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Analysis of Funds Collected and Expenditure Incurred by Political Parties during Jharkhand and Jammu & Kashmir Assembly Elections, 2014

A Report by

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Executive Summary

- Political parties are required to submit a statement of election expenditure to the Election Commission of India (ECI) 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 and state 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 elections to Jharkhand and Jammu & Kashmir**, held in the months of October (elections announced on 25-10-2014) and December (elections completed on 29-12-2014), 2014.
- **6 National Parties and 12 Regional Parties** have been considered for analysis in this report.
- Election expenditure statements of **NCP** for both Jharkhand and Jammu & Kashmir Assembly elections, of **RSP** and **JMM** for Jharkhand Assembly election, and of **JDS** for Jammu & Kashmir Assembly elections are unavailable on the website of the ECI.
- Election expenditure statements of **AIFB** for Jharkhand as well as for Jammu & Kashmir state units and **CPI's** expenditure statement for Jammu & Kashmir state unit are not available on the ECI website.

Status of Submission of expenditure statements by political parties during Jharkhand and Jammu & Kashmir Assembly Elections, 2014					
Party	Date of submission	Central Headquarters	Jharkhand State Unit	Jammu & Kashmir State Unit	Delay in submission
JKNC	18-02-2015	Submitted	Did not contest	Submitted	0
JVM(P)	02.03.2015	Submitted	Submitted	Did not contest	0
CPM	03.03.2015	Submitted	Submitted	Submitted	0
BSP	11.03.2015	Submitted	Submitted	Submitted	0
IUML	06.04.2015	Submitted	Submitted	Did not contest	22 Days
SP	18.04.2015	Submitted	Submitted	Submitted	34 Days
JD(U)	21.05.2015	Submitted	Submitted	Did not contest	67 Days
JKPDP	06-12-2015	Submitted	Did not contest	Submitted	89 Days
AIFB	23.06.2015	Submitted	Did not submit	Did not submit	100 Days
LJP	29.06.2015	Submitted	Submitted	Submitted	106 Days
AITC	30.06.2015	Submitted	Submitted	Did not contest	107 Days
J&KNPP	07-02-2015	Submitted	Did not contest	Submitted	109 Days
INC	06.07.2015	Submitted	Submitted	Submitted	113 Days
SHS	16.07.2015	Submitted	Submitted	Did not contest	123 Days
RJD	20.07.2015	Submitted	Submitted	Did not contest	127 Days
BJP	23.07.2015	Submitted	Submitted	Submitted	130 Days
AJSU	07.09.2015	Submitted	Submitted	Did not contest	176 Days
CPI	17.09.2015	Submitted	Submitted	Did not submit	186 Days
JDS	Did not Submit		Did not contest	Did not submit	-
RSP	Did not Submit			Did not contest	-
NCP	Wrong file uploaded on the ECI website				-
JMM	Wrong file uploaded on the ECI website			Did not contest	-

Table: Submission details of election expenditure statements by parties, which contested in Jharkhand and J&K Assembly Elections, 2014

Details provided in the Election Expenditure Statement

Funds Collected and Expenditure incurred by political parties

- Total funds collected by **18** political parties during Jharkhand and Jammu & Kashmir (J&K) Assembly Elections held in 2014 was **Rs 159.46 cr** and total expenditure incurred was **Rs 91.42 cr**.
- Funds collected by the parties at the **Central Headquarters** was **Rs 128.46 cr** and expenditure was **Rs 77.85 cr**. **Jharkhand State Units** spent **Rs 12.46 cr** while the **J&K state units** spent **Rs 1.11 cr**.
- **IUML, JKNPP, AITC, AIFB & BSP** are the only parties that declared **no funds collected** either at the central or at the state unit level despite contesting elections.
- **AIFB, IUML, JDU, JKNPP, AITC & SHS** are the only parties that have incurred **no expenditure** either at the central or at the state unit level despite contesting elections.

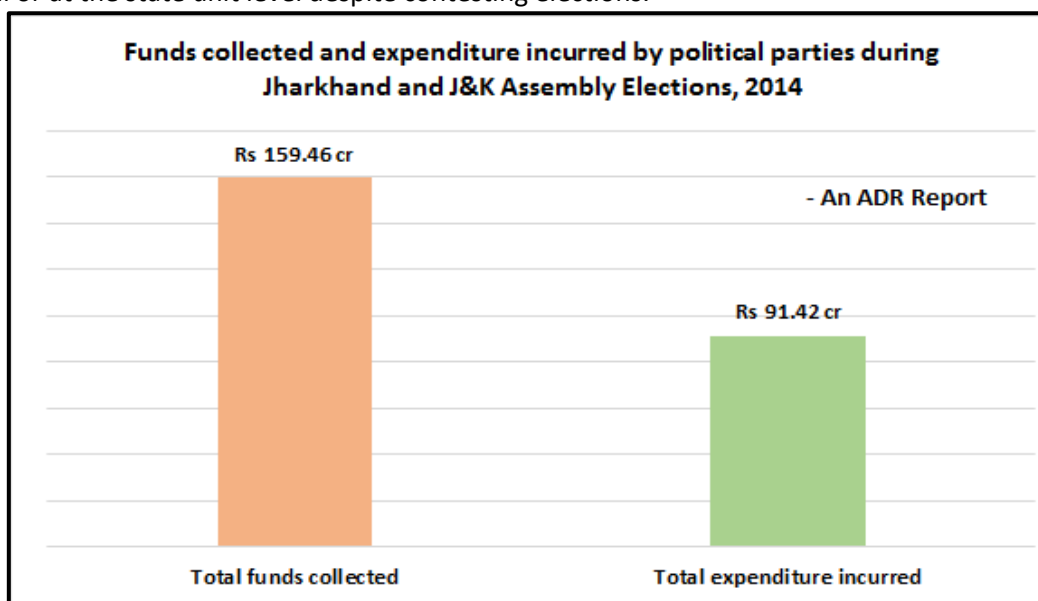


Chart: Total funds collected and expenditure incurred by political parties during Jharkhand and J&K Assembly Elections, 2014

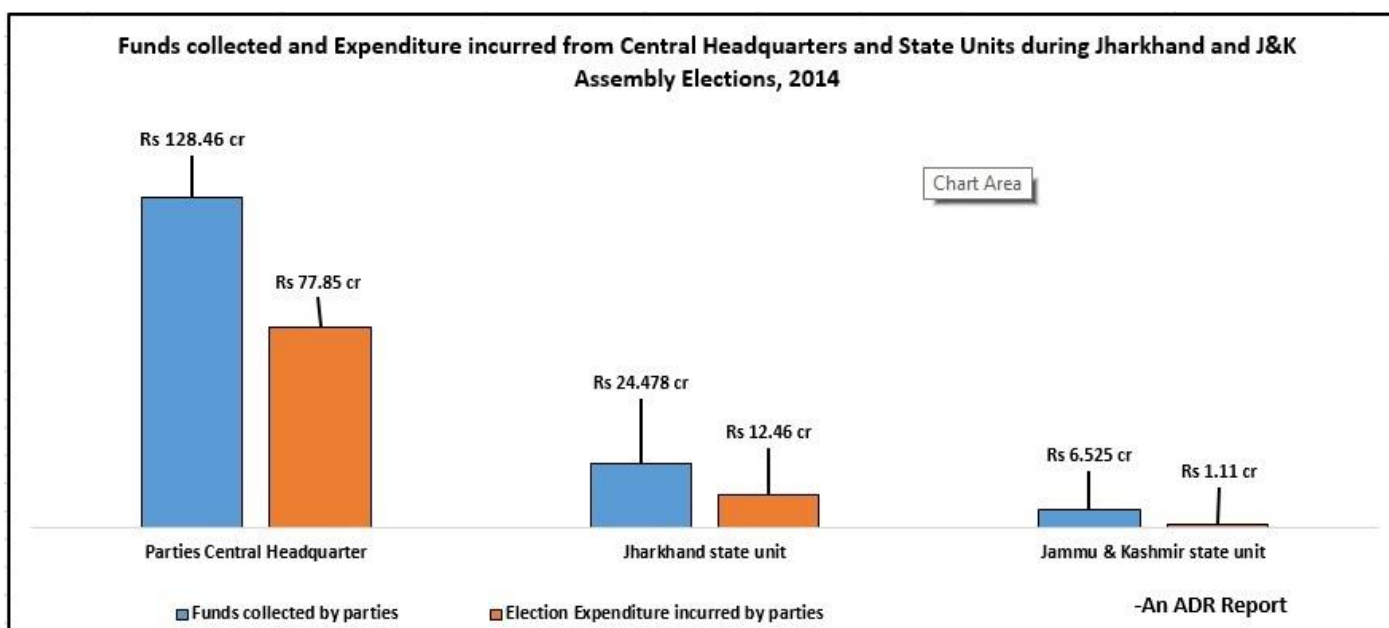


Chart: Funds collected and expenditure incurred by political parties during Jharkhand and J&K Assembly Elections, 2014

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 amounts paid to their contesting candidates**.
- Political Parties that contested in Jharkhand and J&K Assembly Elections, 2014, spent the highest, **Rs 43.18 cr** on **Publicity**, followed by **Rs 35.12 cr** on **Lumpsum amount paid to candidates**, **Rs 33.75 cr** on **travel expenses** and **Rs 9.92 cr** on **Other/Miscellaneous expenses**.
- Expenditure on publicity is **35.40%** of the overall expenditure declared under various heads.
- Expenditure on **Lumpsum amount paid to candidates** is **28.79%** of the overall expenditure declared under various heads.
- **SHS, AIFB & JDU** are the only parties that declared no expenses incurred under the four heads.

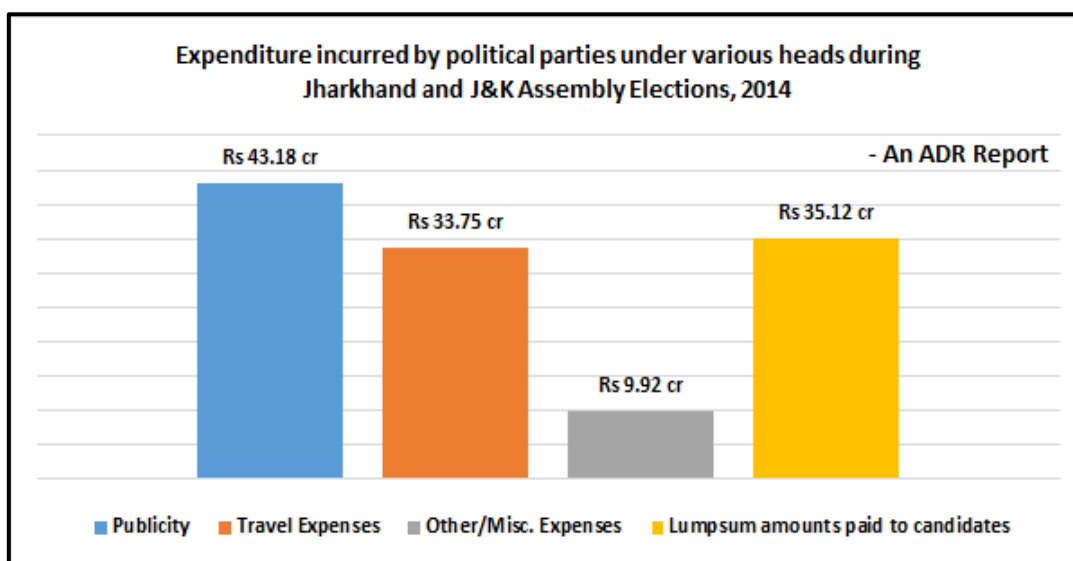


Chart: Expenditure incurred by political parties under various heads

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**.
- Publicity expenditure from Central Headquarters is the **highest, Rs 31.73 cr** or **73.48%** of the total expenditure on publicity, followed by **Rs 10.748 cr** or **24.89%** from **Jharkhand State Units** and **Rs 0.702 cr** or **1.63%** from **J&K State Units**.

Expenses on Publicity during Jharkhand and Jammu & Kashmir Assembly Elections, 2014 (Rs in cr)				Total Publicity
Total expenditure on Publicity	Central HQ	State Units		
		Jharkhand	Jammu & Kashmir	
Media Advertisement (Print & Electronic, Bulk sms, Cable, Website, TV channels, etc.)	23.13	9.874	0.067	Rs 33.07 cr
Publicity Materials (Poster, Banners, Badges, stickers, Arches, Gates, Cut outs, Hoardings, flags, etc.)	7.41	0.164	0.27	Rs 7.844 cr
Public Meetings	1.19	0.71	0.365	Rs 2.265 cr
Total	Rs 31.73 cr	Rs 10.748 cr	Rs 0.702 cr	Rs 43.18 cr

Table: Expenditure incurred by political parties on publicity during Jharkhand and J&K Assembly Elections, 2014

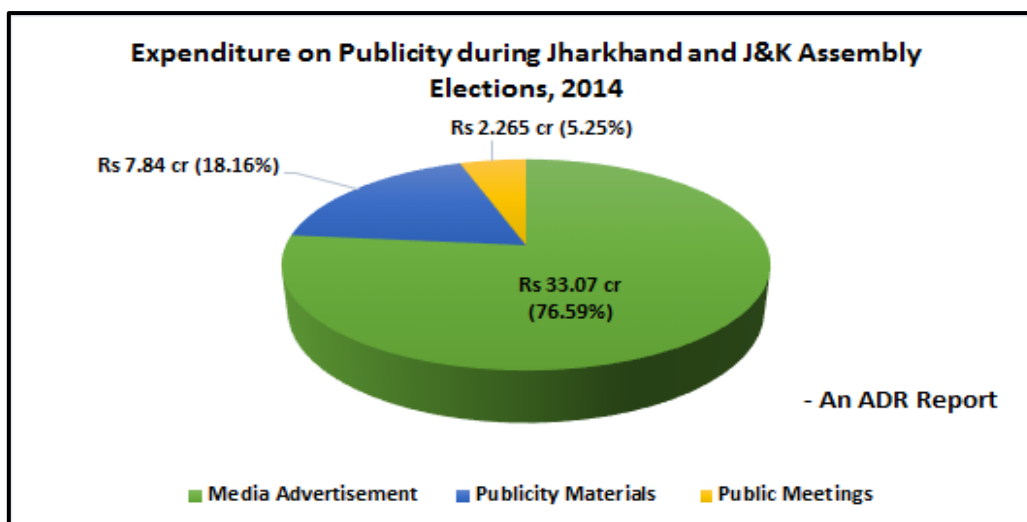


Chart: Expenditure incurred on Publicity by political parties during Jharkhand and J&K Assembly Elections, 2014

- During Jharkhand and J&K Assembly elections, political parties spent the maximum on **Media Advertisement (Rs 33.07 cr)**, followed by expenditure on Publicity Materials (Rs 7.84 cr) and Public Meetings (Rs 2.265 cr).

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 **98.98%** of their total travel expenses or **Rs 33.406 cr** on their star campaigners and the remaining **1.02%** or **Rs 34.50 lakhs** on travel of their party leaders.
- Travel expenses from **Central Headquarters** by itself were **Rs 32.365 cr** or **95.90%**, higher than the expenses incurred from Jharkhand State Unit of **Rs 1.30 cr** or **3.85%** and J&K State Unit of **Rs 0.085 cr** or **0.25%**.

Expenses on Travel during Jharkhand and J&K Assembly Elections, 2014 (Rs in cr)				
Total Expenditure on Travel	Central HQ	State Units		Total Travel
		Jharkhand	Jammu & Kashmir	
Star campaigners	32.025	1.30	0.081	Rs 33.406 cr
Leaders	0.34	0.0006	0.004	Rs 0.345 cr
Total	Rs 32.365 cr	Rs 1.30 cr	Rs 0.085 cr	Rs 33.75 cr

Table: Expenditure incurred on Travel by political parties during Jharkhand and J&K Assembly Elections, 2014

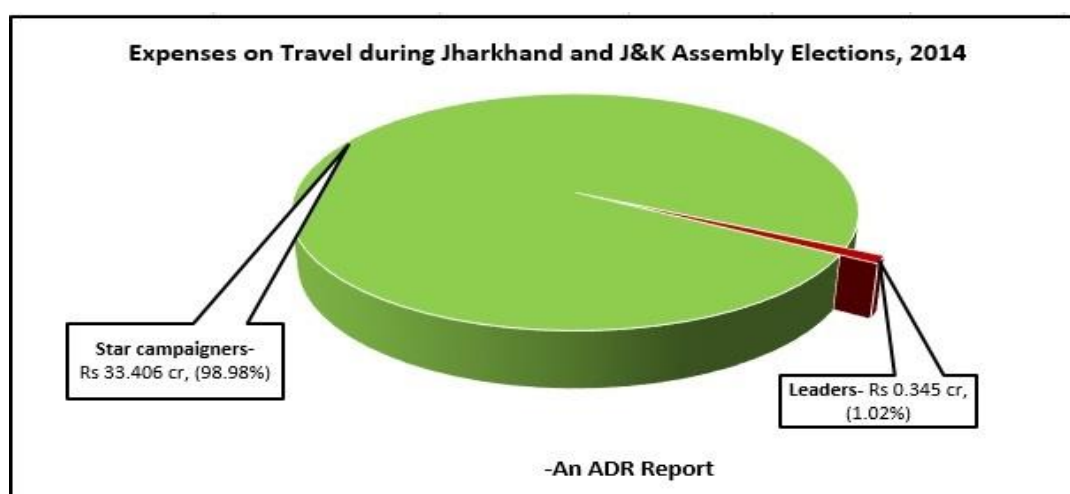


Chart: Expenditure incurred on Travel by political parties during Jharkhand and J&K Assembly Elections, 2014

Observations of ADR

- The complete election expenditure statements of **NCP, JDS, RSP** and **JMM** are not available in the public domain despite contesting elections, with a total **delay of more than four years and eight months**. This is in violation of the Supreme Court judgment dated 4th April, '96 (Common Cause vs. Union of India), directing the Election Commission to create a format for the recognised parties to submit their statements.
- 4 National Parties **AITC, INC, BJP** and **CPI** delayed the submission of their election expenditure statements for Jharkhand and Jammu & Kashmir State Assembly Elections, 2014 by **107 days, 113 days, 130 days** and **186 days** respectively. **BJP** formed the government in both Jharkhand and Jammu & Kashmir at the end of the assembly elections in 2014.

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

State-wise total funds collected

- 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 128.46 cr** at the **Central level**, through cash, cheque/DD and in kind/Bank Interest. This constituted **80.56%** of the total funds collected by political parties during Jharkhand and J&K Assembly elections, 2014.
- **Among the state units**, the political parties collected the maximum amount of **Rs 24.478 cr** from **Jharkhand**, which formed **15.35% of the total funds**, collected at the state levels.
- The most preferred mode of collection was by **cash** where the parties collected **Rs 114 cr**, which formed **71.49%** of the total funds collected both at the state and central levels.
- **Rs 44.96 cr** is collected **by Cheque/DD** at the **Central Headquarters** and **states** by political parties.

Mode of funds collection	Jharkhand and Jammu & Kashmir Assembly Elections 2014 (Rs in cr)			Total funds
	Central HQ	State Units		
		Jharkhand	Jammu & Kashmir	
By cash	101	12.962	0.0365	114.00
By cheque/DD	26.96	11.516	6.487	44.96
In Kind/Bank Interest	0.5	0	0.0016	0.50
Total	128.46	24.478	6.525	159.46

Table: State-wise total funds collected in cash, cheque and in kind by political parties during Jharkhand and J&K Assembly Elections, 2014

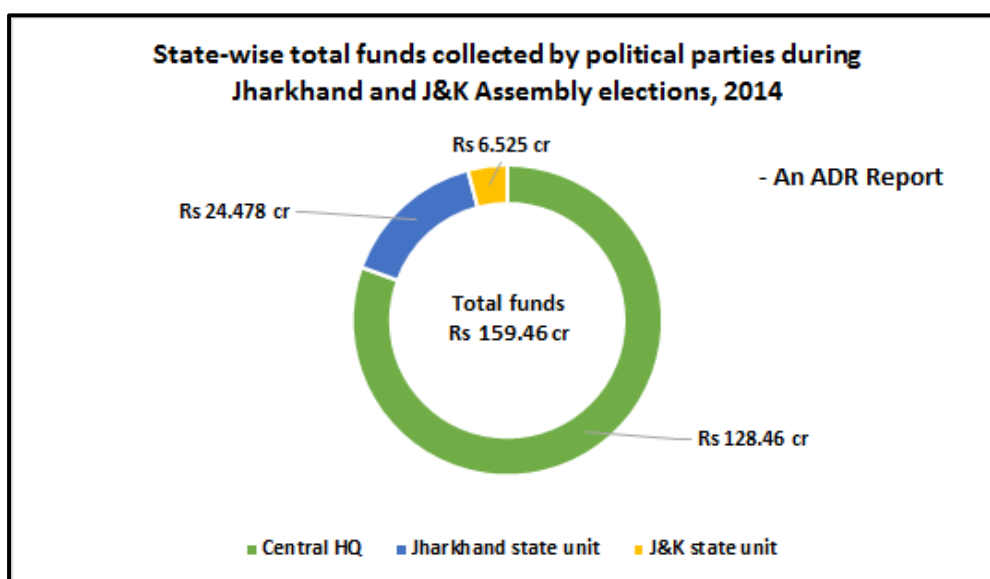


Chart: State-wise funds collected by parties during Jharkhand and J&K Assembly election, 2014

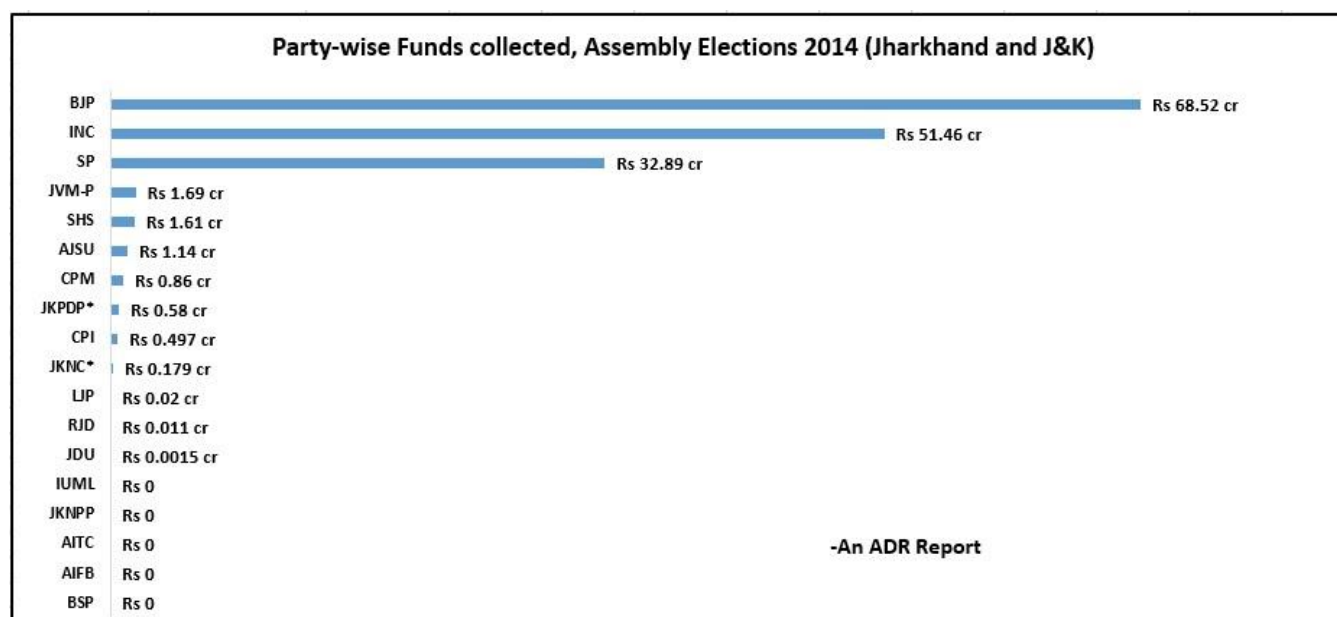
Party-wise total funds collected

- Among political parties, **BJP** collected the maximum funds of **Rs 68.52 cr, 79.01%** or Rs 54.141 cr of which was collected at the party's Central Headquarter level.
- **INC** collected the second highest funds worth **Rs 51.46 cr, 68.36%** or Rs 35.18 cr of which was collected by the Central Headquarter.

- **SP** collected the third highest funds, a total of **Rs 32.89 cr**, **100%** of which was collected by its Central Headquarter.
- **BSP, AIFB, AITC, JKNPP** and **IUML** are the political parties that have declared no funds at their respective Central Headquarters and states.

Party-wise funds collected during Jharkhand and J&K Assembly Elections 2014				
Political Party	Central Headquarter	State units		Total Funds
		Jharkhand	J&K	
BJP	54.141	14.278	0.1	Rs 68.52 cr
INC	35.18	9.962	6.317	Rs 51.46 cr
SP	32.89	0	0	Rs 32.89 cr
JVM-P	1.693	0	0	Rs 1.693 cr
SHS	1.61	0	0	Rs 1.61 cr
AJSU	1.14	0	0	Rs 1.14 cr
CPM	0.56	0.19	0.108	Rs 0.86 cr
JKPDP	0.58	0	0	Rs 0.58 cr
CPI	0.46	0.037	0	Rs 0.497 cr
JKNC	0.179	0	0	Rs 0.179 cr
LJP	0.02	0	0	Rs 0.02 cr
RJD	0	0.011	0	Rs 0.011 cr
JDU	0.002	0	0	Rs 0.0015 cr
BSP	0	0	0	Rs 0
AIFB	0	0	0	Rs 0
AITC	0	0	0	Rs 0
JKNPP	0	0	0	Rs 0
IUML	0	0	0	Rs 0
Total	Rs 128.46 cr	Rs 24.478 cr	Rs 6.525 cr	Rs 159.46 cr

Table: Funds collected by political parties during Jharkhand and J&K Assembly Elections, 2014



* Expenditure amount declared by the party at the Central and State units level is the same

Chart: Funds collected at the Central level and the State units by political parties during Jharkhand and J&K Assembly Elections, 2014

State-wise expenditure incurred

- The **Central Headquarters** of the political parties spent the maximum worth **Rs 77.85 cr**, followed by **Jharkhand State Units** which spent **Rs 12.46 cr**, and **J&K State Unit**, which reported incurring an expenditure of **Rs 1.11 cr**.
- Out of total expenditure of **Rs 91.42 cr**, **70.26%** or **Rs 64.23 cr** was spent by cheque/DD by political parties, together.
- **Rs 25.56 cr** is '**remaining unpaid**' which formed **27.96%** of the total expenditure reported by political parties. **100%** of expenses 'remaining unpaid' by political parties are from the **Central Headquarters**.
- Expenditure in cash was **least preferred** by the political parties, as only **1.78%** or **Rs 1.63 cr** of the total expenditure was incurred in this mode.

Mode of expenditure incurred	Expenditure incurred by political parties during Jharkhand and Jammu & Kashmir Assembly Elections 2014 (Rs in cr)			Total
	Central HQ	State Units		
		Jharkhand	Jammu & Kashmir	
By cash	1.305	0.17	0.157	1.63
By cheque/DD	50.984	12.29	0.955	64.23
Remaining unpaid	25.56	0	0	25.56
Total	77.85	12.46	1.11	91.42

Table: State-wise expenditure incurred by political parties during Jharkhand and J&K Assembly Elections, 2014

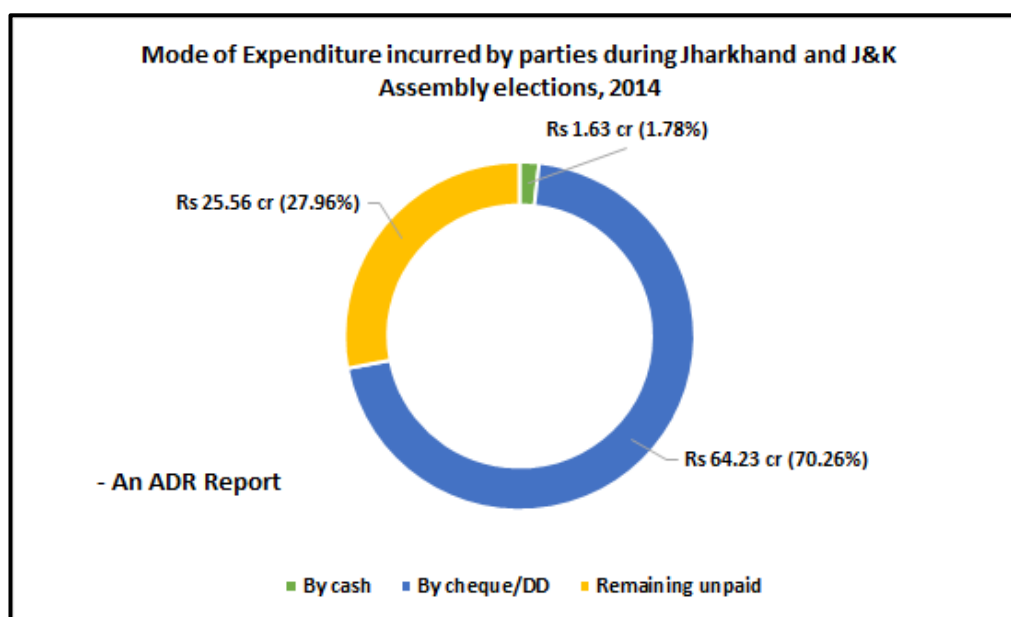


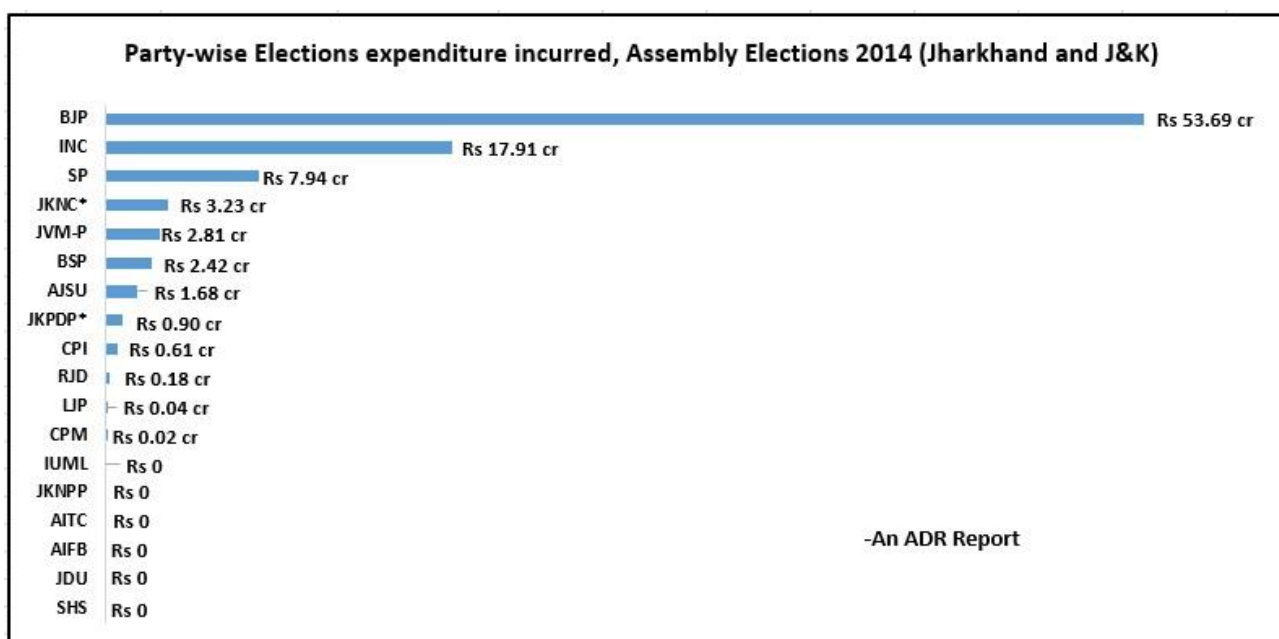
Chart: Mode of Expenditure incurred by parties during Jharkhand and J&K Assembly Elections, 2014

Party-wise expenditure incurred

- Out of total expenditure of **Rs 91.42 cr**, **BJP** incurred the maximum expenditure of **Rs 53.69 cr**, which forms **58.73%** of total expenditure.
- **INC** incurred the second highest expenditure of **Rs 17.91 cr**, **almost 95%** of which was incurred by party's Central Headquarter.
- **SHS, AIFB, IUML, AITC, JKNPP & JDU** are the only parties that have incurred **no expenditure** either at the central or at the state unit level despite contesting elections.

Party-wise Elections expenditure incurred, Assembly Elections 2014 (Jharkhand and J&K)				
Political Party	Central Headquarter	State units		Total expenditure incurred
		Jharkhand	J&K	
BJP	41.04	11.71	0.937	Rs 53.69 cr
INC	17.03	0.705	0.175	Rs 17.91 cr
SP	7.94	0	0	Rs 7.94 cr
JKNC	3.23	0	0	Rs 3.23 cr
JVM-P	2.81	0	0	Rs 2.81 cr
BSP	2.424	0	0	Rs 2.424 cr
AJSU	1.675	0	0	Rs 1.675 cr
JKPDP	0.899	0	0	Rs 0.899 cr
CPI	0.58	0.029	0	Rs 0.61 cr
RJD	0.17	0.0059	0	Rs 0.176 cr
LJP	0.04	0	0	Rs 0.04 cr
CPM	0.006	0.014	0	Rs 0.02 cr
SHS	0	0	0	Rs 0
JDU	0	0	0	Rs 0
AIFB	0	0	0	Rs 0
AITC	0	0	0	Rs 0
JKNPP	0	0	0	Rs 0
IUML	0	0	0	Rs 0
Total	Rs 77.85 cr	Rs 12.46 cr	Rs 1.11 cr	Rs 91.42 cr

Table: Expenditure incurred by political parties during Jharkhand and J&K Assembly Elections, 2014



* Expenditure amount declared by the party at the Central and State units level is the same

Chart: Expenditure incurred by political parties during Jharkhand and J&K Assembly Elections, 2014

State-wise 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 121.97 cr** under various heads, political parties spent the maximum amount of **Rs 43.18 cr** on **Publicity** followed by **Lumpsum amounts paid to candidates** worth **Rs 35.12 cr**.

- **Central Headquarter** have spent the maximum amount of **Rs 32.365 cr** on **Travel Expenses**. While Jharkhand and J&K state units spent maximum amount of **Rs 16.054 cr** and **Rs 15.02 cr** on **Lumpsum amounts paid to candidates**.
- Across all 4 heads, expenditure incurred from **Central Headquarter** has been the **maximum** at **Rs 77.24 cr**.

Expenditure under various Heads	Jharkhand and J&K Assembly Elections 2014 (Rs in cr)			Total
	Central HQ	Jharkhand	Jammu & Kashmir	
Publicity	31.73	10.748	0.702	Rs 43.18 cr
Travel Expenses	32.365	1.3	0.085	Rs 33.75 cr
Others/Misc. expenses	9.1	0.395	0.426	Rs 9.92 cr
Lumpsum amounts paid to candidates	4.045	16.054	15.02	Rs 35.12 cr
Total	Rs 77.24 cr	Rs 28.497 cr	Rs 16.233 cr	Rs 121.97 cr

Table: State-wise expenditure incurred under various heads by Political Parties during Jharkhand and J&K Assembly Elections, 2014

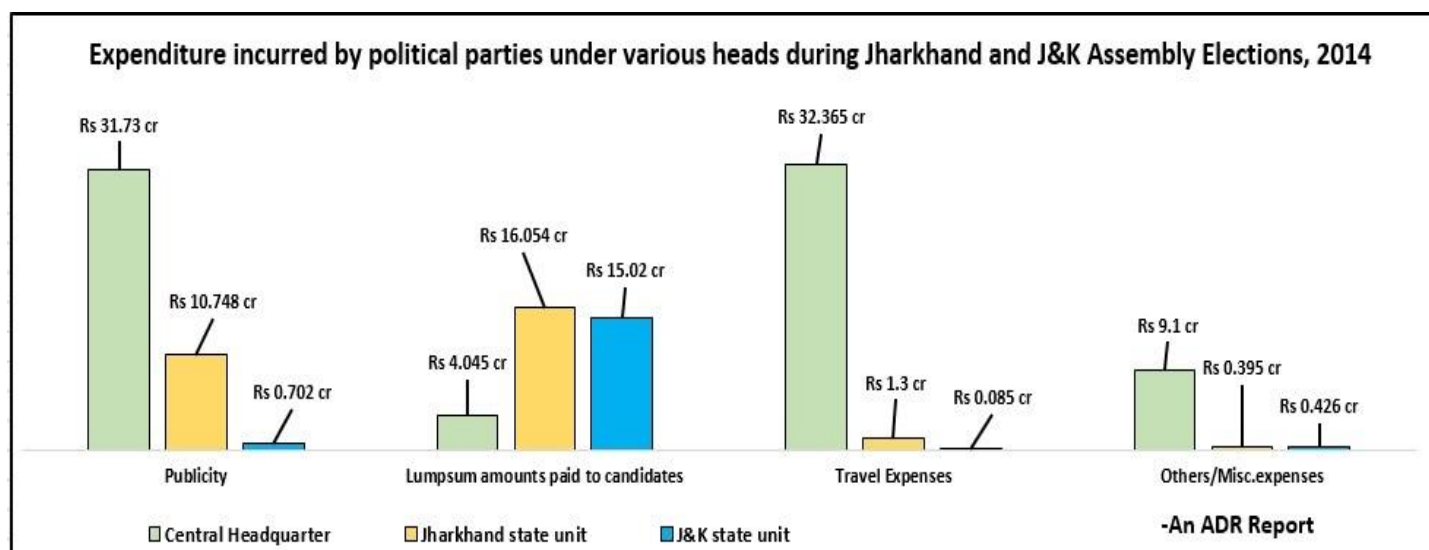


Chart: Expenditure incurred by political parties under various heads during Jharkhand and J&K Assembly Elections, 2014

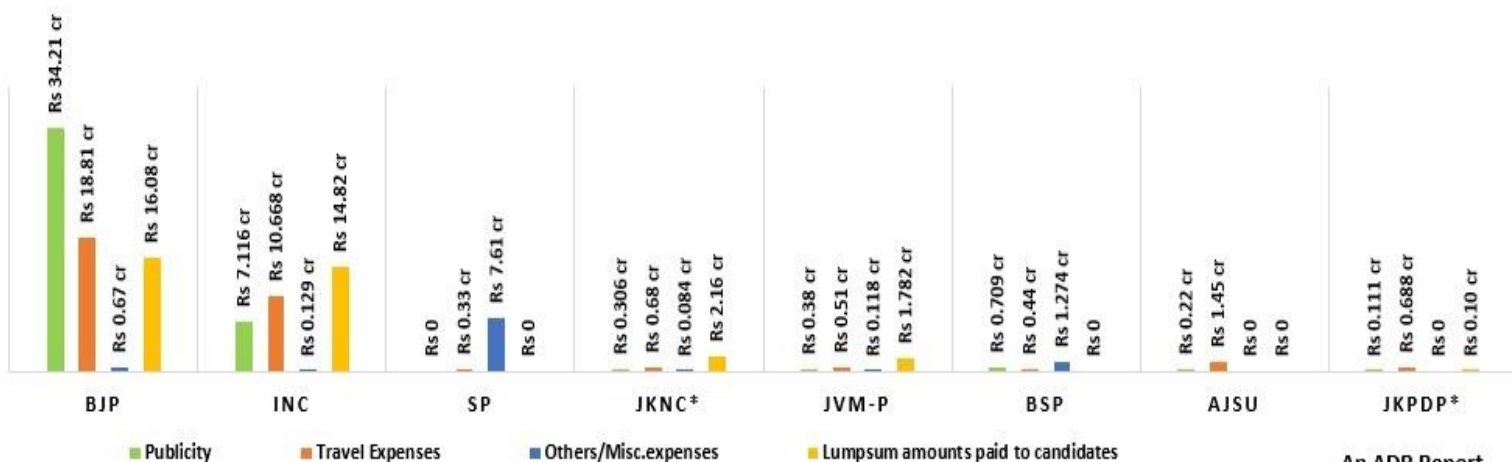
Party-wise expenditure under various heads

- The political parties spent a total of **Rs 121.97 cr** on publicity, travel, miscellaneous expenses and lumpsum amount to candidates.
- The parties spent the highest on **Publicity, Rs 43.18 cr** or 35.40% of the total followed by **Rs 35.12 cr** or 28.79% of total on **Lumpsum amounts paid to candidates** and **Rs 33.75 cr** or 27.67% of total expenditure on **Travel expenses**.
- The top 3 Parties which spent the highest are: **BJP** (Rs 69.77 cr) followed by **INC** (Rs 32.733 cr) and **SP** (Rs 7.94 cr).
- **BJP** has incurred the maximum, **Rs 34.21 cr** under **Publicity**, which forms **79.23%** of the total expenditure incurred by all political parties on **Publicity**.
- **INC** has incurred the maximum, **Rs 14.82 cr** under **Lumpsum amounts paid to candidates**, which forms **45.28%** of the total expenditure incurred by the party.

Party wise expenditure under various heads (Rs in cr): Jharkhand and J&K Assembly Elections 2014					
Political Party	Publicity	Travel Expenses	Others/Misc. expenses	Lumpsum amounts paid to candidates	Total
BJP	34.21	18.81	0.67	16.08	Rs 69.77 cr
INC	7.116	10.668	0.129	14.82	Rs 32.733 cr
SP	0	0.33	7.61	0	Rs 7.94 cr
JKNC	0.306	0.68	0.084	2.16	Rs 3.23 cr
JVM-P	0.38	0.51	0.118	1.782	Rs 2.79 cr
BSP	0.709	0.44	1.274	0	Rs 2.42 cr
AJSU	0.22	1.45	0	0	Rs 1.67 cr
JKPDP	0.111	0.688	0	0.10	Rs 0.899 cr
CPM	0.098	0.006	0.0189	0.1746	Rs 0.298 cr
RJD	0.0029	0.158	0.003	0	Rs 0.164 cr
LJP	0.0228	0.0025	0.0148	0	Rs 0.04 cr
CPI	0.0021	0.0073	0	0	Rs 0.009 cr
SHS	0	0	0	0	Rs 0.00 cr
AIFB	0	0	0	0	Rs 0.00 cr
JDU	0	0	0	0	Rs 0.00 cr
Total	Rs 43.18 cr	Rs 33.75 cr	Rs 9.92 cr	Rs 35.12 cr	Rs 121.97 cr

Table: Expenditure incurred under various heads by Political Parties during Jharkhand and J&K Assembly Elections, 2014

Party wise expenditure under various heads, Assembly Elections, 2014



-An ADR Report

* Expenditure amount declared by the party at the Central and State units level is the same

Chart: Expenditure incurred under various heads by political parties during Jharkhand and J&K Assembly Elections, 2014

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 and their volunteers are not responsible or liable for any damage arising directly or indirectly from the publication of this report.

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