

Analysis of Funds Collected and Expenditure Incurred by Political Parties during Karnataka Assembly Election, 2018

A Report by

Association for Democratic Reforms (ADR)

Association for Democratic Reforms,
T- 95, C.L. House, II Floor, Gautam Nagar,
Near Gulmohar Commercial Complex,
New Delhi – 110049
Tel: 011-4165 4200

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Executive Summary

- 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 the following heads** at the **central, state, district and constituency levels** by the party:
 - Publicity
 - Travel expenses
 - Other expenses
 - Expenditure towards candidates
- Political parties submit these statements providing information of **funds collected and spent between announcement and completion of elections**. This period could be between **3 weeks to 3 months** based on the notification issued by the Election Commission.
- This report analyses the funds received and expenditure incurred by recognized political parties, **during the state Assembly election to Karnataka**, held in the month of May, 2018.
- 6 National Parties and 7 Regional Parties** have been considered for analysis in this report.
- Election expenditure statements of **JD(S), SHS, and JD(U)** for Karnataka Assembly Election are unavailable on the website of the ECI.

Status of submission of expenditure statements incurred by political parties during Karnataka Assembly Election, 2018				
Party	Date of submission	Central Headquarter	Karnataka State Units	No. of days by which submission delayed
AAP	18-01-2019	Submitted	Submitted	172 days
BJP	22-12-2018	Submitted	Submitted	145 days
CPI	30-11-2018	Submitted	Submitted	123 days
INC	02-11-2018	Submitted	Submitted	95 days
CPM	16-08-2018	Submitted	Submitted	17 days
BSP	27-07-2018	Submitted	Submitted	-
NCP	13-07-2018	Submitted	Submitted	-
SP	10-07-2018	Submitted	Submitted	-
AIADMK	29-06-2018	Submitted	Submitted	-
AIFB	18-06-2018	Submitted	Submitted	-
JD(S)	Unavailable on website of ECI			-
JD(U)	Unavailable on website of ECI			-
SHS	Unavailable on website of ECI			-

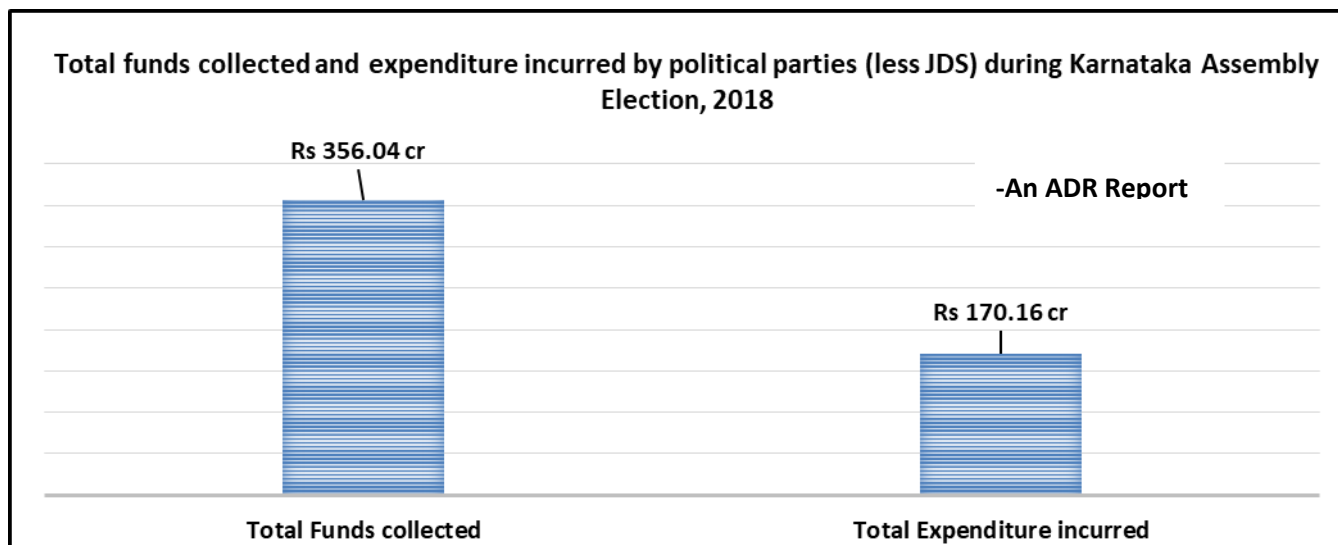
Table: Details of submission of election expenditure statements by parties, which contested in Karnataka Assembly Election, 2018

Details provided in the Election Expenditure Statement

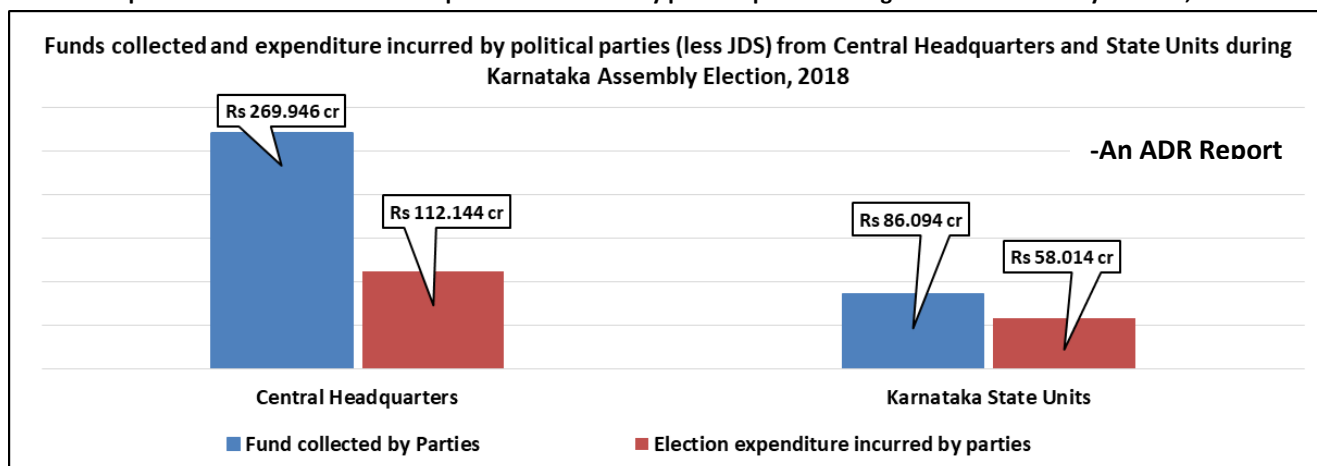
Funds Collected and Expenditure incurred by political parties

- The National and Regional Political Parties considered in this report are: **BJP, INC, NCP, BSP, CPM, CPI, SP, AIADMK, AAP and AIFB**.
- BSP and AIFB had not declared any funds collected at the Central Headquarters and State Units** during Karnataka Assembly Election, 2018.
- Total funds collected by **8** political parties during Karnataka Assembly Election held in 2018 was **Rs 356.04 cr** and total expenditure incurred was **Rs 170.16 cr**.
- Funds collected by the parties at the **Central Headquarters** was **Rs 269.94 cr** and expenditure was **Rs 112.144 cr**. **Karnataka State Units** spent **Rs 58.014 cr**.

- **NCP, AIADMK & AIFB** are the only parties that have incurred **no expenditure** either at the central or at the state unit level despite contesting election.



Graph: Total funds collected and expenditure incurred by political parties during Karnataka Assembly Election, 2018

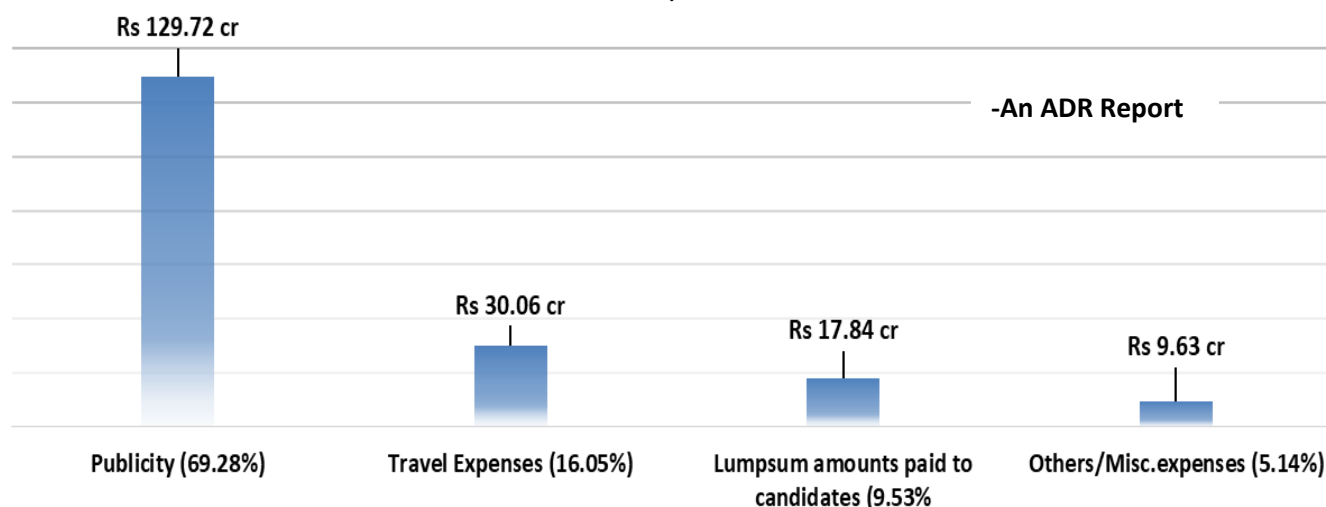


Graph: Funds collected and expenditure incurred by political parties (less JDS) from Central Headquarters and State Units during Karnataka Assembly Election, 2018

Expenditure incurred by political parties under various heads

- Political parties declare their expenditure under the heads of **Publicity, Travel Expenses, Other/ Miscellaneous expenses** and **Lumpsum amount paid to their contesting candidates**.
- Political Parties that contested in Karnataka Assembly Election, 2018, spent the highest, **Rs 129.72 cr** on **Publicity**, followed by **Rs 30.06 cr** on **travel expenses**, **Rs 17.84 cr** on **Lumpsum amount paid to candidates** and **Rs 9.63 cr** on **Other/Miscellaneous expenses**.
- Expenditure on publicity is **69.28%** of the overall expenditure declared under various heads.
- Expenditure on **travel expenses** is **16.05%** of the overall expenditure declared under various heads.

Expenditure incurred by political parties (less JDS) under various heads during Karnataka Assembly Election, 2018

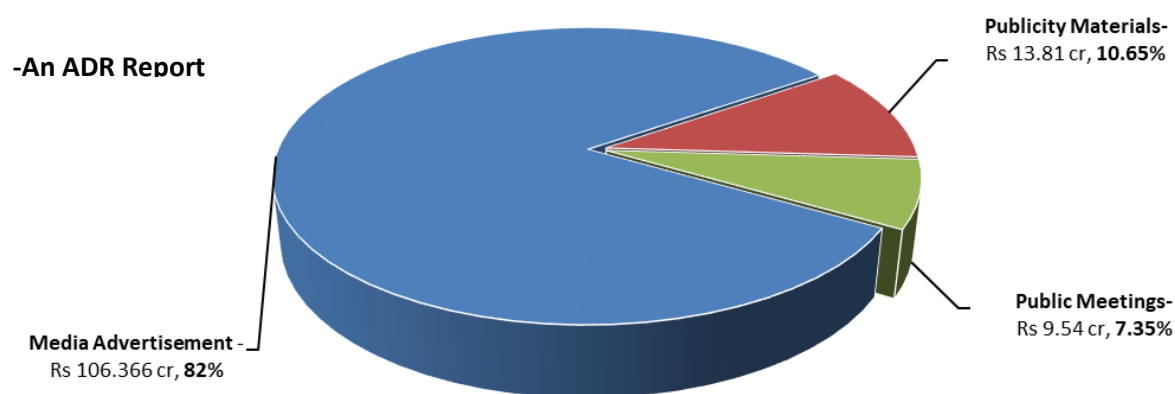


Expenditure on Publicity by political parties

- Political Parties are required to segregate their publicity expenses under three heads: **Media Advertisement, Publicity Materials** and **Public Meetings**.
- During Karnataka Assembly election, political parties spent the maximum on **Media Advertisement (Rs 106.36 cr)**, followed by expenditure on Publicity Materials (**Rs 13.81 cr**) and Public Meetings (**Rs 9.54 cr**).
- Publicity expenditure from **Central Headquarters** is the **highest, Rs 84.34 cr** or **65%** of the total expenditure on publicity and **Rs 45.38 cr** or **35%** from Karnataka State Units.

Expenses on Publicity during Karnataka Assembly Election, 2018 (Rs in cr)			Total
Total expenditure on Publicity	Central Headquarters	Karnataka State Units	
Media Advertisement (Print & Electronic, Bulk sms, Cable, Website, TV channels, etc.)	77.623	28.743	Rs 106.366 cr
Publicity Materials (Poster, Banners, Badges, stickers, Arches, Gates, Cut outs, Hoardings, flags, etc.)	1.445	12.366	Rs 13.81 cr
Public Meetings	5.268	4.273	Rs 9.542 cr
Total	Rs 84.34 cr	Rs 45.38 cr	Rs 129.72 cr

Expenditure incurred on Publicity by political parties (less JDS) during Karnataka Assembly Election, 2018

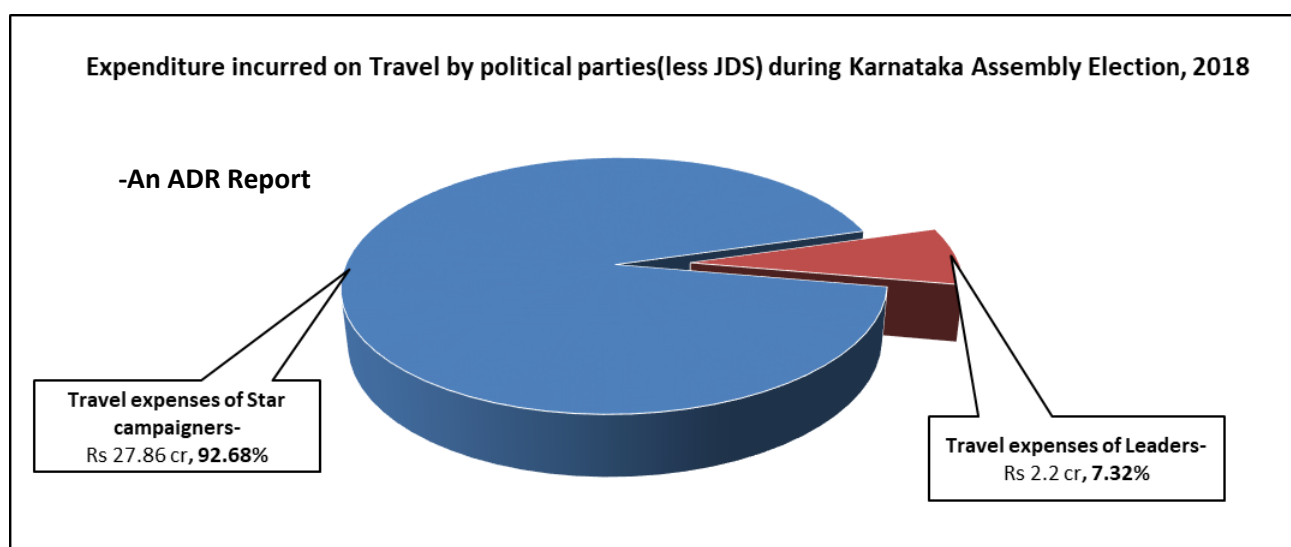


Graph: Expenditure incurred on Publicity by political parties during Karnataka Assembly Election, 2018

Expenditure on Travel by political parties

- The 'Travel' head is segregated into **travel expenses incurred specifically on star campaigners** and that of the **party leaders**.
- Political parties spent **92.68%** of their total travel expenses or **Rs 27.86 cr** on their **star campaigners** and the remaining **7.32%** or **Rs 2.20 cr** on travel of their party leaders.
- Travel expenses from **Central Headquarters** by itself was **Rs 17.52 cr** or **58.28%**, which was higher than Rs 12.54 cr or **41.72%** spent from **Karnataka State Units**.

Total expenditure on Travel	Karnataka Assembly Election 2018- Expenses on Travel (Rs in crores)		Total
	Central Headquarters	Karnataka State Units	
Travel expenses of Star campaigners	16.63	11.23	Rs 27.86 cr
Travel expenses of Leaders	0.89	1.31	Rs 2.20 cr
Total	Rs 17.52 cr	Rs 12.54 cr	Rs 30.06 cr



Graph: Expenditure incurred on Travel by political parties during Karnataka Assembly Election, 2018

Observations of ADR

- The **election expenditure statement of JDS is not yet available in public domain** despite contesting in Karnataka Assembly Election 2018 and emerging as the ruling party in the state.
- Analysis of expenditure statements submitted by various parties show that **parties failed to adhere to the prescribed format** while mentioning their total receipts and expenditure from Central Headquarters and State Units.
- The expenditure statement of **CPI does not provide any information about the breakup of general party propaganda expenses** incurred by party headquarter.
- BJP** did not include the lumpsum amount paid to their candidates in the total expenditure incurred from their State Units. **AAP and CPM** did not include the lumpsum amount paid to their candidates and any other expenses incurred for the candidate in the total expenditure incurred from their State Units.
- AIFB has not mentioned any funds collected and expenditure incurred** from it Central Headquarter and State Unit **inspite of contesting elections**. **NCP and AIADMK collected funds** from the Central Headquarters and State Units respectively **but have not shown any expenditure incurred** in their statements.

Recommendations of ADR

- It must be made mandatory for all political parties to submit their statements of expenditure in the format given by the ECI, within the prescribed time limit. Political parties not submitting on time or in the prescribed format should be heavily penalized.

- 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.
- Where possible, **expenditure must be limited to transactions via cheque/DD/RTGS** so as to reduce use of black money in elections, as per the transparency guidelines issued by the ECI.
- 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 Report

Total funds collected – Karnataka Assembly Election

- The election expenditure reports of political parties contain information on the funds collected at the Central Headquarter of the party as well as at its state unit.
- Political parties collected a total of **Rs 269.946 cr** at the **Central level**, through cash and cheque/DD. This constituted **75.82%** of the total funds collected by political parties during Karnataka Assembly election, 2018.
- Political parties had collected the amount of **Rs 86.094 cr** from **Karnataka Unit**, which formed **24.18%** of the total funds.
- The most preferred mode of collection was by **cheque/DD** where the parties collected **Rs 317.79 cr**, which formed **89.26%** of the total funds collected from the state and central levels.

Medium of funds collections	Funds collected by political parties (less JDS) during Karnataka Assembly Election, 2018 (Rs in crores)		Total funds
	Central Headquarters	Karnataka State Units	
By cash	30.602	7.648	Rs 38.25 cr
By cheque/DD	239.344	78.446	Rs 317.79 cr
In kind/Bank Interest	0	0	Rs 0
Total	Rs 269.946 cr	Rs 86.094 cr	Rs 356.04 cr

Table: Funds collected in cash, cheque and in kind by political parties during Karnataka Assembly Election, 2018

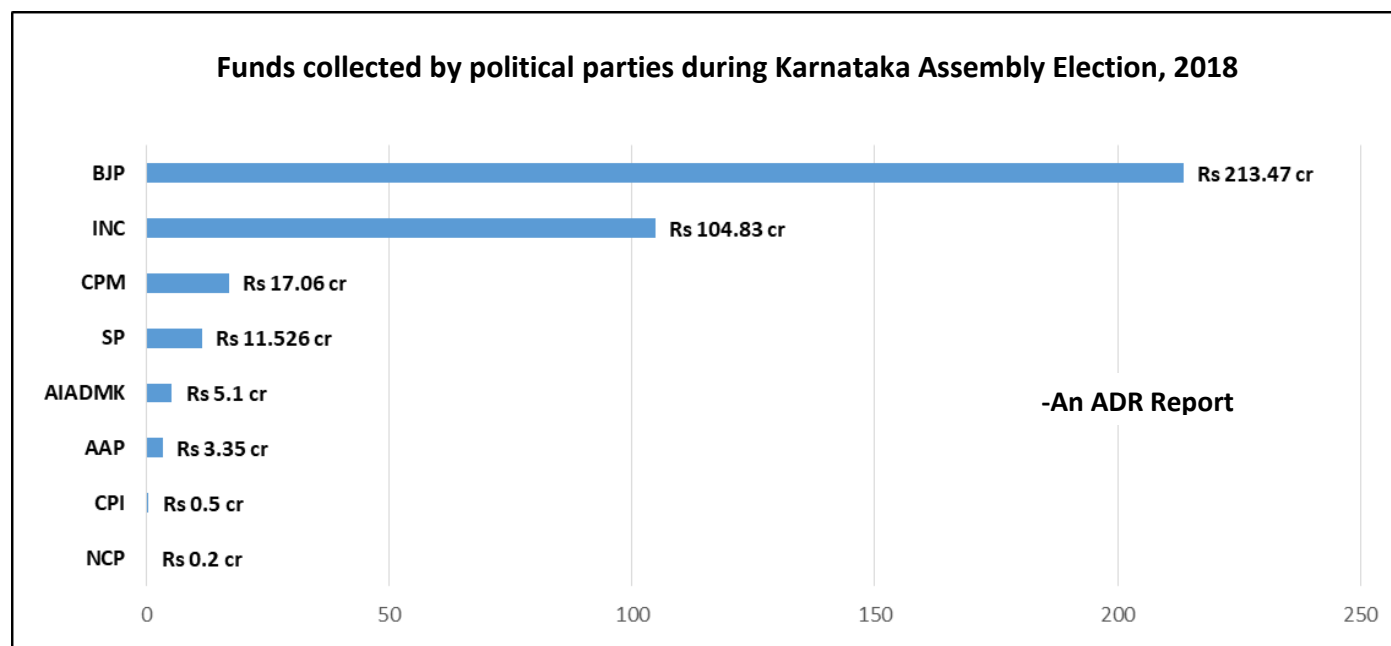
Party-wise total funds collected

- BJP** had shown the highest fund amongst the Karnataka Parties, a fund of **Rs 213.47 cr** during Karnataka Assembly Election 2018. This forms **59.56%** of the total fund collated of **contested parties** together during Karnataka Election, 2018.
- INC** collected the second highest fund of **Rs 104.83 cr** which forms **29.24%** of the total fund collected by contested parties during Karnataka Assembly Election, 2018.
- Among political parties, **BJP** collected the maximum funds of **Rs 213.47 cr**, **76.24%** or Rs 162.746 cr of which was collected at the party's Central Headquarter level.
- INC** collected the second highest funds worth **Rs 104.83 cr**, **73.78%** or **Rs 77.34 cr** of which was collected by the Central Headquarter.
- CPM** collected the third highest funds, a total of **Rs 17.06 cr**, of which **92.82%** or Rs 15.838 cr was collected by its Central Headquarter.
- AIADMK** is the only regional party that has declared not receiving any funds at its respective Central Headquarter.
- SP and NCP** are the only two political parties whose state units have not received any funds, inspite of contesting in Karnataka Assembly Election.

Political Parties	Funds collected by political parties - Assembly Election 2018 (Rs in crores)		Total Funds
	Central Headquarters	Karnataka State Units	
BJP	162.746	50.726	Rs 213.47 cr
INC	77.34	27.49	Rs 104.83 cr
CPM	15.838	1.225	Rs 17.06 cr
SP	11.53	0	Rs 11.526 cr
AIADMK	0	5.1	Rs 5.1 cr
AAP	1.84	1.51	Rs 3.35 cr
CPI	0.456	0.043	Rs 0.50 cr
NCP	0.2	0	Rs 0.2 cr
BSP	0	0	Rs 0
AIFB	0	0	Rs 0

Total	Rs 269.946 cr	Rs 84.094 cr	Rs 356.04 cr
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Table: Party wise funds collected by political parties during Karnataka Assembly Election, 2018



Graph: Funds collected at the Central level and the State units by political parties during Assembly Election, 2018

Total expenditure incurred – Karnataka Assembly Election

- The **Central Headquarters** of the political parties (less JDS) spent the maximum worth **Rs 112.14 cr**, and **Karnataka State Units**, which reported incurring an expenditure of **Rs 58.01 cr**.
- Out of total expenditure of **Rs 170.16 cr**, **86.69%** or **Rs 147.52 cr** was spent by cheques/DD by political parties, together.
- Rs 20.91 cr** is 'remaining unpaid' which formed **12.29%** of the total expenditure reported by political parties.
- Rs 11.47 cr** is 'remaining unpaid' at the **Karnataka State Unit level** by political parties.
- Expenditure in cash was **least preferred** by the political parties, as only **1%** or **Rs 1.73 cr** of the total expenditure was incurred in this mode.

Medium of expenditure incurred	Total expenditure incurred by political parties(less JDS) during Karnataka Assembly Election 2018 (Rs in crores)		Total expenses
	Central Headquarters	Karnataka State Units	
By cash	0.128	1.604	Rs 1.73 cr
By cheque/DD	102.58	44.94	Rs 147.52 cr
Remaining unpaid	9.436	11.47	Rs 20.91 cr
Total	Rs 112.144 cr	Rs 58.014 cr	Rs 170.16 cr

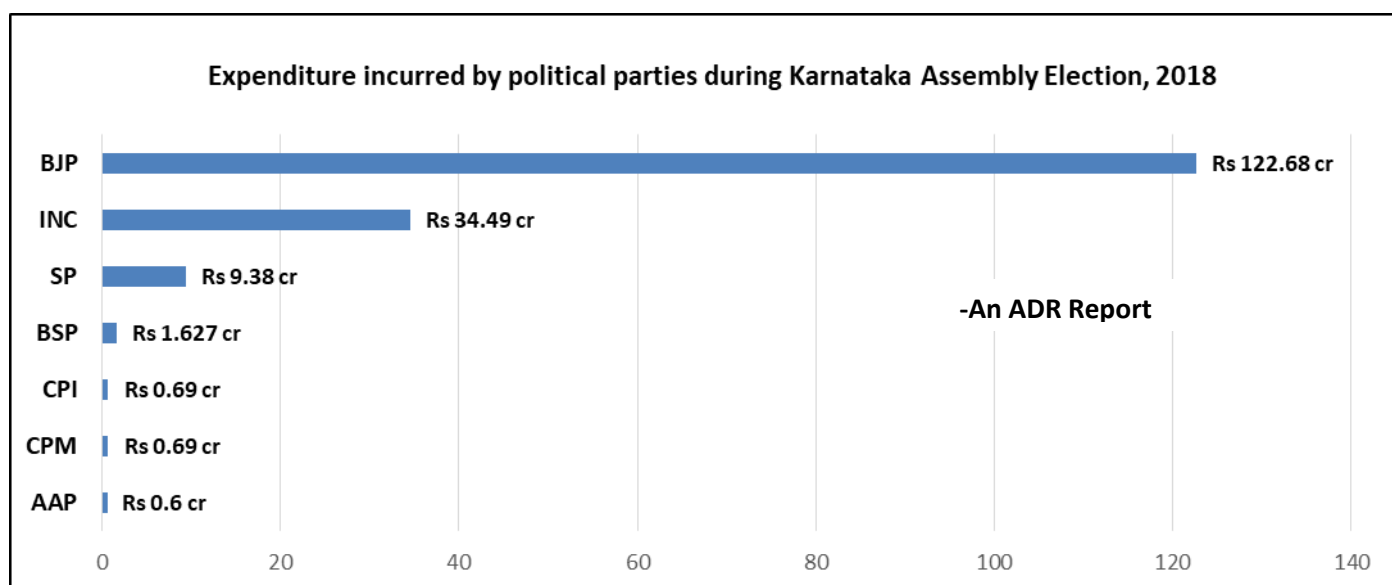
Table: Total expenditure incurred by political parties during Karnataka Assembly Election, 2018

Party-wise total expenditure incurred

- Out of total expenditure of **Rs 170.16 cr**, **BJP** incurred the maximum expenditure of **Rs 122.68 cr**, which forms **72.10%** of total expenditure.
- 34.09%** (Rs 58.014 cr) election expenditure incurred by Karnataka State Units of political parties (less JDS).
- NCP, AIADMK & AIFB** are the only parties that have incurred **no expenditure** either at the central or at the state unit level despite contesting in election.

Political Parties	Election Expenditure incurred by political parties - Karnataka Assembly Election 2018 (Rs in crores)		Total expenses incurred
	Central Headquarters	Karnataka State Units	
BJP	100.45	22.23	Rs 122.68 cr
INC	0	34.49	Rs 34.49 cr
SP	9.38	0	Rs 9.38 cr
BSP	1.627	0	Rs 1.627 cr
CPM	0.0013	0.689	Rs 0.69 cr
CPI	0.652	0.038	Rs 0.69 cr
AAP	0.036	0.568	Rs 0.60 cr
NCP	0	0	Rs 0
AIADMK	0	0	Rs 0
AIFB	0	0	Rs 0
Grand Total	Rs 112.146 cr	Rs 58.014 cr	Rs 170.16 cr

Table: Expenditure incurred by political parties during Assembly Election, 2018



Graph: Election expenditure incurred by political parties during Assembly election, 2018

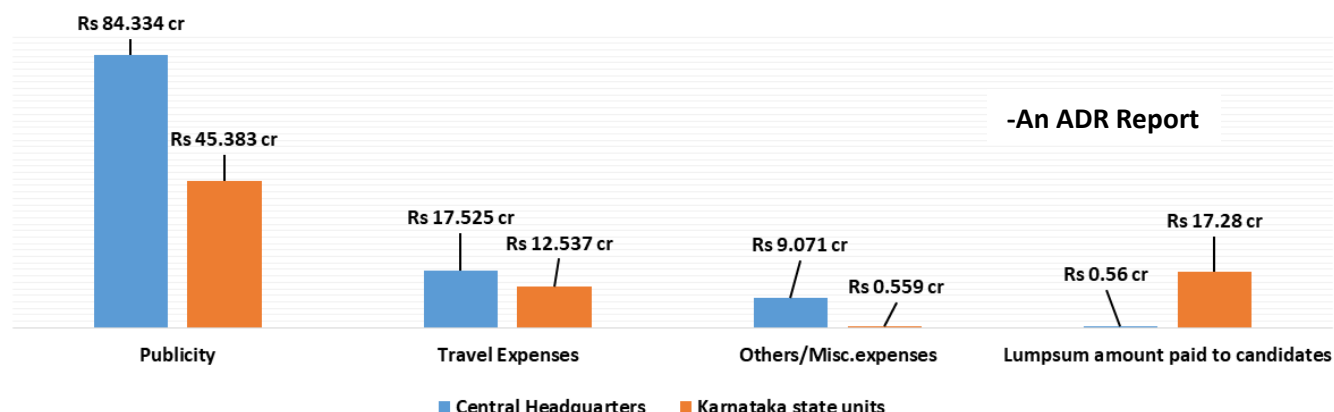
Election expenditure under various heads

- Political parties declare their expenditure under the heads of **Publicity, Travel Expenses, Other/ Miscellaneous expenses and Lumpsum amount** paid to their contesting candidates.
- Out of a total expenditure of **Rs 187.25 cr** under various heads, political parties spent the maximum amount of **Rs 129.72 cr** on **Publicity** followed by **Travel** worth **Rs 30.06 cr**.
- Karnataka State Unit** spent the maximum amount of **Rs 45.38 cr** on **Publicity**, followed by **Lumpsum** amount paid to candidates of **Rs 17.28 cr**.

Election Expenditure of political parties (less JDS) under various heads during Karnataka Assembly Election, 2018 (Rs in crores)			
Expenditure under various heads	Central Headquarters	Karnataka State Units	Total
Publicity	84.334	45.383	Rs 129.72 cr
Travel Expenses	17.525	12.537	Rs 30.06 cr
Others/Misc. expenses	9.071	0.559	Rs 9.63 cr
Lumpsum amount paid to candidates	0.56	17.28	Rs 17.84 cr
Total	Rs 111.46 cr	Rs 73.98 cr	Rs 187.25 cr

Table: Election expenditure incurred under various heads by political parties during Assembly Election, 2018

Expenditure incurred by political parties (less JDS) under various heads during Karnataka Assembly Election, 2018



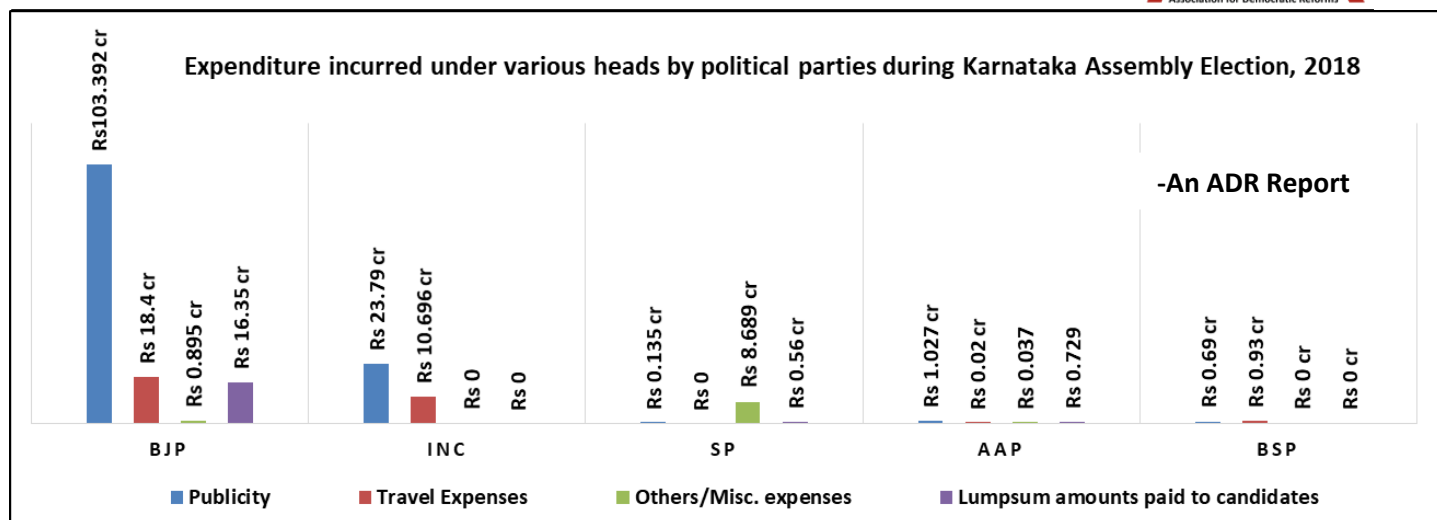
Graph: Election expenditure incurred under various heads by political parties during Assembly Election, 2018

Party-wise expenditure under various heads

- The political parties spent a total of **Rs 187.25 cr** on publicity, travel, miscellaneous expenses and lumpsum amount to candidates.
- The parties spent the highest on **Publicity (Rs 129.72 cr or 69.28% of total)** followed by **Rs 30.06 cr or 16.05% of total on travel** and **Rs 17.84 cr on lumpsum amount paid to candidates (9.53% of total expenditure)**.
- The top 3 Parties which spent the highest are: **BJP (Rs 139.04 cr)** followed by **INC (Rs 34.48 cr)** and **SP (Rs 9.38 cr)**.
- SP** has incurred the maximum, **Rs 8.689 cr under Other/Miscellaneous expenses**, which forms **90.23%** of the total expenditure incurred by all political parties on Other/Miscellaneous expenses.

Party wise election expenditure under various heads (Rs in crores) : Karnataka Assembly Election, 2018					
Political Party	Publicity	Travel Expenses	Others/Misc. expenses	Lumpsum amounts paid to candidates	Total
BJP	103.392	18.4	0.895	16.35	Rs 139.04 cr
INC	23.79	10.696	0	0	Rs 34.486 cr
SP	0.135	0	8.689	0.56	Rs 9.384 cr
AAP	1.027	0.02	0.037	0.729	Rs 1.81 cr
BSP	0.69	0.93	0	0	Rs 1.62 cr
CPM	0.68	0.0071	0.0074	0.18	Rs 0.874 cr
CPI	0.0053	0.009	0.0024	0.021	Rs 0.0377 cr
NCP	0	0	0	0	Rs 0
AIADMK	0	0	0	0	Rs 0
AIFB	0	0	0	0	Rs 0
Total	Rs 129.72 cr	Rs 30.06 cr	Rs 9.632 cr	Rs 17.84 cr	Rs 187.25 cr

Table: Expenditure incurred under various heads by political parties during Karnataka Assembly Election, 2018



Graph: Expenditure incurred under various heads by political parties during Karnataka Assembly Election, 2018

Disclaimer

Source for the data used in this report are the Election Expenditure Statements submitted by the political parties to the Election Commission of India. These can be accessed from: <https://eci.gov.in/candidate-political-parties/expenditure-reports/expenditure-reports/>

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.

Contact Details

State Coordinators

Karnataka Mr. Harish Narasappa +91-98860-27804 harish@dakshindia.org	Karnataka Ms. Kathyayini Chamaraj +91-97318-17177 kchamaraj@gmail.com	Karnataka Dr. R. Balasubramaniam +91-94480-79611 email@rbalu.com	Karnataka Mr. Vasudev Sharma +91-94484-72513 vadeshanv@gmail.com	Karnataka Mr. Gururaja Budhya +91-94488-49353 gururajabudhya@gmail.com
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National Election Watch (NEW) & Association for Democratic Reforms (ADR)

Media and Journalist Helpline +91 80103 94248 Email: adr@adrindia.org	Maj Gen Anil Verma (Retd) Head - NEW & ADR +91 8826479910 anilverma@adrindia.org	Prof Jagdeep Chhokar IIM Ahmedabad (Retd) Founder Member- NEW & ADR +919999620944 jchhokar@gmail.com	Prof Trilochan Sastry IIM Bangalore Founder Member - NEW & ADR +919448353285, trilochans@iimb.ernet.in
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