

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

**A REPORT BY
ASSOCIATION FOR DEMOCRATIC REFORMS
&
MAHARASHTRA 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:
 - 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 by the Maharashtra'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 Maharashtra Assembly Elections, 2009

Details of Submission of Election Expenditure Statements by Maharashtra'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	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
SHS	Submitted	Submitted	Submitted	Not Submitted*	Submitted
RJD	Not Submitted				
MNS	Unrecognized Party during Maharashtra Assembly Elections				

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

[* According to the election expenditure statements obtained by ADR from the ECI, three parties – BJP, CPM and SHS did not submit an account of their election expenditure at the district level.]

Details provided in the Election Expenditure Statement

National Parties: Funds Collected and Expenditure Incurred

- The National Parties considered for the report include INC, BJP, BSP, NCP, CPI and CPM.
- **BSP declared that no funds were collected and no expenditure incurred in Maharashtra during the Assembly Elections, 2009.**
- Total funds collected by the National Parties during the assembly elections amount to **Rs 73.59 crores**; total expenditure incurred: **Rs 63.53 crores**.

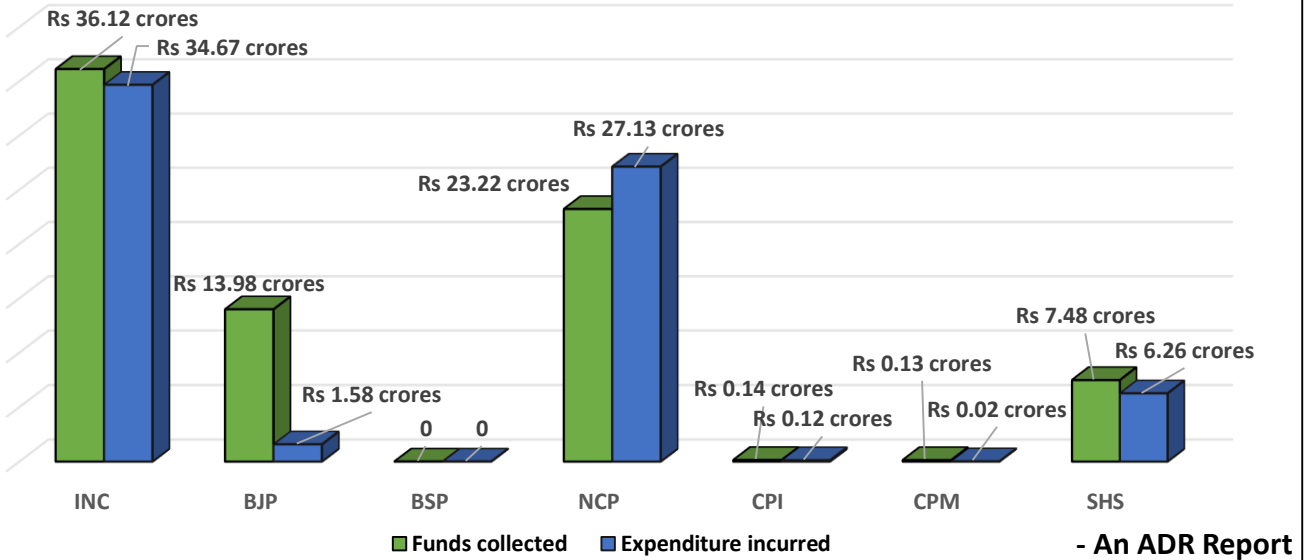
Regional Parties: Funds Collected and Expenditure Incurred

- Regional Parties considered for the report: Shiv Sena, RJD and MNS.
- **Of the above 3 regional parties which contested in the Maharashtra Assembly elections, only Shiv Sena has submitted its election expenditure statement to the Election Commission. MNS was an unrecognized party at the time of the elections, and was thus not required by the Election Commission to submit a statement of election expenditure.**
- Total funds collected by Shiv Sena for Maharashtra Assembly Elections: **Rs 7.48 crores**; expenditure incurred by Shiv Sena: **Rs 6.26 crores**.

Funds collected and expenditure incurred during Maharashtra Assembly Elections, 2009								
Funds Collected (Rs in Crores)					Expenditure incurred (Rs in Crores)			
Political Party	By Cash	By Cheque/DD	From Central Office	Total	By Cash	By Cheque/DD	Remaining unpaid	Total
National Parties	49.99	20.80	2.80	73.59	8.86	54.23	0.44	63.53
Regional Parties	0.025	7.452	0	7.48	0.04	5.100	1.12	6.26
Total	Rs 50.02 crores	Rs 28.25 crores	Rs 2.80 crores	Rs 81.07 crores	Rs 8.90 crores	Rs 59.33 crores	Rs 1.56 crores	Rs 69.79 crores

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

Funds collected and expenditure incurred by political parties during Maharashtra Assembly Elections, 2009

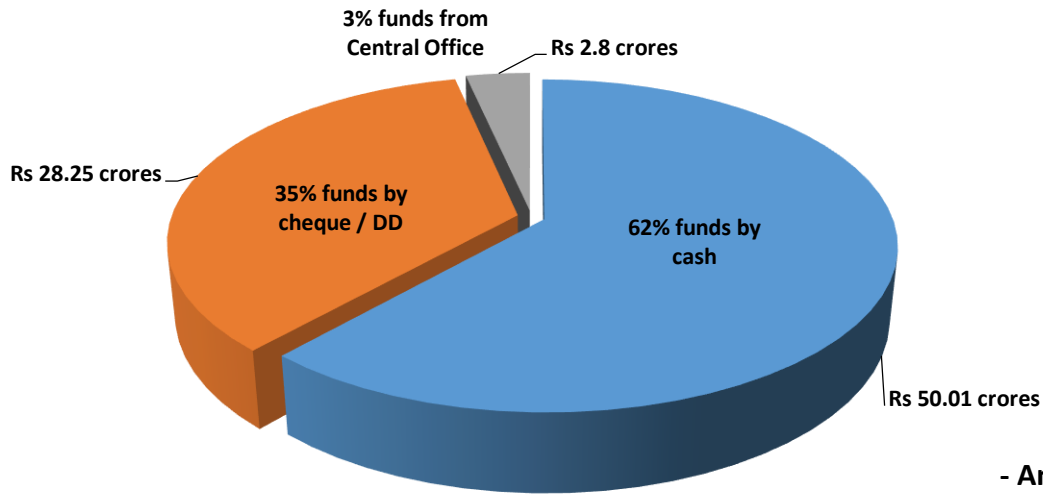


Graph: Funds collected and expenditure incurred by political parties during Maharashtra Assembly Elections, 2009

Funds Collected and Expenditure Incurred in Cash and Cheque / DD

- The total funds collected by National and regional parties amounted to Rs 81.07 crores, of which 61.7% or Rs 50.02 crores was collected by cash, while 34.85% or Rs 28.25 crores was collected by cheque / DD.
- While INC declared the maximum amount of Rs 36.12 crores collected, CPM declared the least amount of Rs 0.13 crores.
- BSP's declared that it did not collect any funds during the Maharashtra Assembly Elections.
- 57.7% of the total funds received by INC during election period was by cash (Rs 20.84 crores) while 43.28% of the total funds received by BJP was by cash (Rs 6.05 crores).
- Shiv Sena collected Rs 2.5 lakhs in cash (0.33% of the total funds of Rs 747.7 lakhs).

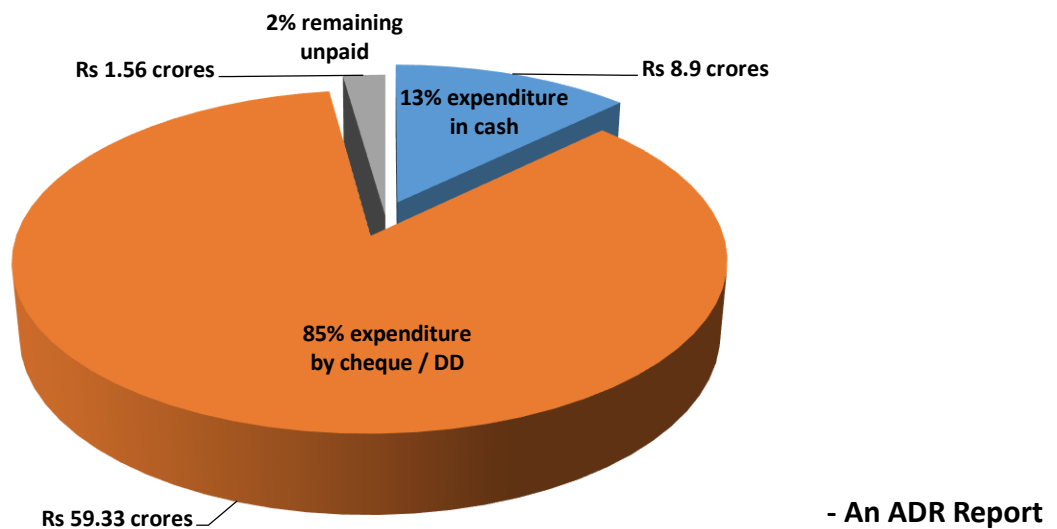
Funds collected by Political parties during Maharashtra Assembly Elections, 2009



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

- Out of the total expenditure of Rs 69.79 crores declared by National and regional parties, expense of Rs 59.33 crores (85%) was incurred in cheques, while Rs 8.9 crores (13%) was spent in cash, and Rs 1.56 crores (2%) was remaining unpaid.
- **INC** declared an **expenditure of Rs 26.37 crores** by cheque / DD and **Rs 8.12 crores** in cash, while **Shiv Sena** incurred expenditure of **Rs 5.10 crores** by cheque and **Rs 0.04 crores** in cash.

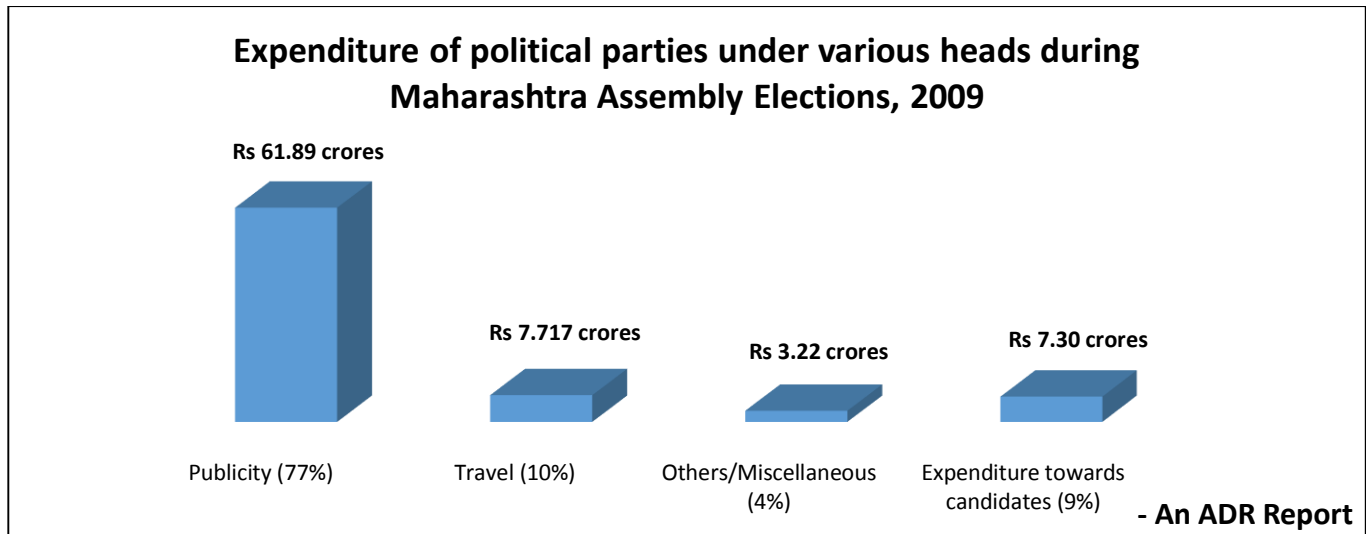
Expenditure incurred by Political Parties during Maharashtra Assembly Elections, 2009



Graph: Expenditure incurred by political parties during Maharashtra 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 Maharashtra spent **77%** of their total expenditure on **publicity, 10%** on **travel expenses, 9%** on **candidates,** and **4%** on **miscellaneous expenses** during the Assembly Elections, 2009.
- Political parties spent maximum amount of their expenditure on publicity. INC, BJP, NCP, CPI and SHS declared expenditure under the head of publicity, a total of **Rs 61.89 crores.**
- **INC, CPI and CPM** are the only parties which declared expenditure on candidates, a total of **Rs 7.3 crores.**

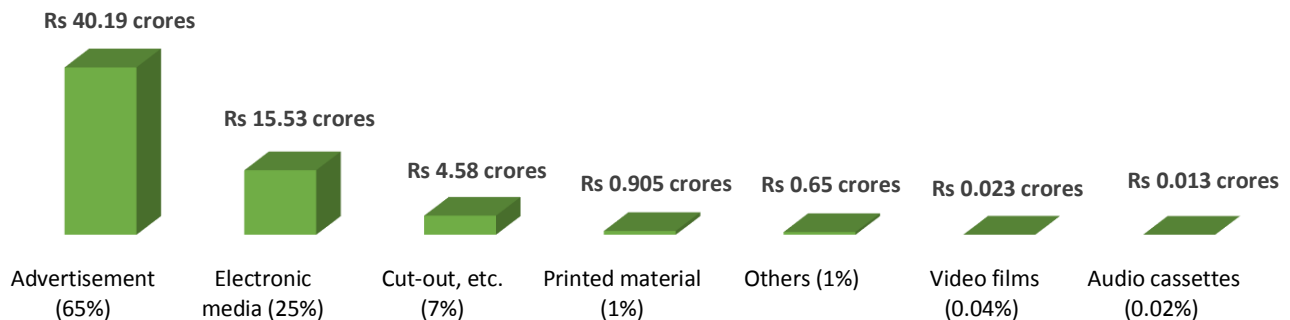


Graph: Expenditure of political parties under various heads during Maharashtra Assembly Elections, 2009

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 Maharashtra collectively spent **Rs 40.19 crores** (or **65%**) on **advertisement, Rs 15.53 crores** (or **25%**) on **electronic media** and **Rs 4.58 crores** (or **7%**) on **cut outs, hoardings etc.** during Assembly Elections, 2009.
- Among the expenditure incurred on publicity, **INC has spent the maximum amount of Rs 14.6 crores** on electronic media followed by **Rs 6.44 crores** on advertisement.

Expenditure of political parties on publicity during Maharashtra Assembly Elections, 2009



- An ADR Report

Graph: Expenditure of political parties on publicity during Maharashtra 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**.
- The maximum amount spent on travel was by **INC** – a total of **Rs 4.97 crores**, followed by **BJP** which spent **Rs 1.37 crores** 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 use of 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 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).
- Of all the political parties which contested the Maharashtra Assembly Elections held in 2009, **RJD is the only party which did not submit a statement of its election expenditure**. MNS was not a recognized party when the Assembly Elections were held.
- BSP declared that it did not collect any funds, neither did it incur any expenditure during the election period of Maharashtra Assembly Elections, 2009.
- Political parties that contested in the Maharashtra Assembly Election collected a total of **Rs 81.07 crores** during the election period.

Funds collected and expenditure incurred by political parties during Maharashtra 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.
- While BSP declared that no funds were collected by the party, other political parties declared total funds of **Rs 5001.77 lakhs** collected in cash, and **Rs 2825.22 lakhs** in cheque / DD.
- Political parties of Maharashtra incurred expenses of **Rs 890.01 lakhs** in cash, and **Rs 5933.27 lakhs** in cheque / DD.

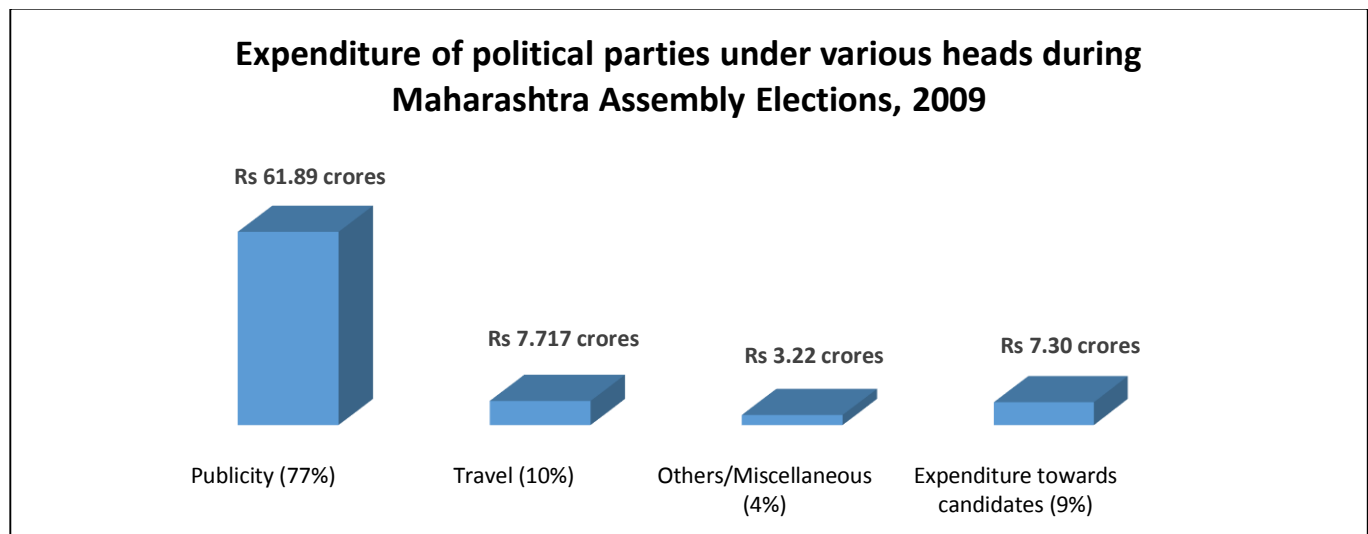
Political Party	Funds Collected (Rs in Lakhs)				Expenditure incurred (Rs in Lakhs)			
	By Cash	By Cheque / DD	From District & Central Office	Total	By Cash	By Cheque / DD	Remaining unpaid	Total
INC	2,083.92	1,527.73	0	3,611.65	812.04	2,636.84	17.688	3,466.57
BJP	605	513	280	1,398.06	8.50	150	0	158.50
BSP	0	0	0	0	0	0	0	0
NCP	2,300	22	0	2,322.25	59.40	2,627.90	25.587	2,712.89
CPI	3.636	10.919	0	14.555	4.147	8.328	0	12.476
CPM	6.61	6.16	0	12.77	1.84	0.13	0.54	2.51
SHS	2.5	745.198	0	747.698	4.08	510.079	112.01	626.17
Total	Rs 5,001.77 lakhs	Rs 2,825.22 lakhs	Rs 280 lakhs	Rs 8,106.98 lakhs	Rs 890.01 lakhs	Rs 5,933.27 lakhs	Rs 155.82 lakhs	Rs 6,979.12 lakhs

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

Total expenditure of National and regional parties on various heads

- Of the total expenditure declared by National and regional parties, maximum expenditure was incurred on publicity (Rs 61.89 crores) during elections followed by expenditure towards candidates (Rs 7.3 crores) followed by travel (Rs 7.72 crores).
- Political parties of Maharashtra spent **77%** of their total expenditure on **publicity**, **10%** on **travel expenses**, **9%** on **candidates**, and **4%** on **miscellaneous expenses** during the Assembly Elections, 2009.
- INC spent a total of **Rs 3466.57 lakhs**, of which **Rs 2268.06 lakhs** were spent on **publicity** and **Rs 670 lakhs** on expenditure towards candidates.
- **Shiv Sena** spent **Rs 478.48 lakhs** on publicity, followed by **Rs 86.20 lakhs** on travel expenses.

Expenditure incurred under various head by political parties of Maharashtra during Assembly Elections, 2009					
Political Party	Publicity	Travel	Others / Miscellaneous Expenses	Towards Candidates	Total
INC	2,268.06	496.90	31.608	670.00	Rs 3,466.57 lakhs
BJP	880.887	137.448	125.098	0	Rs 1,143.43 lakhs
BSP	0	0	0	0	0
NCP	2,560.58	48.817	103.495	0	Rs 2,712.89 lakhs
CPI	1.537	1.775	0.29	1.38	Rs 4.98 lakhs
CPM	0	0.62	0.025	58.799	Rs 59.44 lakhs
SHS	478.479	86.20	61.488	0	Rs 626.17 lakhs
Total	Rs 6,189.54 lakhs	Rs 771.76 lakhs	Rs 322 lakhs	Rs 730.18 lakhs	Rs 8,013.48 lakhs



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

Expenditure on publicity incurred by political parties of Maharashtra

- 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 Maharashtra collectively spent **Rs 40.19 crores** (or **65%**) on **advertisement**, **Rs 15.53 crores** (or **25%**) on **electronic media** and **Rs 4.58 crores** (or **7%**) on **cut outs, hoardings etc.** during Assembly Elections, 2009.
- Among the expenditure incurred on publicity, **INC has spent the maximum amount of Rs 1459.92 lakhs** on advertisement, followed by **Rs 644.78 lakhs** on electronic media.
- **Shiv Sena** spent the maximum amount on advertisement, a total of **Rs 220.54 lakhs**.

Political Party	Publicity						
	Printed material	Electronic media	Making and distribution of video films	Making and distribution of audio cassettes	Advertisement	Cut-out, hoardings, etc.	Through any other means
INC	37,440	64,478,512	0	0	145,992,935	11,198,575	5,098,931
BJP	1,481,776	5,370,521	1,655	0	77,490,707	3,724,695	19,621
NCP	501,984	67,023,089	0	0	156,360,138	30,923,000	1,250,000
CPI	153,734	0	0	0	0	0	0
CPM	0	0	0	0	0	0	0
SHS	6,874,927	18,411,005	227,019	130,000	22,054,002	0	151,000
Total	Rs 9,049,861 (~ Rs 90.50 lakhs)	Rs 155,283,127 (~ Rs 1552.83 lakhs)	Rs 228,674 (~ Rs 2.29 lakhs)	Rs 130,000 (~ Rs 1.3 lakhs)	Rs 401,897,782 (~ Rs 4018.98 lakhs)	Rs 45,846,270 (~ Rs 458.46 lakhs)	Rs 6,519,552 (~ Rs 65.2 lakhs)

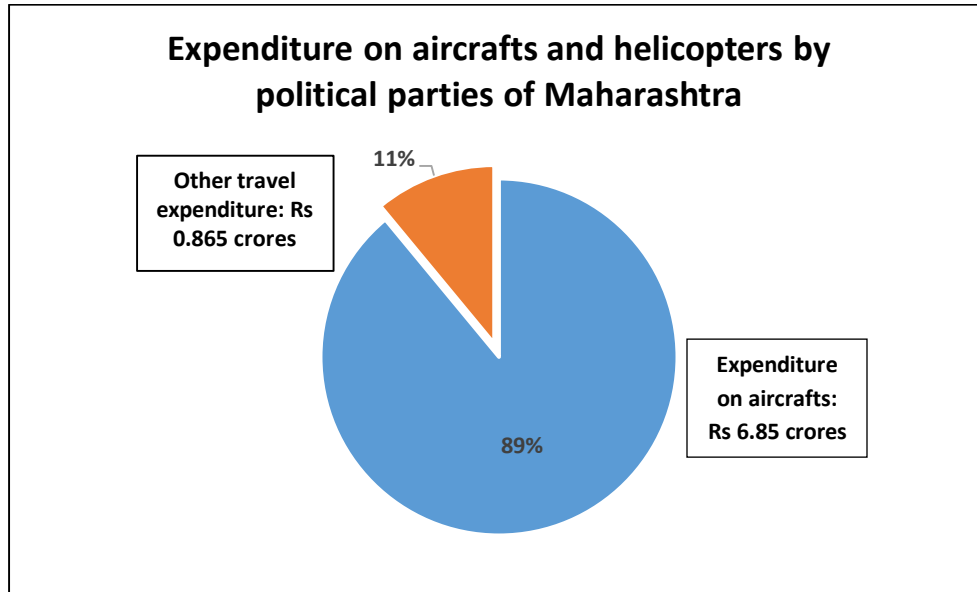
Table: Expenditure of political parties on publicity during the Maharashtra Assembly Elections, 2009

Expenditure on travel by political parties of Maharashtra

- 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**.
- The political parties of Maharashtra declared a total travel expenses of **Rs 7.72 crores**, of which they spent **Rs 6.85 crores** on aircrafts and helicopters.

Expenditure by political parties on travel during Maharashtra Assembly Elections, 2009								
	INC	BJP	BSP	NCP	CPI	CPM	SHS	Total
Expenditure on aircraft & helicopters	4,72,64,720	1,28,35,976	-	1,12,660	-	40,657	82,65,450	6,85,19,463 (~ Rs 6.85 crores)
Other travel expenses	24,25,463	9,08,890	-	47,69,097	1,77,500	16,060	3,54,800	86,51,810 (~ Rs 0.865 crores)
Total travel expenditure	Rs 4,96,90,183 (~ Rs 4.97 crores)	Rs 1,37,44,866 (~ Rs 1.37 crores)	Rs 0	Rs 48,81,757 (~ Rs 0.49 crores)	Rs 1,77,500 (~ Rs 0.02 crores)	Rs 56,717 (~ Rs 0.006 crores)	Rs 86,20,250 (~ Rs 0.86 crores)	Rs 7,71,71,273 (~ Rs 7.72 crores)

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



Graph: Expenditure on aircrafts and helicopters by political parties during Maharashtra Assembly Elections, 2009

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