

Analysis of Funds Collected and Expenditure Incurred by Major Political Parties of Haryana during State Assembly Elections 2009

**A REPORT BY
ASSOCIATION FOR DEMOCRATIC REFORMS
&
HARYANA 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 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 Haryana's major political parties, **during the election period of 56 days (31-08-2009 to 25-10-2009)**.

Submission of Statement of Election Expenditure Incurred during Haryana Assembly Elections, 2009:

Details of Submission of Election Expenditure Statements by Haryana's Political Parties to ECI, Assembly Elections 2009					
Political Party	Status of Submission of Expenditure Statement to the ECI	Central Headquarters Level	State Level	District Level	Constituency Level
INC	Submitted	Submitted	Submitted	Not submitted	Submitted
BJP	Submitted	Submitted	Submitted	Not submitted	Submitted
BSP	Submitted	Submitted	Submitted	Submitted	Submitted
NCP	Submitted	Submitted	Submitted	Submitted	Submitted
CPI	Submitted	Submitted	Submitted	Submitted	Submitted
CPM	Submitted	Submitted	Submitted	Not submitted	Submitted
HJC-BL	Submitted	Submitted	Submitted	Submitted	Submitted
INLD	Submitted	Submitted	Submitted	Not submitted	Not submitted
RJD	Not submitted				

Table: Details of submission of election expenditure statement by parties which contested in Haryana Assembly Elections, 2009

Details provided in the Election Expenditure Statement

National Parties: Funds Collected and Expenditure Incurred

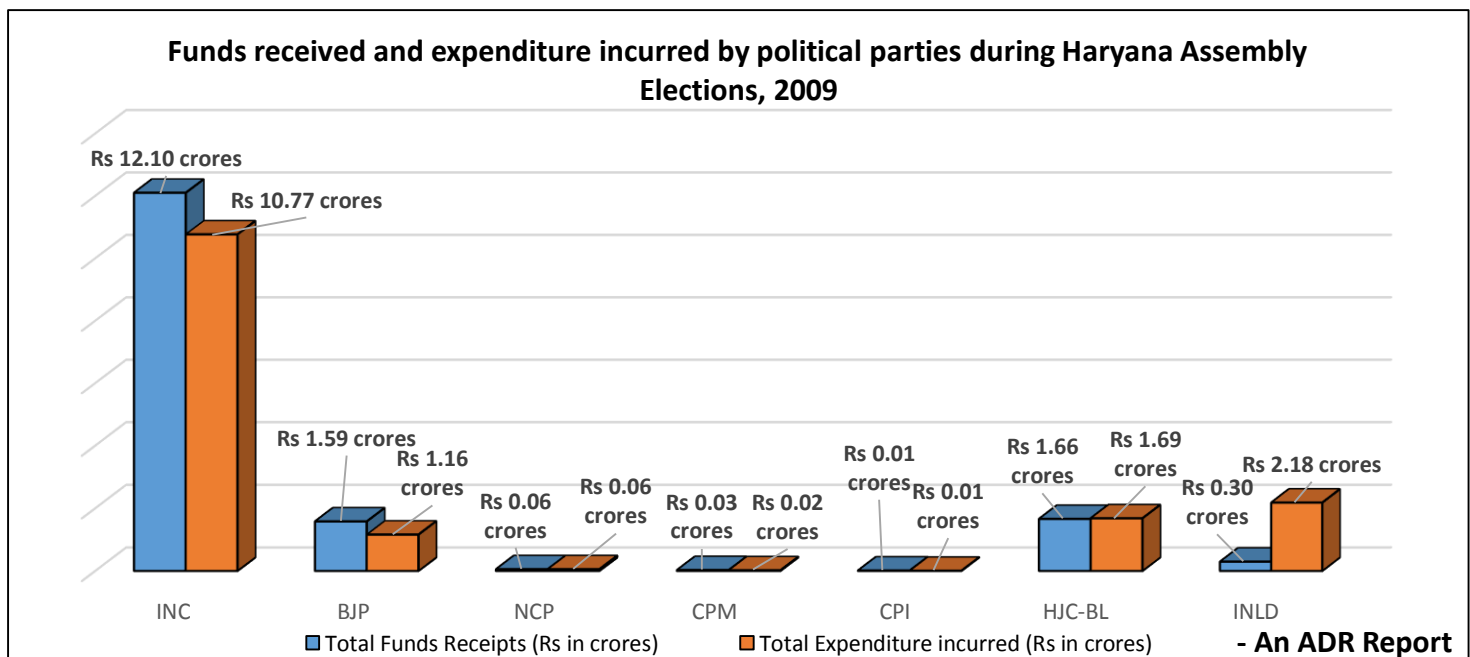
- The National Parties considered for the report are INC, BJP, BSP, NCP, CPI and CPM.
- BJP has submitted an incomplete election expenditure statement to the ECI, which is not in accordance with the format prescribed.
- **BSP declared that no funds were collected and no expenditure was incurred in Haryana during the Assembly Elections, 2009.**
- **Total funds collected** by the National Parties during the Haryana Assembly Elections, 2009 was **Rs 13.78 crores**; **total expenditure incurred** by the national parties: **Rs 12.01 crores.**

Regional Parties: Funds Collected and Expenditure Incurred

- Regional Parties considered for the report: RJD, INLD and HJC (BL).
- Of the above 3 regional parties which contested in the Haryana assembly elections, **only INLD and HJC (BL) have submitted their election expenditure statements to the Election Commission.**
- Total funds collected by the regional parties: **Rs 1.96 crores**; total expenditure incurred by the regional parties: **Rs 3.86 crores.**

Funds collected and expenditure incurred during Haryana Assembly Elections, 2009								
Political Party	Funds Collected (Rs in Crores)				Expenditure incurred (Rs in Crores)			
	By Cash	By Cheque/DD	Unclassified Funds	Total	By Cash	By Cheque/DD	Remaining unpaid	Total
National Parties	11.47	2.31	-	13.78	4.39	7.62	-	12.01
Regional Parties	0.3	-	1.66	1.96	2.17	1.47	0.22	3.86
Total	Rs 11.77 crores	Rs 2.31 crores	Rs 1.66 crores	Rs 15.74 crores	Rs 6.56 crores	Rs 9.09 crores	Rs 0.22 crores	Rs 15.87 crores

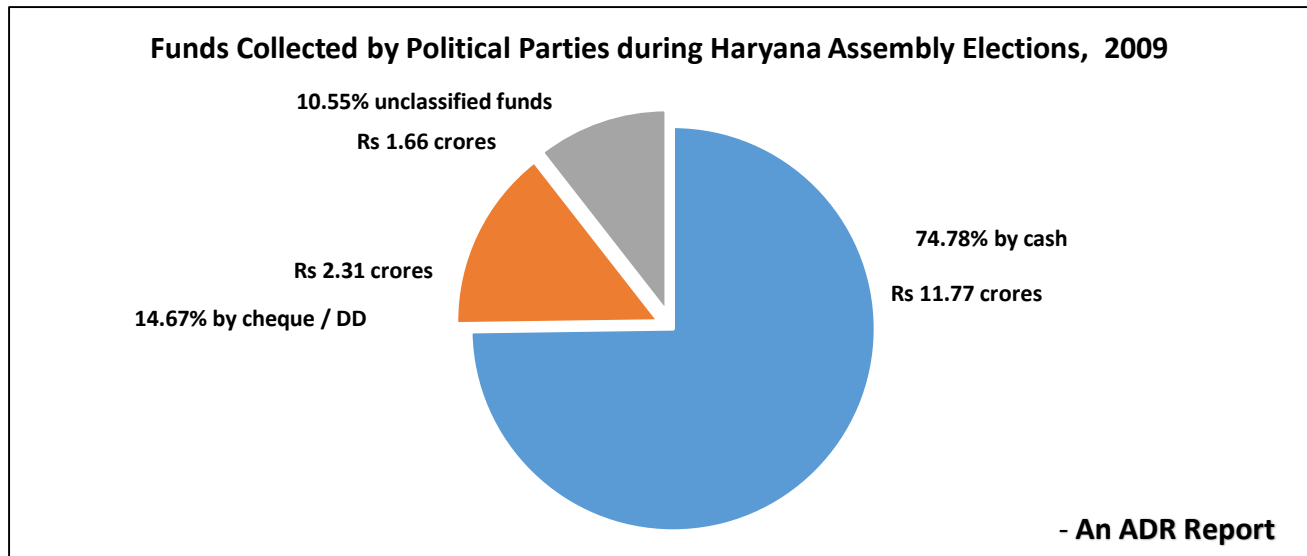
Table: Funds collected and expenditure incurred by National & Regional Parties during Haryana Assembly Elections, 2009



Graph: Funds collected and expenditure incurred by political parties during Haryana Assembly Elections, 2009

Funds Collected and Expenditure Incurred in Cash and Cheque / DD

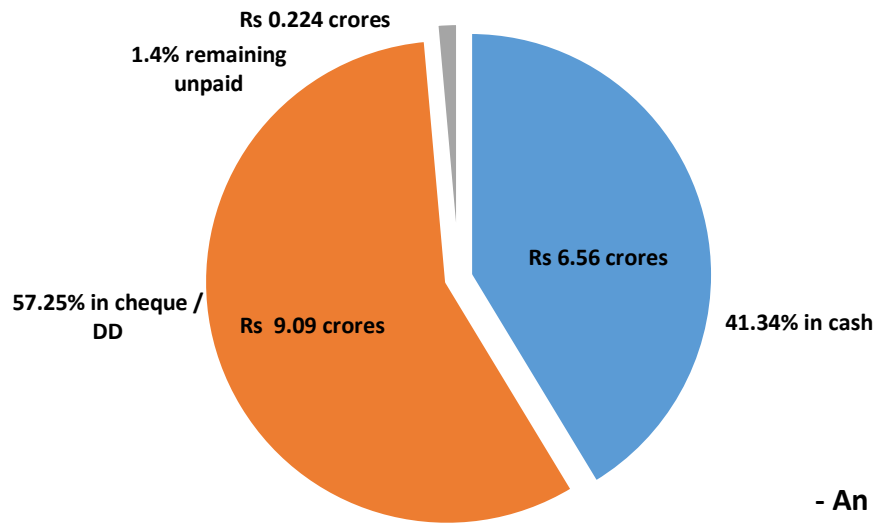
- The total funds collected by National and regional parties amount to **Rs 15.74 crores**, of which **Rs 11.77 crores** (or 74.78%) was collected in cash, and **Rs 2.31 crores** (or 14.67%) was collected by cheque or demand draft.
- **HJC (BL) did not provide the mode of its collection or disbursement of funds into the two distinct categories of cash or cheque, hence its funds have been assumed to be unclassified. A total of Rs 1.66 crore (or 10.55% of the total funds collected by political parties) is unclassified.**
- INC declared collection of Rs 11.31 crores in cash, while only Rs. 0.79 crores in cheque or by demand draft. INLD has declared all of its funds collected, a total of Rs 0.3 crores as having been collected in cash.



Graph: Funds collected by political parties during Haryana Assembly Elections, 2009

- Of the total expenditure of **Rs 15.87 crores**, Rs 6.56 crores (41.34%) was paid in cash, while Rs 9.09 crores (57.25%) was incurred in cheque or demand draft. A total of Rs 0.224 crores (or 1.4% of the expenditure incurred) remain unpaid.
- **Five parties, including BJP, NCP, CPI, CPM and HJC (BL) incurred all their expenditure in cash. They made no payments through cheque or demand draft.**
- **INC** incurred expenditure of **Rs 7.62 crores** (70.74%) in cheque, and a total of **Rs 3.15 crores** (29.26%) in cash.

Expenditure Incurred by Political Parties during Haryana Assembly Elections, 2009



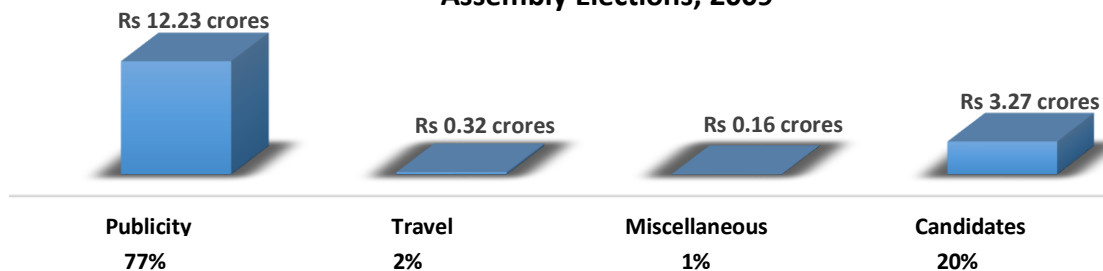
- An ADR Report

Graph: Expenditure incurred by political parties during Haryana Assembly Elections, 2009

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 Haryana spent **77%** of their total expenditure on **publicity**, **20%** on **candidates**, **2%** on **travel expenses** and **1%** on **miscellaneous expenses** during the Assembly Elections, 2009.
- INC, INLD and HJC (BL) declared the maximum amount of their election expenditure on publicity. INC declared having spent **Rs 7.62 crores**, INLD spent **Rs 1.98 crores** and HJC (BL) spent **Rs 1.66 crores** on publicity.
- BJP, NCP, CPI and INLD declared that they had not spent any money at the constituency level, i.e. on individual candidates.
- INC and CPM declared that they had not spent any money on travel.

Expenditure of political parties under various heads during Haryana Assembly Elections, 2009

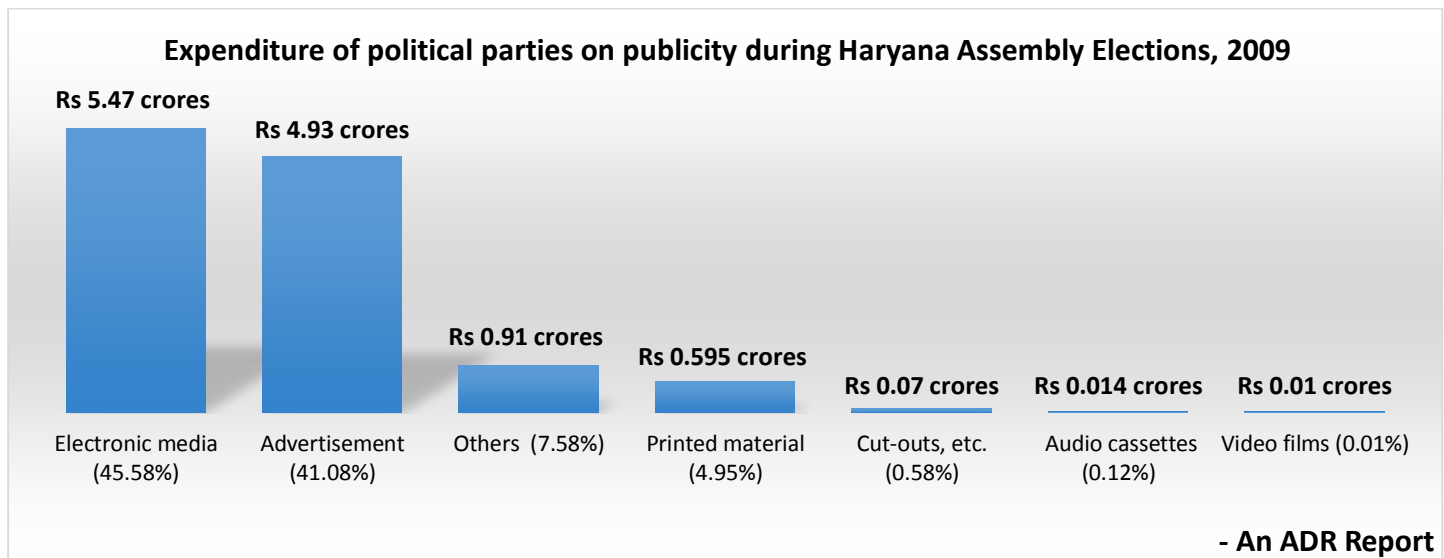


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Graph: Expenditure of political parties under various heads during Haryana Assembly Elections, 2009

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-outs, hoardings/banners/flags/arches/gates** etc., and **others**.
- Political parties of Haryana collectively spent **Rs 5.47 crores** (or **45.58%**) on **electronic media**, **Rs 4.93 crores** (or **41.08%**) on **advertisement** and **Rs 0.595 crores** (or **4.95%**) on **printed material** during Assembly Elections, 2009.
- Among the expenditure incurred on publicity, **INC has spent the maximum amount of Rs 4.66 crores** on electronic media followed by **Rs 2.73 crores** on advertisement.
- **BJP has listed incorrect data under the head of “printed material” in publicity, resulting in the total amount spent on publicity not adding up. Data for “printed material” for BJP has thus been excluded for this report.**
- **HJC (BL)** spent the maximum amount of **Rs 1.14 crores** on advertising, while **INLD** spent its maximum amount of **Rs 1.05 crores** on the same.



Graph: Expenditure of political parties on publicity during Haryana Assembly Elections, 2009

Expenditure of Political Parties on Travel

- Expenditure on travel is declared under two heads: **travel expenses**, and **travel expenses of leaders and workers**. This is further subdivided into travel by **trains, aircraft or helicopters, four or three or two wheelers and animal transport**.
- INC and CPM have declared that they did not spend anything on travel.
- The maximum amount spent on travel was by **INLD** – a total of **Rs 19.95 lakhs**, followed by **BJP** which spent **Rs 9.89 lakhs** on travel.

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**.
- 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 received during election period of 56 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: 56 days** (31-08-2009 to 25-10-2009).
- BSP declared that it did not collect any funds, neither did it incur any expenditure during the election period of Haryana Assembly Elections, 2009.
- The National Parties, INC, BJP, NCP, CPI and CPM, together declared a total of **Rs 13.78 crores as funds collected**.
- Two regional parties contested the Haryana Assembly Elections, 2009 – namely, HJC (BL) and INLD. Both of these parties submitted their election expenditure statements to the ECI.
- Total funds collected by regional parties were **Rs 1.96 crores**.

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

- While analyzing the statements submitted by the parties during the election, it was seen that maximum of funds collected were in cash, whereas expenditure was incurred by cheque or demand draft.
- BSP declared that it did not collect any funds or incur any expenditure during the election period, other National Parties declared total funds of **Rs 11.47 crores** in cash and **Rs 2.31 crores** collected in cheque or demand draft. Similarly, National Parties declared total expenditure of **Rs 4.39 crores** in cash and **Rs 7.62 crores** by cheque or demand draft.
- Among regional parties, HJC (BL) did not declare the mode of collection of funds, hence the funds collected by it remain unclassified. INLD received **Rs 0.3 crores** in cash and no funds by cheque.

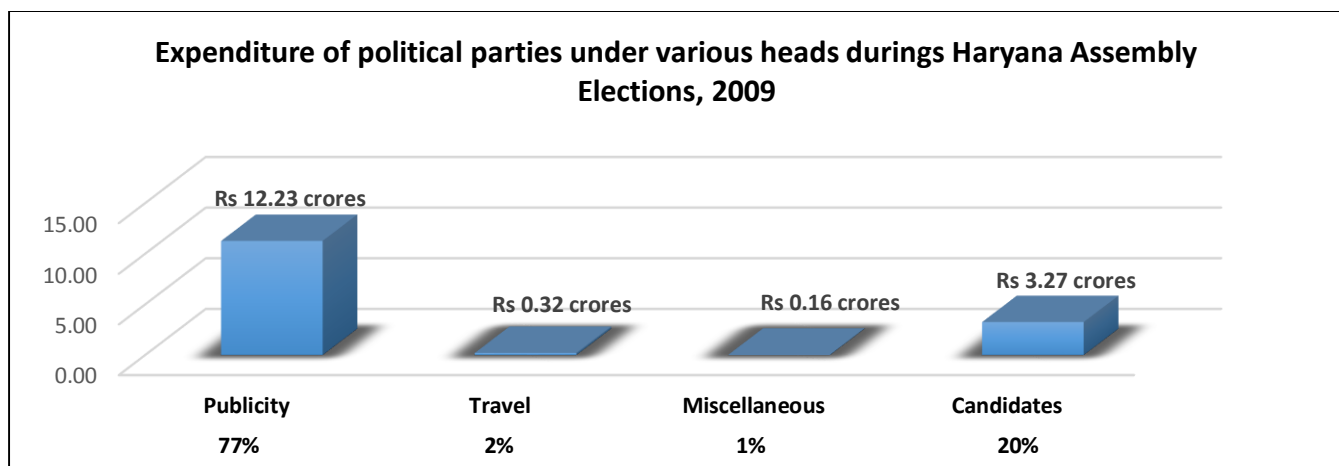
Political Party	Funds Collected (Rs in Lakhs)				Expenditure Incurred (Rs in Lakhs)			
	By Cash	By Cheque / DD	Unclassified funds	Total	By Cash	By Cheque / DD	Remaining unpaid	Total
INC	1,130.80	79.00	-	1,209.80	315.00	761.67	0	1,076.67
BJP	8.50	150.00	-	158.50	116.33	0	0	116.33
BSP	0	0	-	0	0	0	0	0
NCP	5.00	0.50	-	5.50	5.61	0	0	5.61
CPI	0.297	1.00	-	1.297	0.55	0	0	0.55
CPM	2.65	0.05	-	2.70	1.75	0	0	1.75
HJC-BL	0	0	166.23	166.23	168.53	0	0	168.53
INLD	29.50	0	-	29.50	48.60	147.00	22.45	218.05
Total	Rs 1,176.75 lakhs	Rs 230.55 lakhs	Rs 166.23 lakhs	Rs 1,573.53 lakhs	Rs 656.37 lakhs	Rs 908.67 lakhs	Rs 22.45 lakhs	Rs 1,587.49 lakhs

Table: Funds collected and expenditure incurred by political parties of Haryana

Total expenditure of National and regional parties under various heads

- Of the total expenditure declared by National and regional parties, maximum expenditure was incurred on publicity (Rs 12.23 crores) during elections followed by expenditure towards candidates (Rs 3.27 crores) followed by travel (Rs 0.32 crores).
- Political parties of Haryana spent **77%** of their total expenditure on **publicity**, **20%** on **candidates**, **2%** on **travel expenses** and **1%** on **miscellaneous expenses** during the Assembly Elections, 2009.
- INC spent **Rs 7.62 crores** out of a total expenditure of Rs 10.77 crores on **publicity**, which constitutes 70.75% of the total expenditure of the party, and **Rs 3.15 crores** on expenditure towards candidates (29.25%).
- **HJC (BL)** spent **Rs 1.66 crores** on publicity, followed by Rs 0.2 crores on miscellaneous expenses. **INLD** spent **Rs 1.98 crores** on publicity, followed by **Rs 0.2 crores** on travel.

Expenditure of political parties during Haryana Assembly Elections, 2009 (Rs in Lakhs)					
Political Party	Publicity	Travel	Others / Miscellaneous Expenses	Expenditure Towards Candidates	Total Expenditure
INC	761.67	0	0	315.00	1,076.67
BJP	95.20	9.89	11.24	0.00	116.33
BSP	0	0	0	0	0
NCP	1.38	1.43	2.80	0	5.61
CPI	0.06	0.19	0.19	0	0.44
CPM	0.39	0	0	10.00	10.39
HJC-BL	165.91	0.72	1.90	1.76	170.29
INLD	198.10	19.95	0	0	218.05
Total	Rs 1,222.71 lakhs	Rs 32.18 lakhs	Rs 16.13 lakhs	Rs 326.76 lakhs	Rs 1,597.78 lakhs



Graph: Total expenditure declared by political parties under various heads during Haryana Assembly Elections 2009

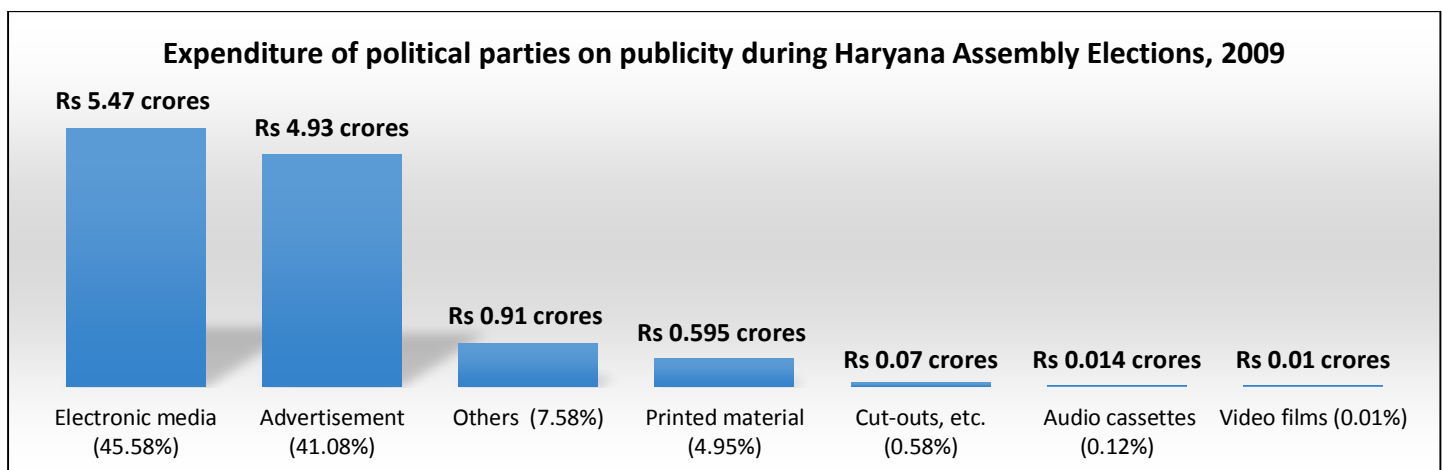
Expenditure on publicity incurred by political parties of Haryana

- 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-outs**, hoardings/banners/flags/arches/gates etc., and **others**.
- Political parties of Haryana collectively spent **Rs 5.47 crores** (or **45.58%**) on **electronic media**, **Rs 4.93 crores** (or **41.08%**) on **advertisement** and **Rs 0.595 crores** (or **4.95%**) on **printed material** during Assembly Elections, 2009.
- Among the expenditure incurred on publicity, **INC** has spent the maximum amount of **Rs 4.66 crores** on electronic media followed by **Rs 2.73 crores** on advertisement.
- **HJC (BL)** spent the maximum amount of **Rs 1.14 crores** on advertising, while **INLD** spent its maximum amount of **Rs 1.05 crores** on the same.

Political Party	Publicity						
	Printed material	Electronic media	Making and distribution of video films	Making and distribution of audio cassettes	Advertisement	Cut-outs, etc.	Through any other means
INC	2,193,500	46,577,356	0	0	27,396,391	0	0
BJP	*	0	0	139,975	0	0	7,050,000
BSP	0	0	0	0	0	0	0
NCP	39,899	0	0	0	0	98,423	0
CPI	5,275	0	0	1,200	0	0	0
CPM	17,611	0	0	500	0	20,480	190
HJC-BL	3,388,000	0	80,000	0	11,362,800	0	1,760,000
INLD	306,020	8,144,464	0	0	10,491,699	618,000	250,000
Total	Rs 5,950,305 (~ Rs 59.5 lakhs)	Rs 54,721,820 (~ Rs 547.21 lakhs)	Rs 80,000 (~ Rs 0.8 lakhs)	Rs 141,675 (~ Rs 1.42 lakhs)	Rs 49,250,890 (~ Rs 492.51 lakhs)	Rs 736,903 (~ Rs 7.37 lakhs)	Rs 9,060,190 (~ Rs 90.6 lakhs)

Table: Expenditure incurred on publicity by political parties of Haryana

[* BJP has listed incorrect data under the head of "printed material" in publicity, resulting in the total amount spent on publicity not adding up. Data for "printed material" for BJP has thus been excluded for this report.]



Graph: Expenditure on various aspects of publicity by political parties of Haryana

Expenditure on travel by political parties of Haryana

- Expenditure on travel is declared under two heads: **travel expenses**, and **travel expenses of leaders and workers**. This is further subdivided into travel by **trains, aircraft or helicopters, four or three or two wheelers and animal transport**.
- INC and CPM have declared that they did not spend anything on travel.
- The maximum amount spent on travel was by **INLD** – a total of **Rs 19.95 lakhs**, followed by **BJP** which spent **Rs 9.89 lakhs** on travel.
- **INLD was the only political party from Haryana to incur expenditure on helicopters and aircrafts. It spent 100% of its travel expenditure (Rs 19.95 lakhs) on helicopters and aircraft hiring charges.**

Expenditure by political parties on travel during Haryana Assembly Elections, 2009								
INC	BJP	BSP	NCP	CPI	CPM	INLD	HJC (BL)	Total
0	Rs 9.89 lakhs	0	Rs 1.43 lakhs	Rs 0.19 lakhs	0	Rs 19.95 lakhs	Rs 0.72 lakhs	Rs 32.18 lakhs

Table: Expenditure by political parties on travel during Haryana Assembly Elections, 2009

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