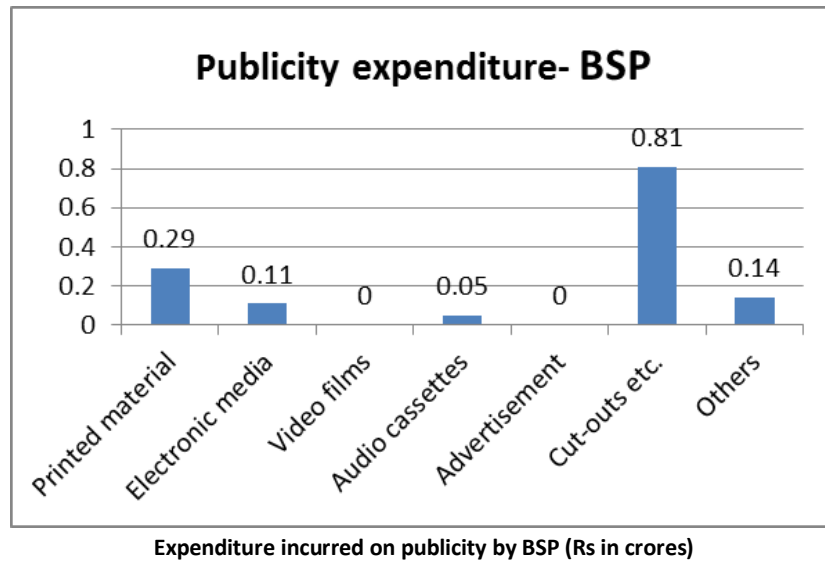
Expenditure incurred on publicity by INC (Rs in crores)

- BJP spent the maximum amount on 'Miscellaneous expenses' which amounted to Rs 2.96 crores followed by Rs 2.22 crores on advertisements

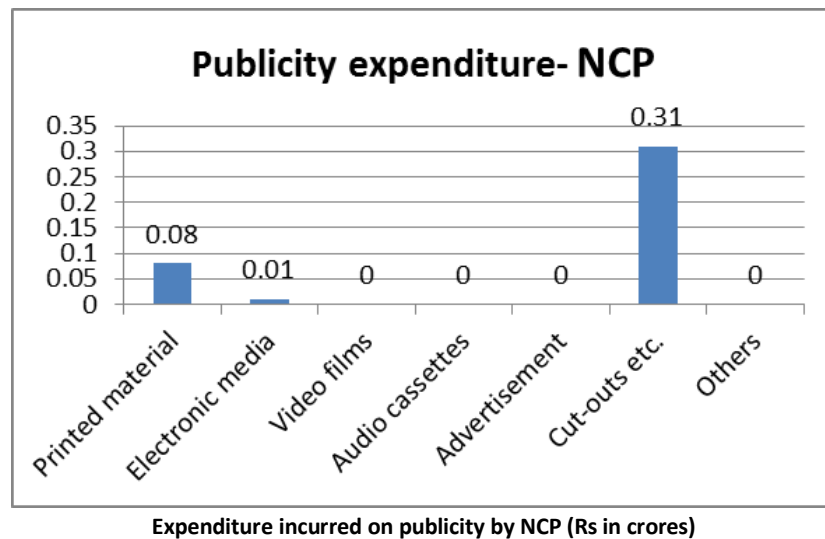


Expenditure incurred on publicity by BJP (Rs in crores)

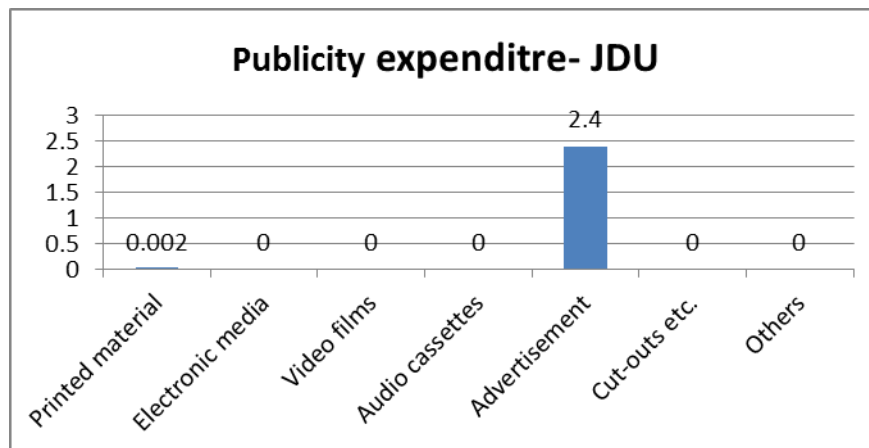
- BSP spent the maximum amount on cut-outs, hoardings, banners etc. (Rs 0.81 crores) followed by Rs 0.29 crores on printed material (manifestos, pamphlets, posters etc.)



- NCP spent the maximum amount on cut-outs, hoardings, banners etc. (Rs 0.31 crores) followed by Rs 0.08 crores on printed material (manifestos, pamphlets, posters etc.)



- JD(U) spent the maximum amount on advertisements in newspapers, magazines, souvenirs etc. (Rs 2.4 crores) followed by Rs 20,000 on printed material (manifestos, pamphlets, posters etc.)



Contact Details

Bihar Election Watch:

State Coordinator: Mr. Rajiv Kumar
+91-96319 76889
rajivkumar_patna@rediffmail.com

Media and Journalist Helpline +91 80103 94248 Email: adr@adrindia.org	Prof Jagdeep Chhokar IIM Ahmedabad (Retd) Founder Member National Election Watch, Association for Democratic Reforms +919999620944 jchhokar@gmail.com	Prof Trilochan Sastry IIM Bangalore Founder Member, National Election Watch, Association for Democratic Reforms +919448353285, trilochans@iimb.ernet.in	Anurag Mittal National Coordinator National Election Watch and Association for Democratic Reforms +919811108914 anurag@adrindia.org
---	--	--	---