

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

**A REPORT BY
ASSOCIATION FOR DEMOCRATIC REFORMS
&
RAJASTHAN 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 Rajasthan's major political parties, **during the election period of 27 days (05-11-2013 to 01-12-2013).**

Submission of Statement of Election Expenditure Incurred during Rajasthan 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
Rashtriya Lok Dal (RLD)	Submitted
Shiv Sena (SHS)	Submitted
Samajwadi Party (SP)	Not submitted
National People's Party (NPP)	Not submitted
Jammu & Kashmir National Panther's Party (JKNPP)	Not submitted
Janata Dal United (JDU)	Not submitted
Janata Dal Secular (JDS)	Not submitted
Indian Union Muslim League (IUML)	Not submitted
All India Forward Block (AIFB)	Not submitted

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

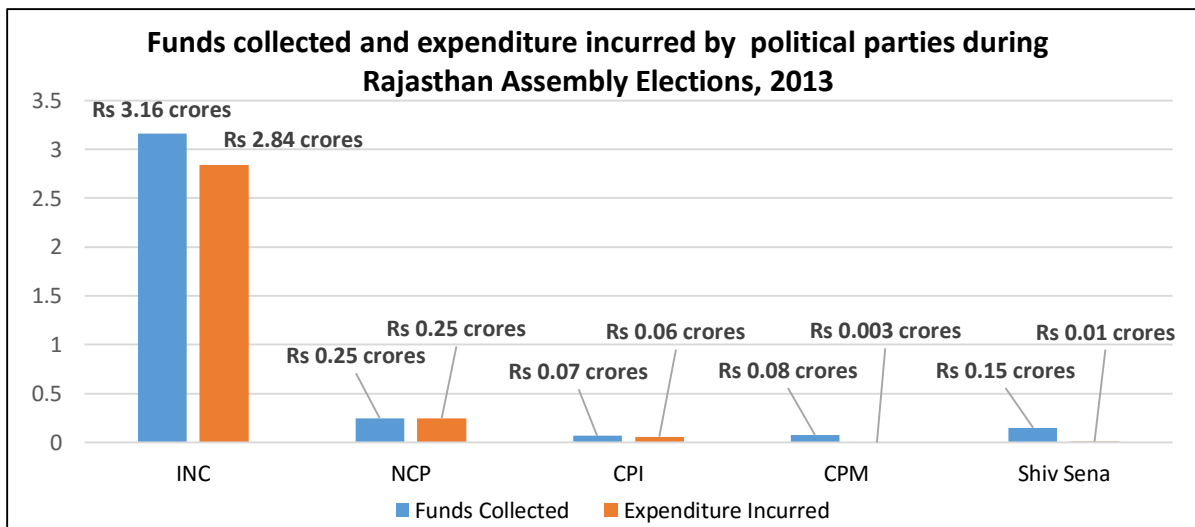
Details provided in the Election Expenditure Statement

National Parties: Funds Collected and Expenditure Incurred

- Bharatiya Janata Party (BJP) has not submitted its election expenditure statement to the Election Commission for Rajasthan Assembly elections, 2013, hence National Parties considered for this report are INC, BSP, NCP, CPI and CPM.
- BSP declared that no funds were collected during Rajasthan Assembly Elections.
- Total funds collected by the National Parties (INC, NCP, CPI and CPM): **Rs 3.55 crores**; total expenditure incurred: **Rs 3.14 crores**.

Regional Parties: Funds Collected and Expenditure Incurred

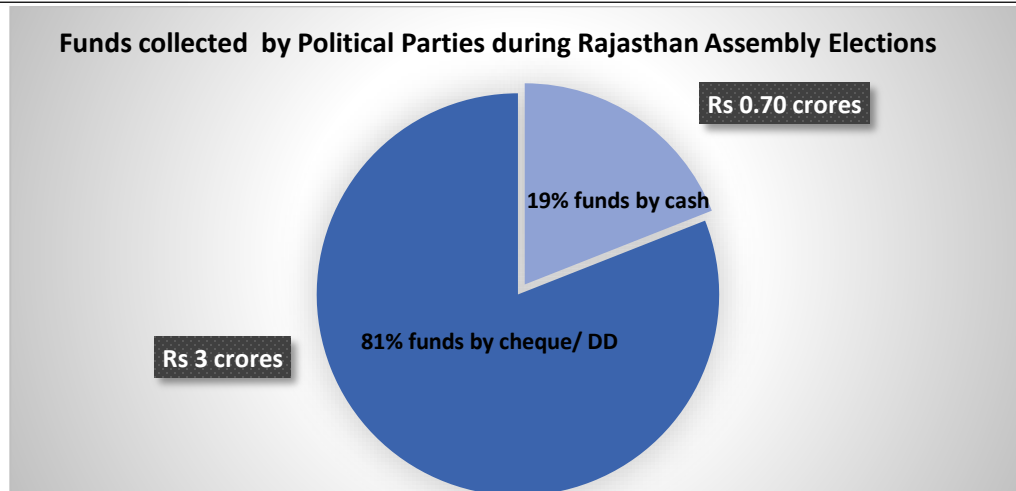
- Regional Parties considered for the report: LJP, RLD, Shiv Sena, SP, NPP, JKNPP, JDU, JDS, IUML and AIFB.
- Of the above 10 regional parties which contested in the Rajasthan assembly elections, **only LJP, RLD and Shiv Sena submitted their election expenditure statements to the Election Commission.**
- **LJP and RLD** declared that the parties **neither collected funds nor incurred any expenditure** during Rajasthan Assembly Elections.
- Total funds collected by Shiv Sena for the Rajasthan Assembly Elections was **Rs 15 lakhs**; total expenditure incurred by Shiv Sena was **Rs 1 lakh**.



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

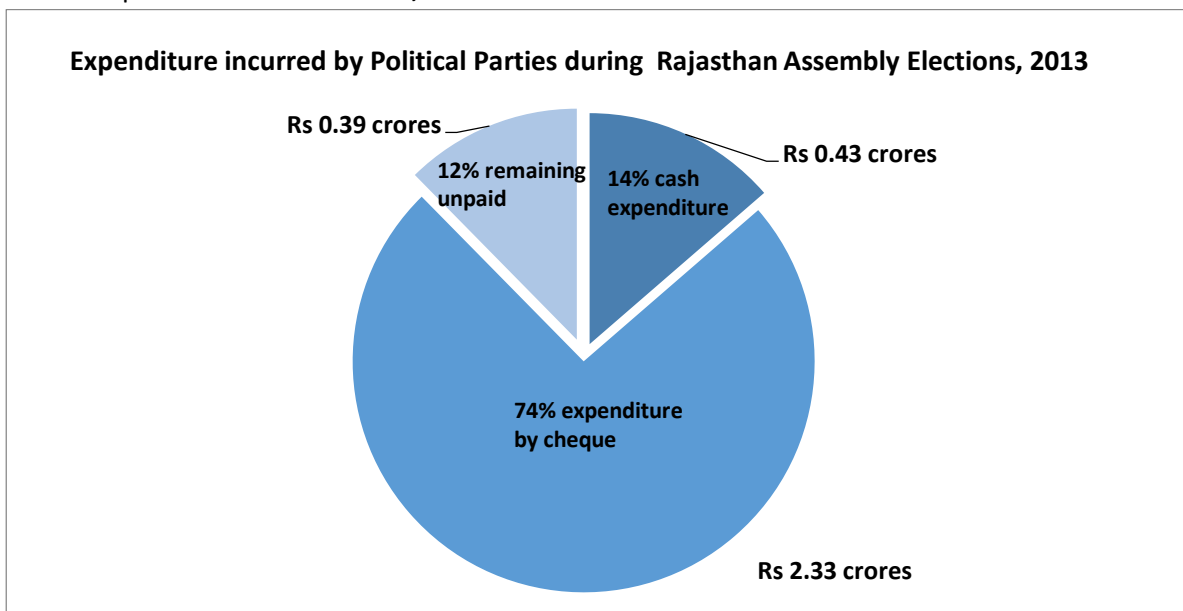
Funds Collected and Expenditure Incurred in Cash and Cheque

- The total funds collected by the National and Regional Parties amounted to Rs 3.7 crores of which **81% or Rs 3 crores was collected by cheque/ DD** and **19% or Rs 70 lakhs was collected by cash.**
- While **INC declared the maximum amount of Rs 3.16 crores** collected in cash and cheque, the **least amount was declared by CPI with Rs 7 lakhs.**



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

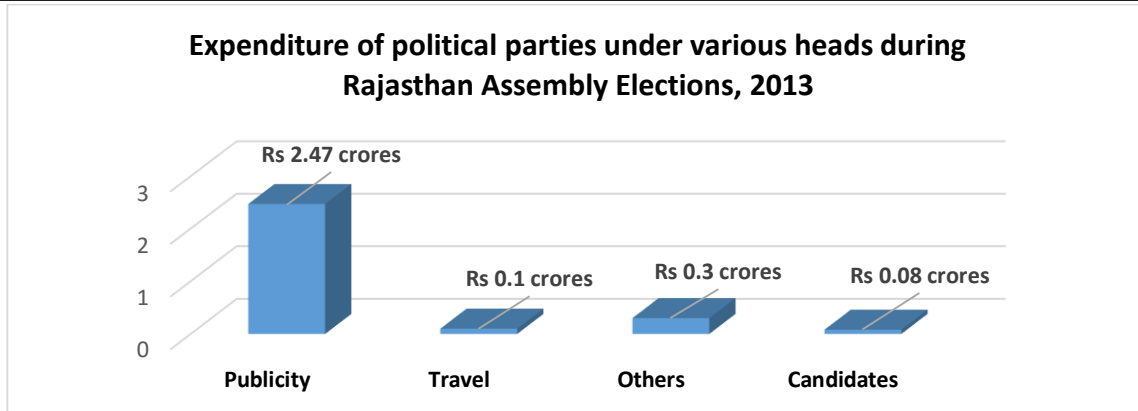
- Out of the total expenditure of Rs 3.15 crores declared by the National and Regional Parties, expense of Rs 2.33 crores (74%) was incurred by cheques while Rs 43 lakhs (14%) was spent in cash and Rs 39 lakhs (12%) was remaining unpaid.
- **INC** declared an **expenditure of Rs 2.3 crores** paid by **cheques** and **Rs 14.5 lakhs** in cash while **NCP** declared a total expenditure of **Rs 25 lakhs, incurred in cash.**



Graph: Expenditure incurred by political parties during Rajasthan 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 political parties considered for this report declared that no expenditure was incurred by the parties on media advertisement.
- Only **INC CPI, CPM and Shiv Sena** declared expenses under publicity (Rs 2.47 crores) while INC, along with NCP, CPI and CPM spent Rs 10 lakhs on travel, Rs 30 lakhs on other/ miscellaneous expenses and Rs 8 lakhs on candidates.



Graph: Expenditure of political parties under various heads during Rajasthan 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 2.16 crores on publicity materials**, while **CPI** spent a total of **Rs 1 lakh on publicity materials**.
- On the other hand, Shiv Sena spent the least amount of Rs 84 thousand on publicity materials declaring that the party incurred no expenditure under media advertisement and public meetings.

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 8 lakhs on travel of star campaigners** and **Rs 1.7 lakhs on travel of leaders** while **CPI** declared a total expenditure of **Rs 8,800 on travel of leaders**.

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 27 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: 27 days** (05/11/2013 to 01/12/2013).
- Of all the six National Parties which contested in the Rajasthan 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 3.55 crores as funds collected**
- A total of 10 regional parties contested in the Rajasthan Assembly Elections namely, LJP, RLD, Shiv Sena, SP, NPP, JKNPP, JDU, JDS, IUML and AIFB. Of the 10 parties, only **LJP, RLD and Shiv Sena** submitted their election expenditure statements to the ECI
- Of the three regional parties which submitted their expenditure statements, **only Shiv Sena declared that the party collected funds and incurred expenditure** during the Rajasthan Assembly Elections while LJP and RLD declared that **funds were neither collected nor spent** during the Elections
- **Total funds collected by Shiv Sena**, as declared in its expenditure statement, was **Rs 15 lakhs**

Funds collected and expenditure incurred by political parties during Rajasthan Assembly elections

- While analyzing the statements submitted by the parties during the election, 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, other National Parties declared total funds of **Rs 2.89 crores (81%) by cheque** and **Rs 67 lakhs (19%) by cash**. Similarly, the National Parties declared total expenditure of **Rs 2.33 crores (74%) by cheque** and **Rs 43 lakhs (14%) by cash**.
- **Shiv Sena**, declared a total funds of **Rs 11 lakhs (74%) by cheque** and **Rs 4 lakhs (26%) by cash**.

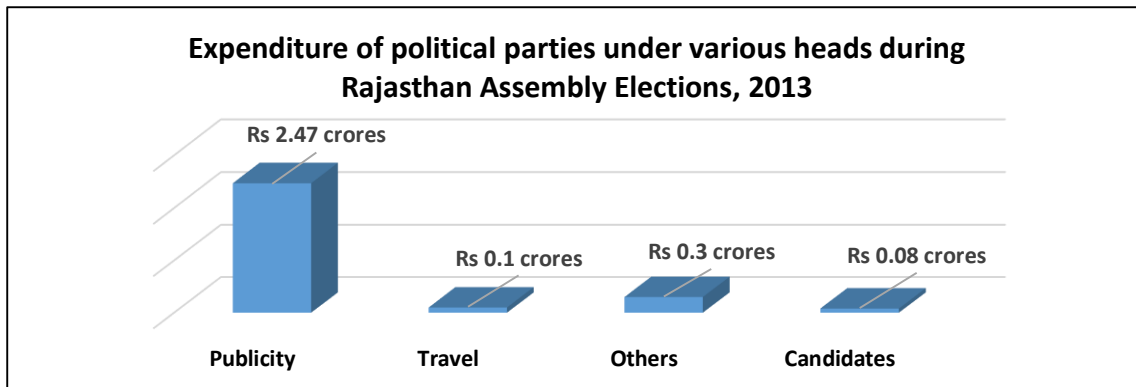
Political Party	Funds Collected (Rs in crores)			Expenditure incurred (Rs in crores)			
	Cash	Cheque/DD	Total	Cash	Cheque/DD	Remaining unpaid	Total
INC	0.369	2.79	3.16	0.145	2.3	0.39	2.84
NCP	0.25	0	0.25	0.25	0	0	0.25
CPI	0.0368	0.0297	0.067	0.033	0.022	0	0.055
CPM	0.01	0.069	0.079	0	0.003	0	0.003
Shiv Sena	0.038	0.108	0.146	0.002	0.008	0	0.01
Total	Rs 0.70 crores	Rs 3.00 crores	Rs 3.70 crores	Rs 0.43 crores	Rs 2.33 crores	Rs 0.39 crores	Rs 3.15 crores

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

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 2.47 crores) during elections followed by other/miscellaneous expenses (Rs 30 lakhs) and travel (Rs 10 lakhs)
- INC** spent **Rs 2.45 crores** out of a total expenditure of Rs 2.84 crores on **publicity** which constitutes **86%** of the total expenditure of the party and **Rs 29 lakhs on other/ miscellaneous expenses (10%)**.
- NCP** spent Rs 4 lakhs (**82%**) on **candidates' expenses** and Rs 88,000 (**18%**) on **other/ miscellaneous expenses**

Political Party	Publicity	Travel	Other/miscellaneous expenses	Towards candidates	Total
INC	2.45	0.10	0.29	0.00	Rs 2.84 crores
NCP	0.00	0.00	0.01	0.04	Rs 0.05 crores
CPI	0.01	0.00	0.00	0.02	Rs 0.03 crores
CPM	0.00	0.00	0.00	0.02	Rs 0.03 crores
Shiv Sena	0.01	0.00	0.00	0.00	Rs 0.01 crores
Total	Rs 2.47 crores	Rs 0.10 crores	Rs 0.30 crores	Rs 0.08 crores	Rs 2.95 crores



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

Expenditure on Publicity incurred by political parties of Rajasthan

- 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.).
- None of the parties, in their declared expenditure statements, declared any amount spent on media advertisement.
- INC** has spent the maximum amount of **Rs 2.16 crores on publicity materials**, followed by expenses of **Rs 29.3 lakhs on public meetings**.
- On the other hand, **Shiv Sena** spent **Rs 84,000 on publicity materials**.

Political Party	Publicity		
	Media Advertisement	Publicity Materials	Public Meetings
INC	0	Rs 2.16 crores	Rs 0.29 crores
NCP	0	0	0
CPI	0	Rs 0.01 crores	0
CPM	0	Rs 0.003 crores	0
Shiv Sena	0	Rs 0.0084 crores	0
Grand Total	0	Rs 2.18 crores	Rs 0.29 crores

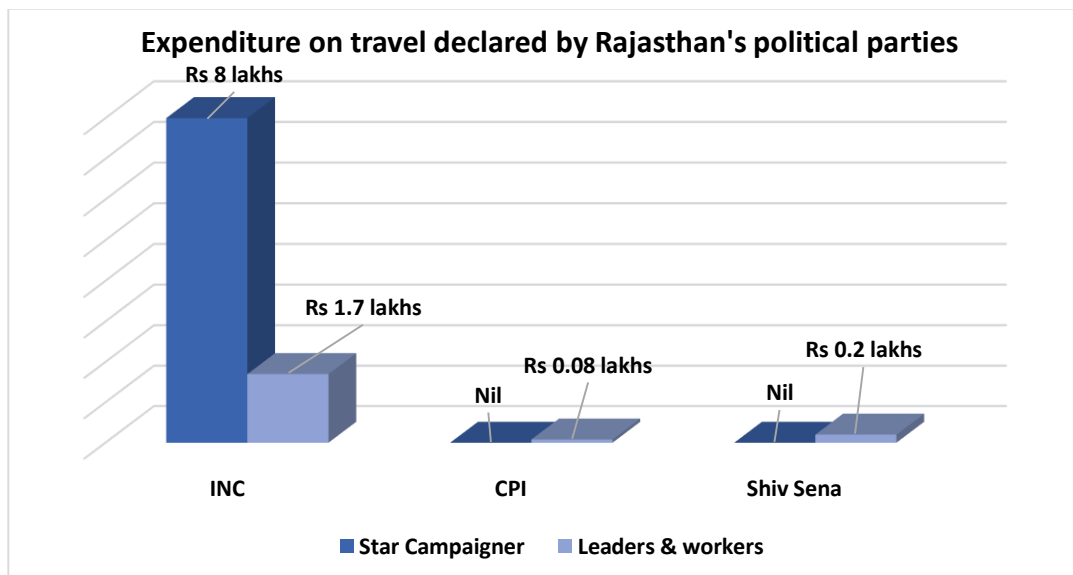
Table: Expenditure incurred on publicity by political parties of Rajasthan

Expenditure on Travel incurred by political parties of Rajasthan

- 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 8 lakhs on travel of star campaigners** and **Rs 1.7 lakhs on travel of leaders** while **CPI** declared a total expenditure of **Rs 8,800 on travel of leaders**.

Political Party	Travel	
	Star campaigners	Leaders
INC	Rs 8 lakhs	Rs 1.7 lakhs
NCP	0	0
CPI	0	Rs 0.08 lakhs
CPM	0	0
Shiv Sena	0	Rs 0.2 lakhs
Total	Rs 8 lakhs	Rs 1.98 lakhs

Table: Expenditure incurred on travel by political parties of Rajasthan



Graph: Expenditure on Travel declared by political parties during Rajasthan Assembly Elections, 2013

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