

Analysis of Funds Collected and Expenditure Incurred by Major Political Parties of Delhi during Assembly Elections, December 2013

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

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

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
 - 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 Delhi's major political parties, **during the election period of 26 days (09-11-2013 to 04-12-2013).**

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

| Political Party | Status of Submission of Expenditure Statement to the ECI | Central Headquarters Level | State Level |
|-----------------|--|----------------------------|-------------|
| INC | Submitted | Submitted | Submitted |
| BJP | Not Submitted | | |
| BSP | Submitted | Submitted | Submitted |
| NCP | Submitted | Submitted | Submitted |
| CPI | Submitted | Submitted | Submitted |
| CPM | Submitted | Submitted | Submitted |
| LJP | Submitted | Submitted | Submitted |
| RLD | Submitted | Submitted | Submitted |
| SAD | Submitted | Submitted | Submitted |
| SHS | Submitted | Submitted | Submitted |
| AAP* | Not Submitted | | |
| AIFB | | | |
| DMDK | | | |
| INLD | | | |
| IUML | | | |
| JD(U) | | | |
| JKNPP | | | |
| SP | | | |

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

*As AAP was an unrecognized party at the time of contesting in Delhi Assembly Elections, it was not mandatory for the party to submit its expenditure statement

Details provided in the Election Expenditure Statement

National Parties: Funds Collected and Expenditure Incurred

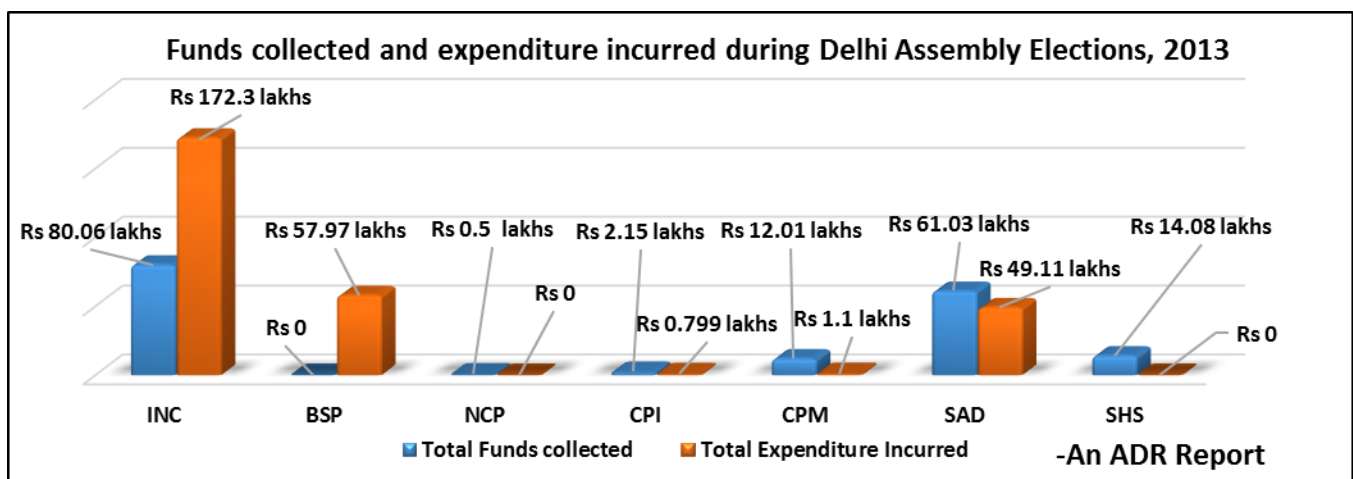
- **Bharatiya Janata Party (BJP) has not submitted its election expenditure statement to the Election Commission for Delhi Assembly elections, 2013.** Hence the National parties considered for the report are INC, BSP, NCP, CPI, and CPM.
- Total funds collected by the National Parties during Delhi Assembly Elections was **Rs 94.72 lakhs** and total expenditure incurred by the National Parties was **Rs 232 lakhs**.

Regional Parties: Funds Collected and Expenditure Incurred

- **Aam Aadmi Party (AAP) was an unrecognized party** at the time of Delhi Assembly elections 2013, and is thus **not required to submit an account of its election expenditure**. However, in a **letter to the ECI** dated February 22, 2014, AAP had **requested for a grace period of 15 days** to submit its accounts of expenditure. The ECI has not received AAP's election expenditure statement yet.
- Regional Parties considered for the report: AIFB, AAP, DMDK, INLD, IUML, JD (U), JKNPP, LJP, RLD, SAD, Shiv Sena and SP.
- **Of the above 12 regional parties** which contested in the Delhi assembly elections, only **LJP, RLD, SAD and Shiv Sena** have submitted their election expenditure statements to the Election Commission.
- It is to be noted that **only Shiv Sena and SAD collected funds** amounting to **Rs 75.12 lakhs** while **none of the other regional parties collected funds** during Delhi Assembly Elections.
- **SAD** is the only regional party to **declare expenditure of Rs 49.11 lakhs** during Delhi Assembly Elections.

| Funds collected and expenditure incurred during Delhi Assembly Elections, 2013 | | | | | | | | |
|--|-----------------------|-----------------------|-------------|------------------------|------------------------------------|------------------------|-----------------------|------------------------|
| Funds Collected (Rs in lakhs) | | | | | Expenditure incurred (Rs in Lakhs) | | | |
| Political Party | By Cash | By Cheque/DD | In Kind | Total | By Cash | By Cheque/DD | Remaining unpaid | Total |
| National Parties | 31.86 | 62.86 | 0 | 94.72 | 7.11 | 203.1 | 21.95 | 232.16 |
| Regional Parties | 60.93 | 14.19 | 0 | 75.12 | 0 | 49.11 | 0 | 49.11 |
| Total | Rs 92.79 lakhs | Rs 77.05 lakhs | Rs 0 | Rs 169.84 lakhs | Rs 7.11 lakhs | Rs 252.21 lakhs | Rs 21.95 lakhs | Rs 281.27 lakhs |

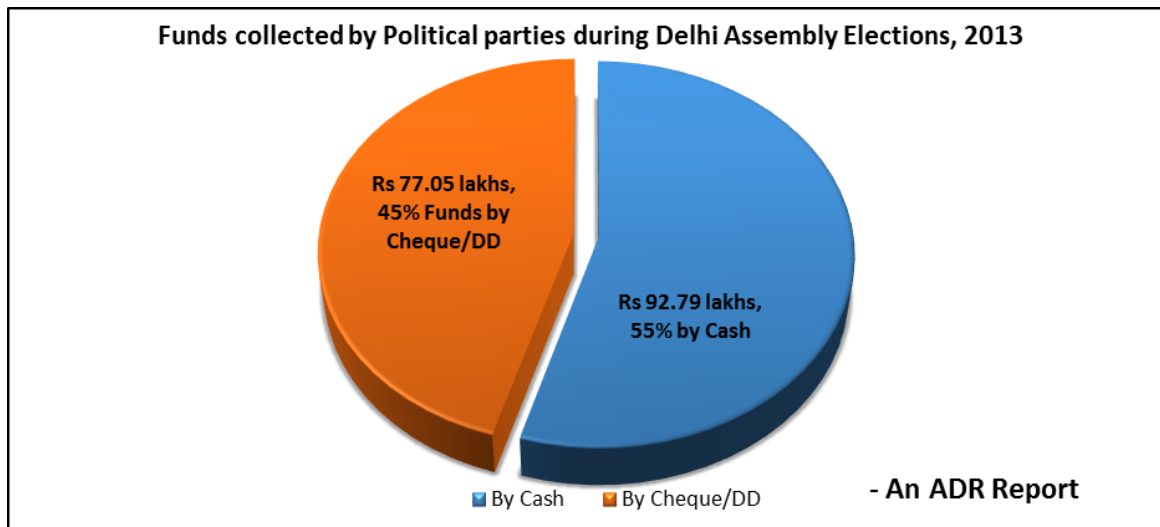
Table: Funds collected and expenditure incurred by National & Regional Parties during Delhi Assembly Elections, 2013



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

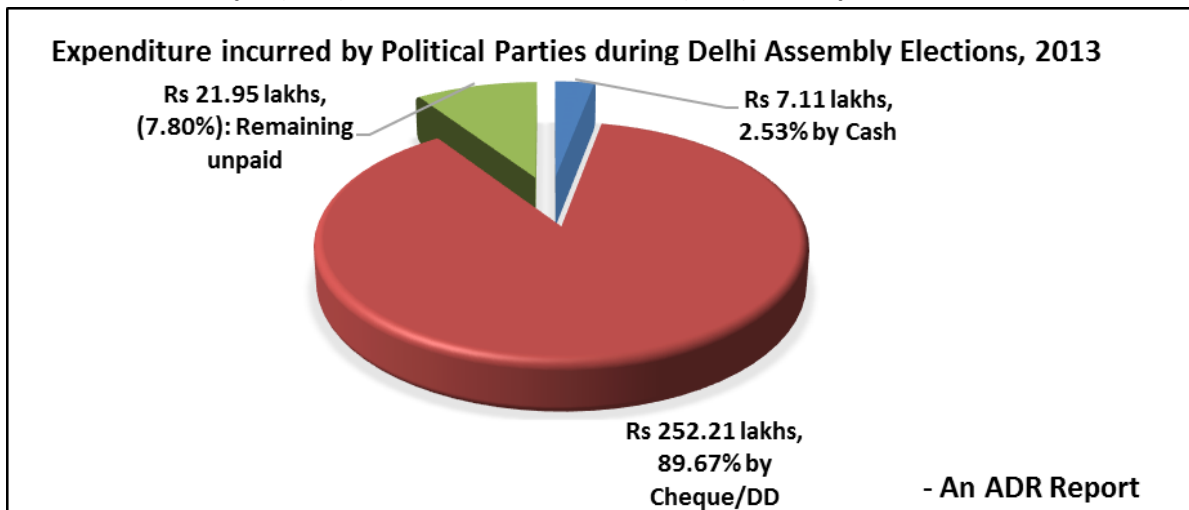
Funds Collected and Expenditure Incurred in Cash and Cheque

- The **total funds collected** by National and regional parties amounted to **Rs 169.84 lakhs**, of which 55% or **Rs 92.79 lakhs** was collected by cash, while 45% or **Rs 77.05 lakhs** was collected by cheque / DD.
- **100%** of the total funds collected by **NCP** during election period was **by cash** (Rs 50,000) while **95% (Rs 57.71 lakhs)** of funds collected by **SAD** was **by cash**.
- **CPM** collected **Rs 7.11 lakhs in cash** (59.20% of its funds) and **Rs 4.90 lakhs (40.8%) in cheque** while **CPI** collected **Rs 0.39 lakhs in cash** (18.14% of the total funds of Rs 2.15 lakhs) and **Rs 1.76 lakhs (81.86%) in cheque**.



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

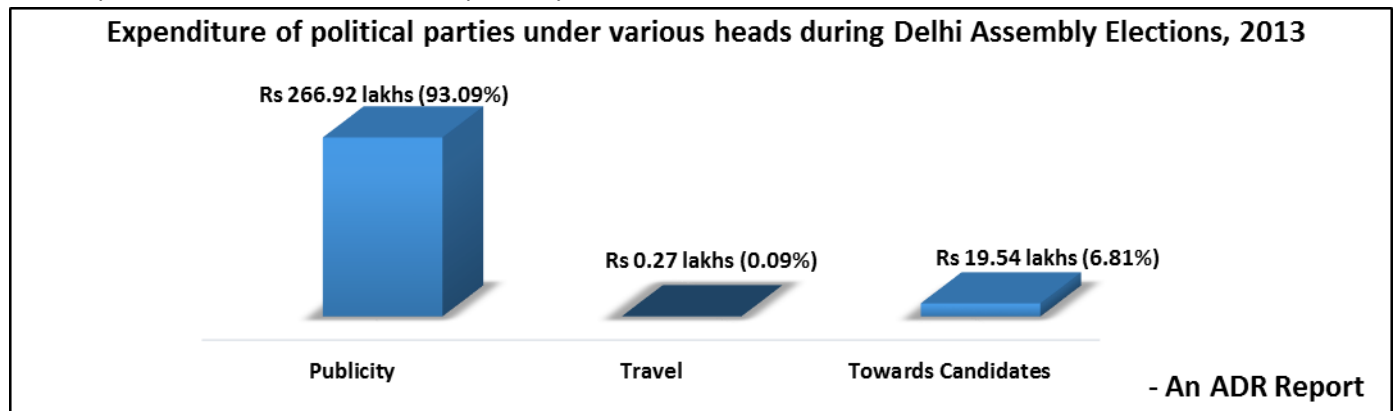
- The **parties' preferred mode of expenditure was by cheque/DD**, according to the statements submitted.
- Out of the total expenditure of **Rs 281.27 lakhs** declared by National and regional parties, expense of **Rs 252.21 lakhs (89.67%)** was incurred in cheque, while only **Rs 7.11 lakhs (2.53%)** was spent in cash, and **Rs 21.95 lakhs (7.80%)** was remaining unpaid.
- **99.97% of the total expenditure of INC** was by cheque/DD (**Rs 172.25 lakhs**) while **CPM** incurred a total of **Rs 94,500 in cheque (86%)** and **CPI** incurred **Rs 68,000 (85%) in cheque**.



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

Expenditure of Political Parties

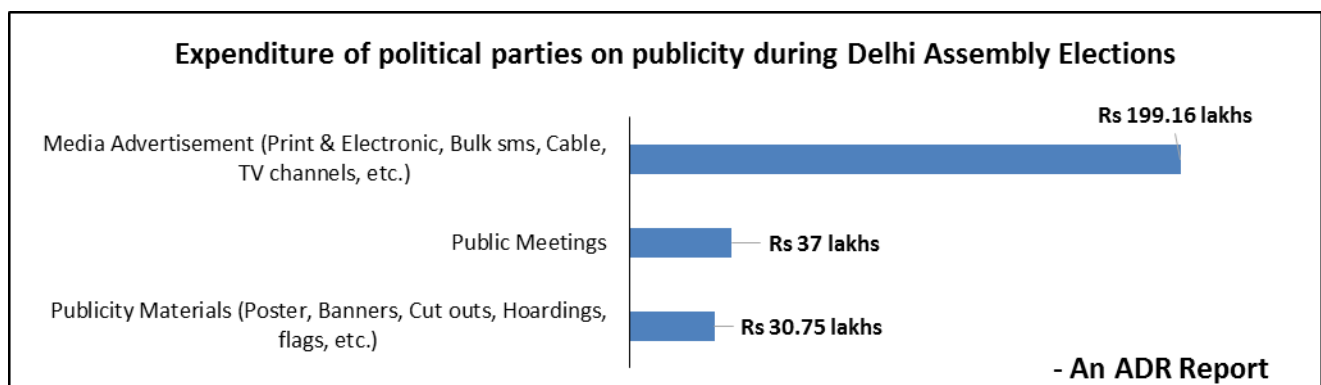
- The main heads under which political parties declare their expenses are **publicity, travel, other/ miscellaneous expenses and expenditure on candidates.**
- Political parties of Delhi spent **93.09%** of their total expenditure on **publicity**, **0.09%** on **travel expenses** and **6.81%** on **candidates**. No expenditure under 'Other Expenses' was declared by the parties during the Assembly Elections in 2013.
- **INC** spent **Rs 158.3 lakhs** out of a total expenditure of Rs 172.30 lakhs **on publicity** which constitutes **91.87%** of the total expenditure of the party followed by **Rs 14 lakhs on travel (8.13%).**
- **SAD and BSP incurred 100% expenditure on publicity.** While SAD spent Rs 49 lakhs, BSP incurred an expenditure of Rs 57.98 lakhs on publicity.



Graph: Expenditure of political parties under various heads during Delhi 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.).
- Political parties of Delhi collectively spent **Rs 199.16 lakhs (or 74.61%)** on **media advertisement**, **Rs 30.75 lakhs (or 11.52%)** on **publicity materials** and **Rs 37 lakhs (or 13.86%)** on **public meetings** during Delhi Assembly Elections, 2013.
- **INC** spent the maximum amount of **Rs 150 lakhs on media advertisement** followed by **Rs 8.25 lakhs on public meetings**, while **BSP** spent **Rs 29.22 lakhs on publicity materials** and **Rs 28.75 on public meetings.**



Graph: Expenditure of political parties on publicity during Delhi Assembly Elections, 2013

Detailed Report

Funds collected during election period of 26 days

- The funds declared as collected by political parties were **collected between the date of announcement of elections and the date of completion of elections: 26 days (09/11/2013 to 04/12/2013).**
- **Bharatiya Janata Party (BJP) is the only National Party to not submit its election expenditure statement to the Election Commission for Delhi Assembly elections, 2013.** Total funds collected by the National Parties during Delhi Assembly Elections was **Rs 94.72 lakhs**
- **Aam Aadmi Party (AAP) was an unrecognized party** at the time of Delhi Assembly elections 2013, and is thus **not required to submit an account of its election expenditure.** However, in a **letter to the ECI** dated February 22, 2014, AAP had **requested for a grace period of 15 days** to submit its accounts of expenditure. The ECI has not received AAP's election expenditure statement yet.
- **Of the 12 regional parties** which contested in the Delhi assembly elections, only **LJP, RLD, SAD and Shiv Sena** submitted their election expenditure statements to the Election Commission.
- It is to be noted that **only Shiv Sena and SAD collected funds** amounting to **Rs 75.12 lakhs** while **none of the other regional parties collected funds** during Delhi Assembly Elections.
- Of all the political parties which submitted their expenditure statements for the Delhi Assembly Elections, INC has declared the maximum of **Rs 80.06 lakhs** as funds collected during the election period followed by **SAD (Rs 61.03 lakhs)** and **Shiv Sena (Rs 14.08 lakhs).**

Funds collected and expenditure incurred by political parties during Delhi Assembly Elections

- While analyzing the statements submitted by the parties during the election to the Delhi Assembly, it was seen that **National Parties collected more funds by cheque/ DD while regional parties' preferred mode of collecting funds was by cash**
- The **total funds collected** by National and regional parties amounted to **Rs 169.84 lakhs**, of which 55% or **Rs 92.79 lakhs was collected by cash**, while 45% or **Rs 77.05 lakhs was collected by cheque / DD.**
- **100%** of the total funds collected by **NCP** during election period was **by cash** (Rs 50,000) while **95% (Rs 57.71 lakhs)** of funds collected by **SAD** was **by cash.**
- **CPM** collected **Rs 7.11 lakhs in cash** (59.20% of its funds) and **Rs 4.90 lakhs (40.8%) in cheque** while **CPI** collected **Rs 39,000 in cash** (18.14% of the total funds of Rs 2.15 lakhs) and **Rs 1.76 lakhs (81.86%) in cheque.**

| Party | Total funds collected | Description of funds received | Funds received (Rs. in Lakhs) | % share in total donation |
|-------|-----------------------|-------------------------------|-------------------------------|---------------------------|
| INC | Rs 80.06 lakhs | Cash | 24.36 | 30.43% |
| | | Cheque/ DD | 55.70 | 69.57% |
| BSP | Rs 0 | Cash | 0 | 0% |
| | | Cheque/ DD | 0 | 0% |
| | | Others | 0 | 0% |
| NCP | Rs 0.5 lakhs | Cash | 0.5 | 100% |
| | | Cheque/ DD | 0 | 0% |

| Party | Total funds collected | Description of funds received | Funds received (Rs. in Lakhs) | % share in total donation |
|-------|-----------------------|-------------------------------|-------------------------------|---------------------------|
| CPI | Rs 2.15 lakhs | Cash | 0.39 | 18.14% |
| | | Cheque/ DD | 1.76 | 81.86% |
| CPM | Rs 12.01 lakhs | Cash | 7.11 | 59.20% |
| | | Cheque/ DD | 4.9 | 40.80% |
| SAD | Rs 61.03 lakhs | Cash | 57.71 | 95% |
| | | Cheque/ DD | 3.32 | 5% |
| SHS | Rs 14.08 lakhs | Cash | 3.22 | 23% |
| | | Cheque/ DD | 10.86 | 77% |
| RLD | Rs 0 | Cash | 0 | 0% |
| | | Cheque/ DD | 0 | 0% |
| LJP | Rs 0 | Cash | 0 | 0% |
| | | Cheque/ DD | 0 | 0% |

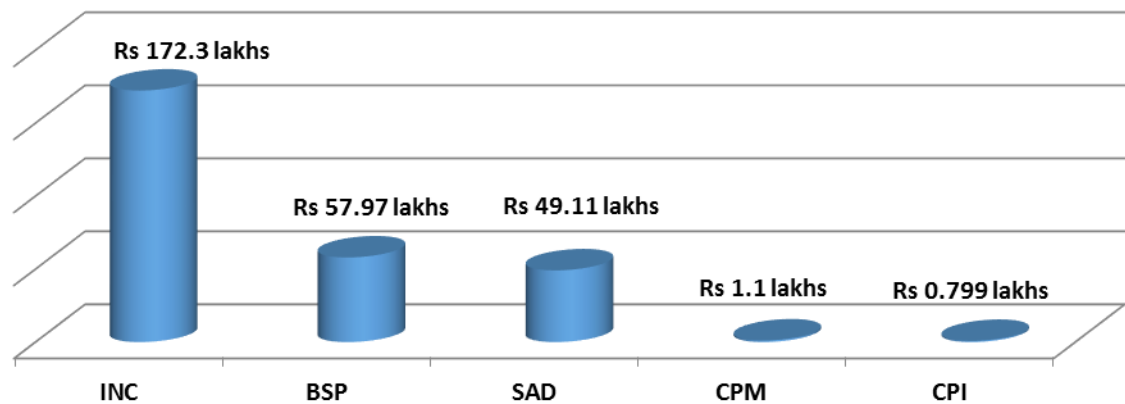
Table: Funds collected by political parties of Delhi

- The **parties' preferred mode of expenditure was by cheque/DD**, according to the statements submitted.
- Out of the total expenditure of **Rs 281.27 lakhs** declared by National and regional parties, expense of **Rs 252.21 lakhs** (89.67%) was incurred in cheque, while only **Rs 7.11 lakhs** (2.53%) was spent in cash, and **Rs 21.95 lakhs** (7.80%) was remaining unpaid.
- **99.97% of the total expenditure of INC** was by cheque/DD (**Rs 172.25 lakhs**) while CPM incurred a total of **Rs 94,500 in cheque (86%)** and CPI incurred **Rs 68,000 (85%) in cheque**.
- **NCP, LJP and RLD declared that no expenditure was incurred at the state level**

| Party | Total expenditure incurred | Mode of payment | Expenditure incurred (Rs in Lakhs) | % share in total expenditure |
|-------|----------------------------|------------------|------------------------------------|------------------------------|
| INC | Rs 172.3 lakhs | Cash | 0 | 0% |
| | | Cheque/ DD | 172.25 | 99.97% |
| | | Remaining unpaid | 0.05 | 0.03% |
| BSP | Rs 57.97 lakhs | Cash | 6.84 | 12% |
| | | Cheque/ DD | 29.22 | 50% |
| | | Remaining unpaid | 21.9 | 38% |
| NCP | Rs 0 | Cash | 0 | 0% |
| | | Cheque/ DD | 0 | 0% |
| | | Remaining unpaid | 0 | 0% |
| CPI | Rs 0.799 lakhs | Cash | 0.119 | 15% |
| | | Cheque/ DD | 0.68 | 85% |
| CPM | Rs 1.1 lakhs | Cash | 0.155 | 14% |
| | | Cheque/ DD | 0.945 | 86% |
| SAD | 49.116 | Cash | 0 | 0% |
| | | Cheque/ DD | 49.116 | 100% |
| SHS | Rs 0 | Cash | 0 | 0% |
| | | Cheque / DD | 0 | 0% |

Table: Expenditure incurred by political parties of Delhi

Total expenditure incurred during Delhi Assembly Election 2013



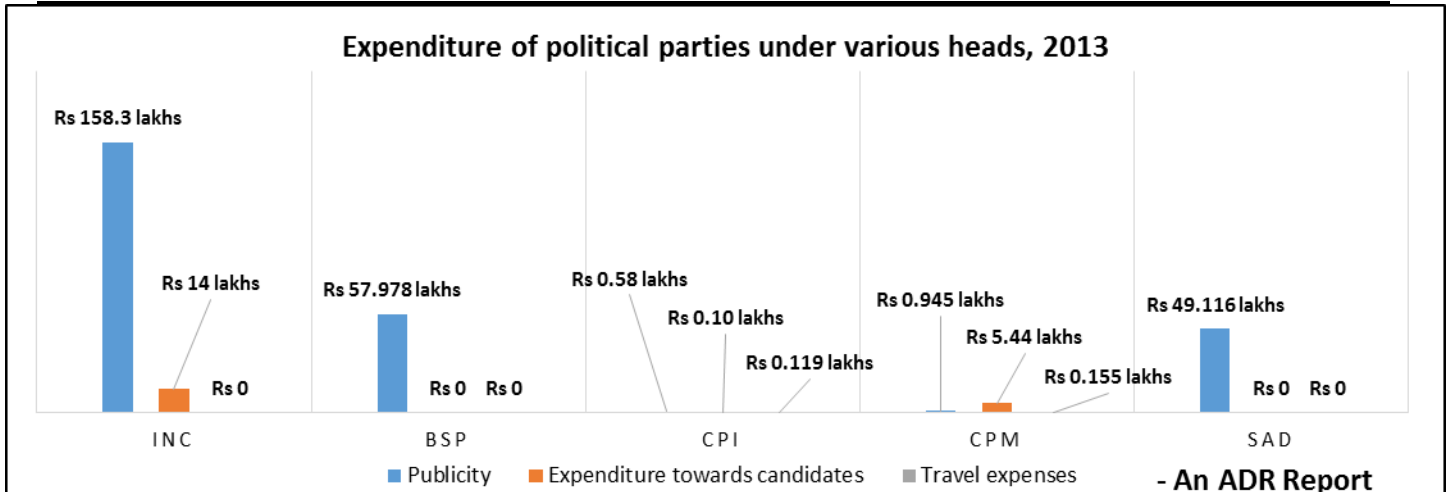
-An ADR Report

Total expenditure of National and regional parties under various heads

- The main heads under which political parties declare their expenses are **publicity, travel, other/ miscellaneous expenses and expenditure on candidates.**
- Political parties of Delhi spent **93.09%** of their total expenditure on **publicity**, **0.09%** on **travel expenses** and **6.81%** on **candidates**. No expenditure under 'Other Expenses' was declared by the parties during the Assembly Elections in 2013.
- **INC** spent **Rs 158.3 lakhs** out of a total expenditure of Rs 172.30 lakhs **on publicity** which constitutes **91.87%** of the total expenditure of the party followed by **Rs 14 lakhs on travel (8.13%)**.
- **SAD and BSP incurred 100% expenditure on publicity.** While SAD spent Rs 49 lakhs, BSP incurred an expenditure of Rs 57.98 lakhs on publicity.
- It is to be noted that none of the parties which have submitted their expenditure statements have declared any expenditure on 'Other expenses' while 'Travel expenses' of Star Campaigners and leader & workers comes last with only Rs 27,000 spent by the parties.

| Party | Division of expenditure as provided in the statement submitted by the parties (Rs. in Lakhs) | | | | Total |
|-------------------------|--|----------------------|----------------|--------------------------------|------------------------|
| | Publicity | Travel expenses | Other expenses | Expenditure towards candidates | |
| INC | 158.3 | 0 | 0 | 14 | Rs 172.30 lakhs |
| BJP | Not submitted to ECI | | | | |
| BSP | 57.978 | 0 | 0 | 0 | Rs 57.98 lakhs |
| NCP | 0 | 0 | 0 | 0 | Rs 0 |
| CPI | 0.58 | 0.119 | 0 | 0.10 | Rs 0.80 lakhs |
| CPM | 0.945 | 0.155 | 0 | 5.44 | Rs 6.54 lakhs |
| Total | Rs 217.81 lakhs | Rs 0.27 lakhs | Rs 0 | Rs 19.54 lakhs | Rs 237.62 lakhs |
| Regional Parties | | | | | |
| SAD | 49.116 | 0 | 0 | 0 | Rs 49.116 lakhs |
| Total | Rs 49.116 lakhs | Rs 0 | Rs 0 | Rs 0 | Rs 49.116 lakhs |
| Grand Total | Rs 266.92 lakhs | Rs 0.27 lakhs | Rs 0 | Rs 19.54 lakhs | Rs 286.74 lakhs |

Table: Expenditure incurred by political parties under various heads during the Delhi Assembly Elections in 2013

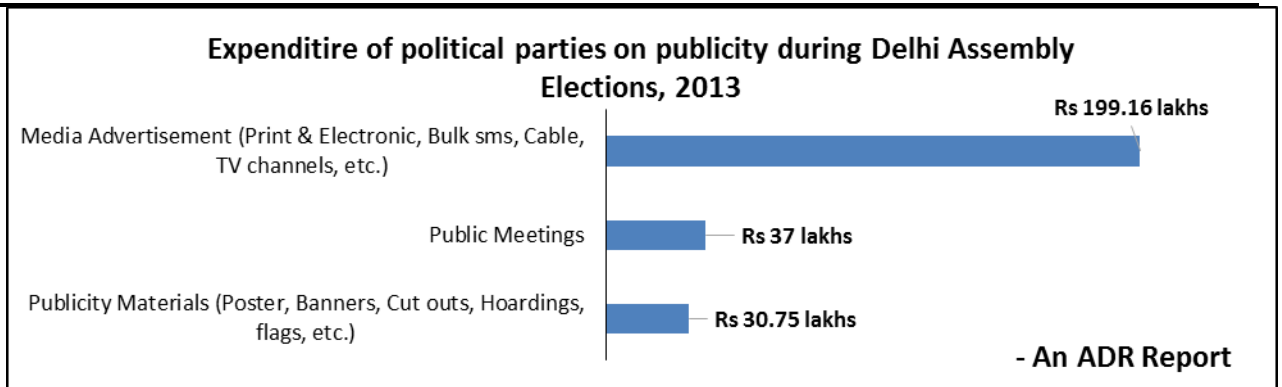


Graph: Total expenditure incurred by all political parties during Delhi Assembly Elections, 2013 (Rs in lakhs)

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.
- Political parties of Delhi collectively spent **Rs 199.16 lakhs** (or **74.61%**) on **media advertisement**, **Rs 30.75 lakhs** (or **11.52%**) on **publicity materials** and **Rs 37 lakhs** (or **13.86%**) on **public meetings** during Delhi Assembly Elections, 2013.
- **INC** spent the maximum amount of **Rs 150.05 lakhs on media advertisement** followed by **Rs 8.25 lakhs** on public meetings, while **BSP** spent **Rs 29.22 lakhs on publicity materials** and **Rs 28.75 on public meetings**.

| Political Party | Publicity | | | Total |
|-----------------|---|--|-----------------------|------------------------|
| | Media Advertisement (Print & Electronic, Bulk sms, Cable, Website, TV channels, etc.) | Publicity Materials (Poster, Banners, Badges, stickers, Arches, Gates, Cut outs, Hoardings, flags, etc.) | Public Meetings | |
| INC | 150.05 | 0 | 8.25 | 158.30 |
| BSP | 0.00 | 29.22 | 28.75 | 57.978 |
| NCP | 0.00 | 0.00 | 0.00 | 0.00 |
| CPI | 0.00 | 0.58 | 0.00 | 0.58 |
| CPM | 0.00 | 0.945 | 0.00 | 0.945 |
| SAD | 49.116 | 0.00 | 0.00 | 49.116 |
| SHS | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | Rs 199.16 lakhs | Rs 30.75 lakhs | Rs 37.00 lakhs | Rs 266.92 lakhs |



Graph: Expenditure of political parties on publicity during Delhi Assembly Elections, 2013

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**.
- Of the 5 National Parties considered for this report, **only CPI and CPM have declared expenses for travel**. **CPM** spent a total of **Rs 15,500** and **CPI** spent **Rs 11,900** on travel. It to be noted that the two parties have declared that they incurred travel expenditure only for leaders and workers.

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**.

Contact Details:

| | | | |
|---|--|---|---|
| Media and Journalist Helpline +91 80103 94248 Email: adr@adrindia.org | Maj Gen Anil Verma (Retd) Head National Election Watch Association for Democratic Reforms +91 8826479910 anilverma@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 |
|---|--|---|---|