

Analysis of Funds Collected and Expenditure Incurred by Major Political Parties of Chhattisgarh during State Assembly Elections, November 2013

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

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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 state, district and constituency levels by the party:
 - 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 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 Chhattisgarh’s major political parties, **during the election period of 33 days (18-10-2013 to 19-11-2013).**

Submission of Statement of Election Expenditure Incurred during Chhattisgarh Assembly Elections, 2013

National Parties	
Party	Status of submission of expenditure statement to the ECI
Indian National Congress (INC)	Submitted
Bharatiya Janata Party (BJP)	Not submitted
Bahujan Samaj Party (BSP)	Submitted
Nationalist Congress Party (NCP)	Submitted
Communist Party of India – Marxist (CPM)	Submitted
Communist Party of India (CPM)	Submitted
Regional Parties	
Lok Jan Shakti Party (LJP)	Submitted
Shiv Sena (SHS)	Submitted
Samajwadi Party (SP)	Not submitted
National People’s Party (NPP)	Not submitted
Janata Dal United (JDU)	Not submitted

Table: Details of submission of election expenditure statement by parties which contested in Chhattisgarh Assembly Elections, 2013

Details provided in the Election Expenditure Statement

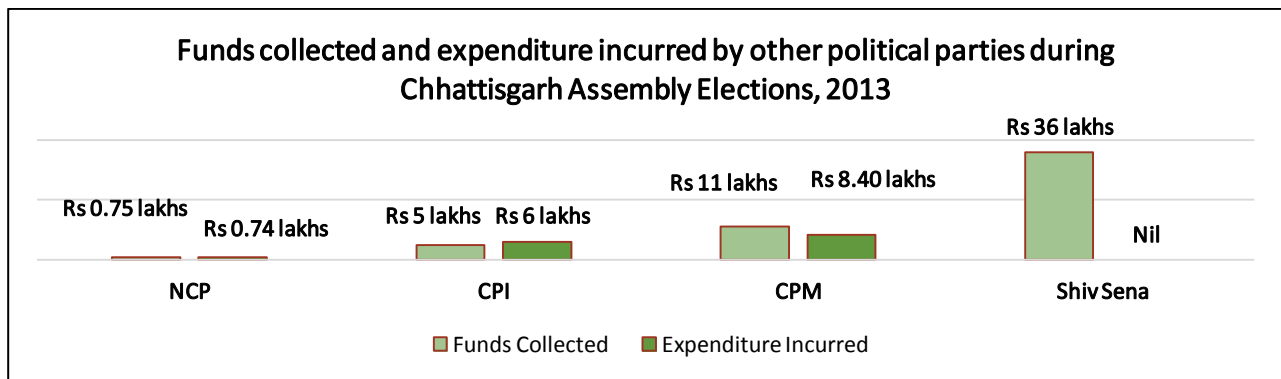
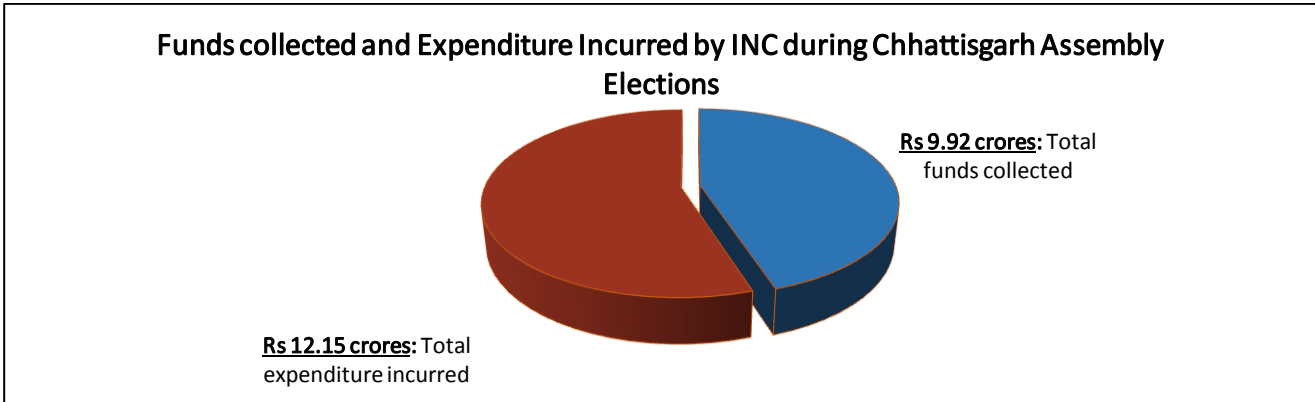
National Parties: Funds Collected and Expenditure Incurred

- Bharatiya Janata Party (BJP) has not submitted its election expenditure statement to the Election Commission for Chhattisgarh Assembly elections, 2013 hence the National parties considered for the report are INC, BSP, NCP, CPI and CPM.
- BSP declared that no funds were collected during Chhattisgarh Assembly Elections.
- Total funds collected by the National Parties (INC, NCP, CPI and CPM) was **Rs 10.08 crores** and total expenditure incurred by the National Parties was **Rs 12.30 crores.**

Regional Parties: Funds Collected and Expenditure Incurred

- Regional Parties considered for the report: LJP, Shiv Sena, SP, NPP and JDU.

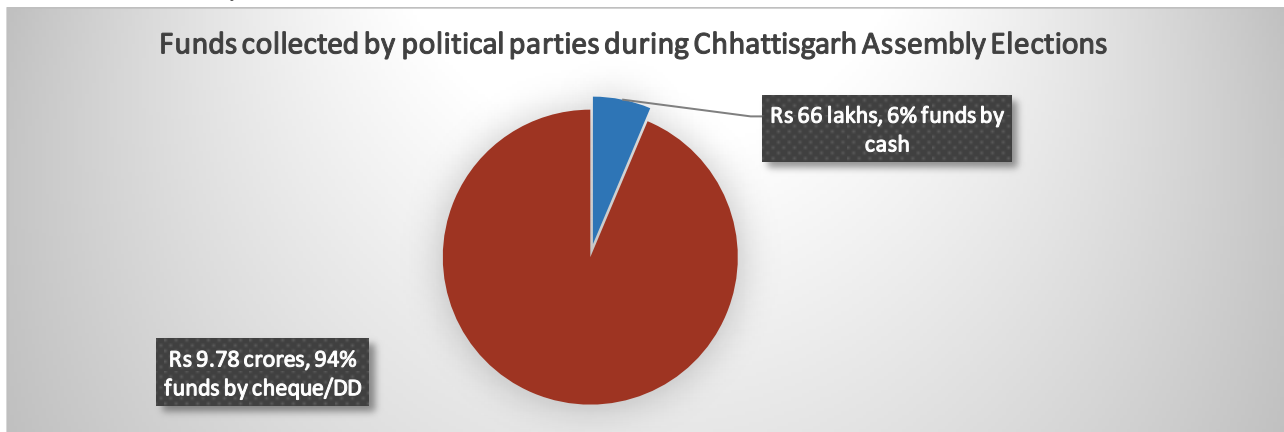
- Of the above 5 regional parties which contested in the Chhattisgarh Assembly Elections, **only LJP and Shiv Sena submitted their election expenditure statements to the Election Commission.**
- LJP declared that the party **neither collected funds nor incurred any expenditure** during Chhattisgarh Assembly Elections.
- Total funds collected by Shiv Sena for the Chhattisgarh Assembly Elections: **Rs 36 lakhs.**
- **Shiv Sena declared that the party incurred no expenditure** during Chhattisgarh Assembly Elections.



Graph: Funds collected and expenditure incurred by political parties during Chhattisgarh Assembly Elections, 2013

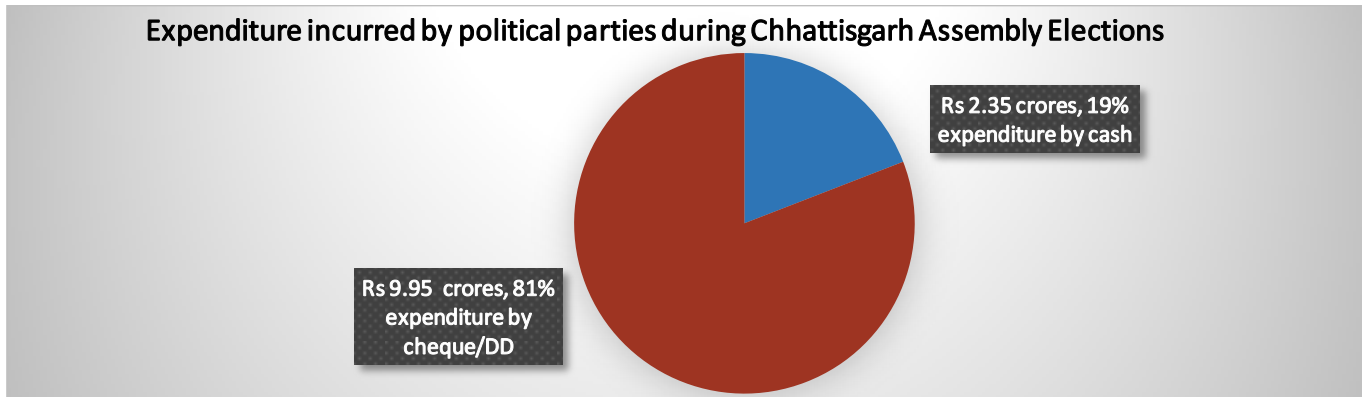
Funds Collected and Expenditure Incurred in Cash and Cheque

- The total funds collected by the National and Regional Parties amounted to **Rs 10.44 crores** of which **94%** or **Rs 9.78 crores** was collected by cheque/ DD and **6%** or **Rs 66 lakhs** was collected by cash.
- While **INC declared the maximum amount of Rs 9.92 crores** collected in cash and cheque, the **least amount was declared by NCP with Rs 75 thousand.**



Graph: Funds collected by political parties during Chhattisgarh Assembly Elections, 2013

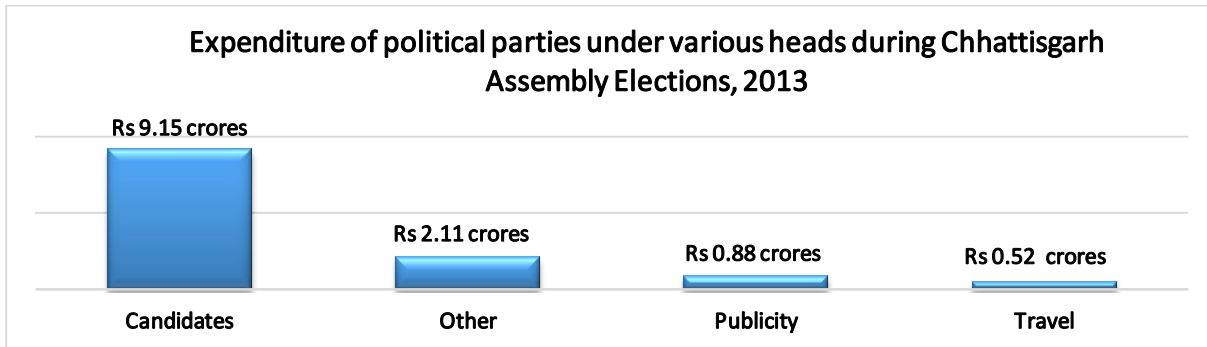
- Out of the total expenditure of Rs 12.30 crores declared by the National Parties, expense of Rs 9.95 crores (81%) was incurred by cheques while Rs 2.35 crores (19%) was spent in cash.
- **INC** declared an **expenditure of Rs 9.89 crores paid by cheques** and **Rs 2.26 crores** in cash while **NCP** declared the least total expenditure of **Rs 74 thousand, incurred in cash.**



Graph: Expenditure incurred by political parties during Chhattisgarh Assembly Elections, 2013

Expenditure of Political Parties

- The main heads under which the political parties declare their expenses are **publicity, travel, other/ miscellaneous expenses, expenditure on candidates.**
- It is to be noted that the regional political parties considered for this report (LJP and Shiv Sena) declared that no expenditure was incurred by the parties on publicity, travel, on candidates or any other expenditure.
- Only **INC, CPI and CPM** declared expenses under publicity (Rs 88 lakhs) while INC, NCP and CPM spent Rs 52 lakhs on travel. INC and CPM spent a total of Rs 2.11 crores on other/ miscellaneous expenses while expenses on candidates by INC, CPI and CPM amounted to Rs 9.15 crores.



Graph: Expenditure of INC, NCP, CPI and CPM under various heads during Chhattisgarh Assembly Elections, 2013

Expenditure of Political Parties on Publicity

- There are three main items listed under publicity expenditure: **expense on media advertisement** (print & electronic, bulk sms, cable, website, TV channels) **publicity material** (hoardings, posters, banners etc.), **expenses on public meetings** (processions, rallies etc.).
- **INC** has spent the maximum amount of **Rs 48 lakhs on public meetings**, while **CPM** spent a total of **Rs 2.2 lakhs on publicity materials** and **CPI** declared a total expenditure of **Rs 51 thousand on publicity materials**
- No other political parties which contested in the Chhattisgarh Assembly Elections declared any expenditure on publicity for the elections.

Expenditure of Political Parties on Travel

- Expenditure on travel is given under two heads: travel expenses incurred by ‘star campaigners’ and travel expenses of **leaders and workers**.
- **INC** declared a total expenditure of **Rs 51 lakhs on travel of star campaigners** while **NCP** declared the second highest travel expenditure of **Rs 74,000 on leaders and workers**.

Expenditure towards candidates

- **INC, CPI and CPM** are the only 3 parties which declared expenses towards candidates who contested in the Chhattisgarh Assembly Elections
- **INC** declared spending the maximum amount of **Rs 9 crores on candidates** while **CPM** spent **Rs 9.8 lakhs** and **CPI** declared **Rs 4.72 lakhs** as expenses towards candidates

Recommendations of ADR

- The **details of all donors** contributing 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, should be prescribed for the expenditure statement so as to **bring in more transparency in the finances of the political parties especially during elections**, where reportedly 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 including the unrecognized parties must submit their statements of expenditure in the format prescribed by the ECI, including **details of expenditure at the state, district and constituency levels**.
- 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**.

Detailed Report

Funds collected during election period of 33 days

- The funds declared as collected by the political parties were **collected between the date of announcement of elections and date of completion of elections: 33 days** (18-10-2013 to 19-11-2013).
- Of all the six National Parties which contested in the Chhattisgarh Assembly Elections held in 2013, **BJP is the only National Party which has not submitted its expenditure statement** to the Election Commission of India (ECI).
- INC, BSP, NCP, CPI and CPM together declared a total of **Rs 10.08 crores as funds collected**.
- A total of 5 regional parties contested in the Chhattisgarh Assembly Elections namely, LJP, Shiv Sena, SP, NPP and JDU. Of the 5 parties, only **LJP and Shiv Sena** submitted their election expenditure statements to the ECI.
- Of the two regional parties which submitted their expenditure statements, **only Shiv Sena declared that the party collected funds but did not incur any expenditure** during the Chhattisgarh Assembly Elections while LJP declared that **funds were neither collected nor spent** during the Elections.
- **Total funds collected by Shiv Sena**, as declared in its expenditure statement, are **Rs 36 lakhs**.

Funds collected and expenditure incurred by Chhattisgarh's parties during elections

- While analyzing the statements submitted by the parties during the election to the Chhattisgarh State Assembly, it was seen that maximum of funds collected and expenditure incurred by the parties was by cheque.
- While BSP declared that no funds were collected by the party for Chhattisgarh Assembly Elections, 2013, other National Parties declared total funds of **Rs 9.52 crores (94%) by cheque** and **Rs 56 lakhs (6%) by cash**. Similarly, declared total expenditure of **Rs 9.95 crores (81%) by cheque** and **Rs 2.35 crores (19%) by cash**.
- **Shiv Sena**, declared a total funds of **Rs 25.4 lakhs (71%) by cheque** and **Rs 10.3 lakhs (29%) by cash**.

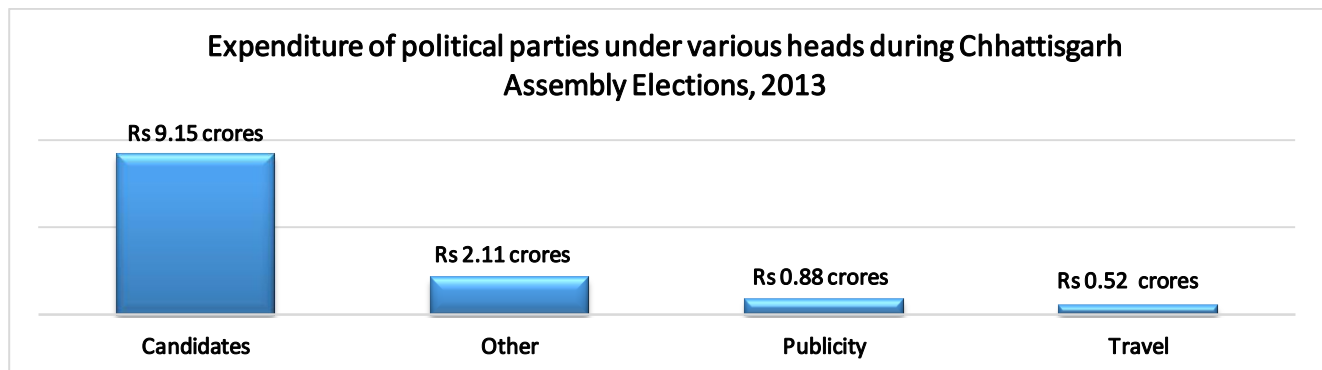
Political Party	Funds Collected (Rs in crores)			Expenditure incurred (Rs in crores)		
	Cash	Cheque/DD	Total	Cash	Cheque/DD	Total
INC	0.48	9.435	9.92	2.258	9.887	12.15
NCP	0	0.0075	0.0075	0.0074	0	0.0074
CPI	0	0.05	0.050	0.0032	0.0574	0.06
CPM	0.08	0.032	0.11	0.0817	0.0022	0.084
Shiv Sena	0.103	0.254	0.36	0	0	0
Total	Rs 0.66 crores	Rs 9.78 crores	Rs 10.44 crores	Rs 2.35 crores	Rs 9.95 crores	Rs 12.30 crores

Table: Funds collected and expenditure incurred by political parties of Chhattisgarh during Chhattisgarh Assembly Elections

Total expenditure of National and Regional Parties on various heads

- The main heads under which the political parties declare their expenses are **publicity, travel, other/miscellaneous expenses, expenditure on candidates.**
- It is to be noted that the **regional political parties** considered for this report (LJP and Shiv Sena) declared that **no expenditure was incurred by the parties on publicity, travel, on candidates or any other expenditure.**
- Of the total expenditure of Rs 374.02 lakhs declared by National Parties, maximum expenditure was incurred on other/miscellaneous expenses (Rs 210.62 lakhs) during Chhattisgarh Assembly Elections followed by publicity (Rs 87.99 lakhs) and travel (Rs 51.89 lakhs).
- INC** spent **Rs 206 lakhs** out of a total expenditure of Rs 1,241 lakhs **on other/ miscellaneous expenses** which constitutes **17%** of the total expenditure of the party and **Rs 83.5 lakhs on publicity (7%).**
- While **NCP** incurred expenditure only on travel (Rs 74 thousand) **CPM** spent **Rs 9.80 lakhs (54%) on candidates' expenses** and Rs 4.62 lakhs **(25%) on other/ miscellaneous expenses.**

Political Party	Publicity	Travel	Other	Towards candidates	Total
INC	83.5	51	206	900	Rs 1,240.51 lakhs
NCP	0	0.74	0	0	Rs 0.74 lakhs
CPI	0.93	0	0	4.72	Rs 5.65 lakhs
CPM	3.56	0.15	4.62	9.80	Rs 18.13 lakhs
Total	Rs 87.99 lakhs	Rs 51.89 lakhs	Rs 210.62 lakhs	Rs 914.52 lakhs	Rs 1,265.02 lakhs



Graph: Total expenditure declared by National and Regional during Chhattisgarh Assembly Elections, 2013

Expenditure on Publicity incurred by political parties of Chhattisgarh

- There are three main items listed under publicity expenditure: **expense on media advertisement** (print & electronic, bulk sms, cable, website, TV channels) **publicity material** (hoardings, posters, banners etc.), **expenses on public meetings** (processions, rallies etc.).
- INC** has spent the maximum amount of **Rs 48 lakhs on public meetings**, followed by media advertisement (Rs 21.5 lakhs) and publicity materials (Rs 14 lakhs). INC, CPI and CPM together, spent a total of Rs 87.99 lakhs on publicity.
- No other political parties which contested in the Chhattisgarh Assembly Elections declared any expenditure on publicity for the elections.

Political Party	Publicity			Total
	Media Advertisement	Publicity Materials	Public Meetings	
INC	Rs 21.5 lakhs	Rs 14 lakhs	Rs 48 lakhs	Rs 83.50 lakhs
CPI	0	Rs 0.51 lakhs	Rs 0.42 lakhs	Rs 0.93 lakhs
CPM	0	Rs 2.2 lakhs	Rs 1.36 lakhs	Rs 3.56 lakhs
Grand Total	Rs 21.5 lakhs	Rs 16.71 lakhs	Rs 49.78 lakhs	Rs 87.99 lakhs

Table: Expenditure incurred on publicity by political parties of Chhattisgarh

Expenditure on Travel incurred by political parties of Chhattisgarh

- Expenditure on travel is given under two heads: travel expenses incurred by ‘star campaigners’ and travel expenses of leaders and workers.
- **INC** declared a total expenditure of **Rs 51 lakhs on travel of star campaigners** and incurred no expenditure on **travel of leaders** while **NCP** declared the second highest travel expenditure of **Rs 74,000 on travel of leaders** and **CPM** incurred a total of Rs 15,000 on travel of star campaigners, leaders and workers.

Political Party	Travel	
	Star campaigners	Leaders
INC	Rs 51 lakhs	0
NCP	0	Rs 0.74 lakhs
CPM	Rs 0.04 lakhs	Rs 0.11 lakhs
Total	Rs 51.04 lakhs	Rs 0.85 lakhs

Table: Expenditure incurred on travel by political parties of Chhattisgarh

Expenditure towards candidates

- **INC, CPI and CPM** are the only 3 parties which declared expenses towards candidates who contested in the Chhattisgarh Assembly Elections.
- **INC** declared spending the maximum amount of **Rs 9 crores on candidates** while **CPM** spent **Rs 9.8 lakhs** and **CPI** declared **Rs 4.72 lakhs** as expenses towards candidates.

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