

India elections: Musical chairs post elections

Hung parliament likely...

Over next 6-8 weeks, we think concerns of a hung Parliament post-election will likely worry the market and, coupled with expected slowing earnings, we believe could lead to a 15% correction in the markets. On the elections, we believe (a) there will likely be a hung Parliament i.e. none of the three combinations – Congress-led UPA, BJP-led NDA and the Third Front – will be able to come to power (b) post-election results new alliances are likely – regional parties like BSP and AIADMK will be important (c) the probability of a Third Front Government coming to power is still low but increasing in our view. Our best case scenario would be a Congress Government but with the Left being a key ally in it.

...leading to new alliances in effort to form the Government

We think most of the present alliances are fluid and many parties would be willing to reconsider their alliances post-elections. We think 2 regional parties – Mayawati's BSP and Jayalalita's AIADMK would play a crucial role in deciding the Government. The role of the Left parties, though weakened, should also be important.

Congress-led UPA Government still has a slight edge

Despite the break-down of seat sharing with Mulayam Singh's SP in U.P and Laloo Yadav's RJD in Bihar, we think both will continue to be part of the Congress-led UPA. We think the UPA still has a slight edge since they can get Left support again. The BJP-led NDA on the other hand, we believe, could need the support of BSP, Jayalalita's AIADMK, Naidu's TDP as well as its old ally BJD.

Third Front Government: Negative scenario for the market

We think it would be highly unlikely that a Third Front Government is formed without the support of Congress or BJP, because Congress plus BJP should gain nearly 50% of the total seats. However, if the Congress/BJP can't form a stable Government, they may support a Third Front Government. While we think this is a lower probability event, the possibility has been increasing past few weeks.

Markets edgy till Government formed

We think a positive scenario for the market is a BJP or Congress led Government without the Left parties but has a low probability event in our view. Historically, markets have been edgy ahead of elections. We think concerns of a hung Parliament could lead to a 15% correction in markets this time.

We would be defensive (Buy Hero Honda, Bharti) in the run-up to elections. We think infrastructure would be a priority for all Governments – Jaiprakash could be a gainer in the post-election scenario. We believe a Congress or BJP government without the Left could lead to reforms in (a) privatization and oil reforms (gainers: HPCL/BPCL) (b) banking reforms (gainers: Government banks) (c) FDI in retail, aviation, insurance etc (gainers: Pantaloon).

Investment Strategy | India
30 March 2009



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Table 1: Summary of opinion polls

Agency	Date	UPA	NDA	Others
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DNA	3/9/09	202	174	167
Deccan Chronicle	3/9/09	205	180	158
Deccan Chronicle	3/15/09	200	180	163
DNA	3/23/09	201	170	172
Star-Nielson Poll	3/23/09	257*	184	96

Source: Media

* Note: including SP

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Contents

#1: Weak markets due to hung Parliament	3
#2: Elections 2009 - fun starts after results	8
#3: Blast from the past	11
#4: The teams and their key players	15
#5: Key states	22
#6: Election process	33
Appendix	36

#1: Weak markets due to hung Parliament

Hung Parliament likely in our view

Opinion polls do tend to go wrong on the Indian elections. However, we think a hung Parliament is likely though the exact number by which the parliament would be hung remains a question that will be answered only post the counting on May 16th. This would mean that none of the 3 political formations, (a) the Congress-led United Progressive Alliance (UPA) (b) the BJP-led National Democratic Alliance (NDA) or (c) The Third Front would get at least 272 seats required for a majority.

All alliances having problems with allies

We think most political parties seem to believe too that there is a hung Parliament in the offing. Hence, every small party believes it can be a kingmaker in the post-election scenario with only 10-20 seats. We believe this has led to intense negotiations between the Congress/BJP and their allies on seat sharing.

- BJP had its first loss when long time ally, Orissa's BJD party decided to fight elections on their own.
- Congress, however, has met a similar fate with RJD in Bihar and SP in Uttar Pradesh deciding to not have a seat sharing agreement with them. The PMK, a Tamil Nadu regional party, has also left them and allied with AIADMK.
- The Third Front, of course, continues to face issues on who is part of the Front. Mayawati's BSP, Jayalalita's AIADMK and Naveen Patnaik's BJD are fighting elections separately but may be part of the Third Front post-poll

Post-poll new alliances can be formed

We think many parties are today keeping their post poll options close to their chest. There are many parties which are in the Third Front today that may support the Congress or the BJP post the election result. Similarly, we believe some of the present allies of the Congress or the BJP can be part of a Third Front Government post elections.

Mayawati and Jayalalita could hold key to the new Government

We think the 2 most important parties post-elections will be Mayawati's BSP (regional party in Uttar Pradesh) and Jayalalita's AIADMK (regional party in Tamil Nadu). We think these 2 parties between them are likely to get 70-80 seats. Depending on the post-poll arithmetic, they may be willing to support any of the 3 contenders for power – Congress, BJP or the Third Front (support to Congress only if the existing allies of Congress in UP and Tamil Nadu, the SP and DMK respectively are not part of the alliance).

Who won't ally with whom?

While we expect many parties would reconsider their alliances in search for a better deal and towards the cause of a "stable Government and preventing another round of election", there are some alliances which won't be likely:

1. **Congress and BJP alliance:** Many foreign investors often question why this is not possible given that they have similar views on economic reforms and could provide a stable Government. Unfortunately, they see each other as the only alternate national party and hence as competitors.

2. **BJP and Left:** Being ideologically on opposite ends in terms of their policies, we believe the Left is unlikely to support the BJP even if that is a good way to form a stable Government.
3. **Regional rivals:** There are many regional parties that are main competitors of each other in some states eg DMK and AIADMK in Tamil Nadu, SP and BSP in Uttar Pradesh etc. We think it would be unlikely to have a Government where both these regional parties are part of the same alliance (due to historic rivalry between these regional parties).

Congress still front runner with Left support

In spite of the problem with allies in Bihar and Uttar Pradesh, we think the Congress-led UPA will emerge as the largest alliance and is the frontrunner to form the Government. The Bihar regional parties (RJD and LJP) are likely to continue to support the Congress.

In spite of the problems with the Left on the nuclear deal, we think the Left parties will support Congress to form the Government. Though Left is expected to be a weaker force relative to the last election, we think they can still get 40-45 seats which would be crucial in the Government formation. They will likely bank on one of the Uttar Pradesh regional parties (their current ally, SP or Mayawati's BSP) to help them bridge the balance gap. This could be a stable Government but the Left is likely to negotiate hard on economic reforms.

BJP - will likely need Mayawati and Jayalalita

The BJP has been driven by internal dissension that is likely to hurt its chances in the polls. They were the first to lose an old time ally, the BJD, a regional party in Orissa. However, they have finalized tie-ups with all other allies and brought in a few smaller ones like AGP in Assam, Ajit Singh in Uttar Pradesh and Chauthala in Haryana.

We think they will fall well short of a majority. However, their hopes on forming a Government rest on their bringing in both Mayawati's BSP and Jayalalita's AIADMK. We presume the BJD, their Orissa ally, would support them and they would look to Naidu's TDP (Andhra Pradesh regional party) to get the balance seats required. We believe it may be easier to implement reforms in this Government but managing the allies could be a tougher proposition than the Congress-Left-SP Government.

Third Front probability increasing but will likely need Congress/BJP support

We believe the market is concerned about a Third Front ie a non-Congress, non-BJP Government. We think the Third Front Government may not be easy to form since:

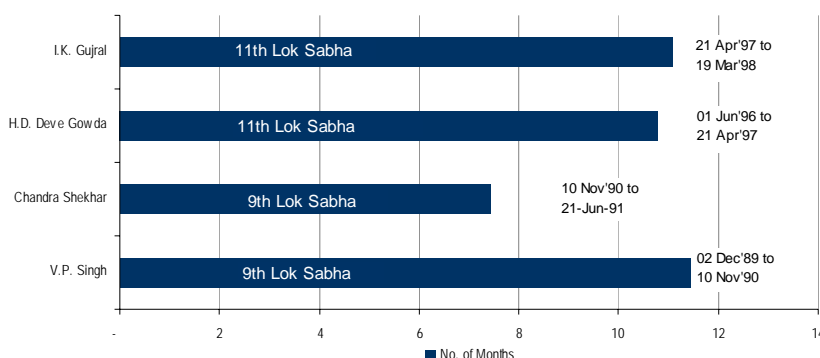
1. **Low numbers:** We think the BJP plus Congress together will be able to get close to 270 seats. Hence even if all the other parties come together they would barely be close to a majority in our view. Secondly, it is highly unlikely that all parties can come together since regional rivals would not be want to be in the same Government e.g., Tamil Nadu parties like the AIADMK/DMK and the Uttar Pradesh parties like the SP/BSP.
2. **Prime Minister candidate:** We believe the Third Front has many leaders who aspire to be the Prime Minister. Finding a consensus candidate may not be an easy task in our view.

Will likely need support of Congress/BJP

However, given the likely fractured mandate the elections may throw up, it is possible in our view that the Congress or the BJP gives outside support to a Third Front Government. If the Congress and the BJP feel that they are not in a position to form a stable Government, one of them may support a Third Front Government in a bid to avert another election too soon.

The market generally tends to be wary of a Third Front Government since (a) there is no common policy and the Governments ends up having too many pulls and pressures from various parties leading to non-implementation of policies (b) historically such Governments have lasted only 18-24 months versus a full term of 60 months.

Chart 1: Unstable 3rd Front governments of the past



Source: BAS-ML, Media

We expect markets to move down

Historically, the markets have been positive in the run up to the elections but turn nervous as we near the actual counting (typically the elections run for 3-4 weeks and counting starts after all elections are completed. In fact, in 3 of the past 4 elections, markets have given a negative return 1 month before the result announcement.

Table 2: Sensex returns – pre & post elections (from election date)

Election Start Date	% Return pre election				% Return post election			
	12 m	3 m	1 m	1 m	3 m	6 m	12 m	
22-Nov-89	-0.9	0.3	-3.8	9.4	-4.4	9.3	74.5	
20-May-91	69.2	14.5	2.9	3.1	29.3	42.9	160.1	
27-Apr-96	17.3	33.2	13.8	-2.98	-7.3	-13.3	1.6	
16-Feb-98	-3.7	-3.6	2	9.7	13.3	-15.4	-3	
5-Sep-99	62.4	19.5	-4.8	0.1	2.7	17.2	-2.4	
20-Apr-04	93.7	-2	6.7	-11	-5.5	7.5	16.2	
Average	30.7	7.9	2.9	2.0	8.3	15.9	46.1	Return

Source: Source: BSE, ECI, BAS-ML, Media

Table 3: Stock market returns – pre & post election results (from result date)

Result Date	% Return pre election			% Return post election			
	12 months	3 months	1 month	1 month	3 months	6 months	12 months
1-Dec-89	0.3	-2.4	-3.2	10.0	-2.8	12.2	69.1
20-Jun-91	67.3	16.9	3.1	4.2	34.6	40.6	126.2
12-May-96	15.9	6.5	6.6	5.0	-8.0	-16.7	-1.3
27-Feb-98	6.1	1.0	-6.2	7.9	4.2	-17.8	-10.7
6-Oct-99	63.6	9.3	-0.1	-1.6	15.4	3.6	-12.9
13-May-04	93.7	-9.7	-7.4	-9.8	-4.1	11.3	20.5
Average Return	41.2	3.6	-1.3	2.6	6.6	5.5	31.8

Source: Source: BSE, ECI, Banc of America Securities - Merrill Lynch Research, Media

We believe this year the markets are starting with an expectation of a hung Parliament. We are, therefore, looking at a downtrend in the market ahead of the counting on May 16th. We think the nervousness will continue till we get a stable Government.

Post-election, near term movement of the market tends to react to the nature and shape of the Government. The market reacted negatively to a Third Front Government in 1996 and to the Left support for the Government in 2004 – on both occasions the market was lower 3 months post the result announcement.

Longer term performance - earnings/economy take over

If we look at the full term of each of the previous Governments, the performance of markets has been mixed and there is no clear cut link to the nature of the Government. The worst performance of the markets during the past 25 years has been during a minority United Front Government from 1996-98 which is no surprise to us. However, we were surprised that the best performance has come during the 2-year rule of another minority Government (National Front Government) that saw 2 Prime Ministers in that period (VP Singh and Chandrashekhar).

Table 4: Market returns during the term of various governments

Lok Sabha Term	Ruling Party / Alliance	MPs of the ruling party or largest party in ruling alliance*	Form of government	Sensex CAGR during term
1984-1989	Congress	414	Majority	21.8%
1989-1991	National Front	143	Minority	48.5%
1991-1996	Congress	244	Minority	24.7%
1996-1998	United Front	46	Minority	-5.3%
1998-1999	BJP and Allies	182	Minority	24.3%
1999-2004	BJP and Allies	182	Majority	4.0%
2004-2009**	Congress & Allies	145	Minority	15.0%

Source: BAS_ML Research, Media: ** Till 26th Mar'09

Reforms outlook

Broadly there is a consensus on the reform process amongst most political parties except the left parties in India. However, the pace of the reform process has been mixed depending on the nature and shape of the Government. We believe it is also determined by the Prime Minister, Finance Minister and the power they wield within the coalition Government. We think the BJP may be the most aggressive on reforms with the Congress following close behind while the Left would be most negative. The regional party would generally favor reforms but the conflicting demands of various parties may delay implementation.

Reforms - very little progress made

Reforms have been slow during the Congress-led UPA tenure. The weak coalition with the support of Left parties has often delayed the reform agenda. On the positive side, the government has managed to push forward some critical reforms in its tenure. In particular, it has finally pushed through the 74% FDI hike in telecoms. However, it's been unable to come out with a clearer policy on banking reforms and a timeline for both M&A.

The forthcoming reform agenda

We believe the following are the key reform measures that the new Government should focus on:

1. **Fiscal Consolidation process:** The fiscal deficit has again hit alarming levels in India partly fuelled by the slow-down in the economy leading to a lower revenue collection and a need to pump prime the economy. The new Government would have to balance the fiscal consolidation process with the demands of greater pump priming.

Government stance: We think a Congress or BJP Government would be best placed to control the fiscal deficit. Under a Third Front or Left supported Government, the fiscal deficit could deteriorate further.

2. **Privatization:** One way to control the fiscal deficit would be to sell stakes in Government companies. The Congress-led coalition delayed the privatization of many state-run companies, bowing to pressure from its communist allies.

Government stance: Under a BJP Government, privatization where Government sells management control in PSUs is likely. Under the Congress Government, minority stake sale to portfolio investors without management control is likely. In a Government supported by the Left parties, however, in our view privatization will likely be slow.

3. **Liberalization of foreign ownership limits:** Given resource constraints, we believe it will be essential to encourage foreign investment in India. 3 sectors where foreign investment has been on the table past few years are (a) allowing foreign airlines to invest in domestic airlines (b) increase in FDI limit in insurance to 49% and (c) allowing FDI in retail.

Government stance: We believe BJP and Congress Governments will push this while a Left supported Government would not support this as the Left in their manifesto opposes this.

4. **Banking reforms:** This includes (a) reduction in Government stake in PSU banks below 51% (a) allowing FIIs to invest more than 20% in PSU banks (c) opening up M&A in the banking sector.

Government stance: BJP may be most enthusiastic about banking reforms and the Congress would also be supportive. The Left would likely oppose these measures according to their manifesto.

5. **Infrastructure thrust:** Increase in infrastructure investments are accepted as required for the economy.

Government stance: All parties would have a pro-infrastructure thrust (based on their statements). However, pension reforms will likely be opposed by the Left. Similarly, BJP may be the most keen to de-regulate the oil sector (they had dismantled the earlier Administered Price Mechanism), the Congress too would go ahead with this but a Left Government is unlikely to implement this as their manifesto opposes this. Similarly, we believe pension reforms too would go ahead under a Congress or BJP Government but may be stalled under a Left Government.

#2: Elections 2009 - final starts after results

No major election issue....

This time there seems to be a lack of any major election issue. Most parties are grappling with any significant theme that can potentially win the imagination of the voter base. The BJP's loss in the recent state assembly elections in Delhi and Rajasthan led to the realization that security concerns related to terrorism was also not a major issue amongst voters. The voters seem to be most influenced by the performance and governance of the party in their respective state.

... leading to elections 2009 being sum of state elections

There is clearly no national wave in favor of or against any party. Thus the elections will likely throw up different results in each state depending on the alliances in that state, the track record of governance in that state and the demographics of that state.

Hung Parliament likely in our view...

Indian elections have the habit of throwing up surprises and opinion polls go wrong quite regularly. However, we think (based on the opinion polls discussed in the table below) it is likely that India's elections will result in a hung Parliament where no alliance is able to form a Government in the present shape.

Table 5: Summary of opinion polls

Agency	Date	UPA	NDA	Others
CNN-IBN-CSDS	2/23/09	215-235	165-185	130-150
The Pioneer	3/2/09	196	181	166
Times of India	3/6/09	206	195	147
DNA	3/9/09	202	174	167
Deccan Chronicle	3/9/09	205	180	158
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DNA	3/23/09	201	170	172
Star-Nielson Poll	3/23/09	257*	184	96

Source: Media; * Note: including SP

... so final count-down starts after election results

If there is a hung Parliament, it would mean that the election results on May 16th will be a semi-final. The action could start after that as the political parties try to work on various permutations and combinations to form a Government. Most political parties are keeping their options close to their chest. We believe that a Congress coalition with the Left parties and a regional party from UP would still be the frontrunner.

State-wise Analysis

Given the lack of a clear national issue in our view, an analysis of each state may be one way to make some guesstimate of the likely scenario in each state. In Table 6, we mention estimated seats in an opinion poll in each state and the drop/increase for the various parties. More details are given on the issues affecting results in some of the key states in Chapter 5.

Based on the opinion polls, we think the Congress will lose ground in Andhra Pradesh and in Tamil Nadu (largely through allies). Similarly, in UP their ally, SP, could lose seats. They could, however, gain in Rajasthan, Orissa, Kerala and West Bengal (including their ally). BJP could lose ground in Rajasthan and Orissa but hope to gain in Gujarat and Bihar (including their ally).

We think the elections are wide open in the 6 largest states – these could hold the key to Government formation. There is a greater consensus of the prospects of various political parties in the other states.

1. Uttar Pradesh

The largest state in terms of seats to Parliament, both the Congress and the BJP have been pushed to fringe players here. Mayawati's BSP is expected to lead the state but the extent of seats she gets here could be crucial in determining her importance in the next Parliament. We believe her prospects have improved with the SP and Congress unable to arrive at a seat sharing arrangement.

2. Maharashtra

After hectic parleys, the old alliances here appear still intact. Sharad Pawar's NCP and the Shiv Sena negotiated with each other but have decided to ally with their earlier partners, the Congress and the BJP respectively. While the Congress-NCP Government should have faced anti-incumbency, the dissensions in the Shiv Sena-BJP camp will likely prevent them from taking advantage of this. Moreover, the MNS of Raj Thackeray could wean away some Shiv Sena votes.

3. Andhra Pradesh

The Congress had virtually swept this state last time along with their ally, TRS. With TRS joining with their key rival TDP, the Congress looks set to suffer reverses here. The entry of Chiranjeevi, a film actor, will likely further complicate the picture in the state.

4. West Bengal

The Left parties are likely to suffer a setback in the state with the Congress and Mamata Banerjee's TC having agreed on a seat sharing. The extent of erosion in the Left seats should be critical to their role in the new Parliament.

5. Bihar

The NDA should be in a strong position here helped by the good track record of the Nitish Kumar-led JD(U)-BJP government in the state. The formation of an alliance between Laloo Yadav's RJD and Paswan's LJP should hit them but with Congress not joining the alliance, the anti-NDA votes will likely be split.

6. Tamil Nadu

The Congress & their allies had swept the state last time. While DMK & Congress are still fighting elections together, the PMK has joined rival Jayalalita's AIADMK in an alliance. Tamil Nadu has the history of giving sweeping verdicts and this could be a crucial state that determines which way the Government is formed.

Table 6: Election schedule

Phase I (16-Apr-09)	Phase II (23-Apr-09)	Phase III (30-Apr-09)	Phase IV (07-May-09)	Phase V (13-May-09)
Uttar Pradesh: Seats 16/80	Uttar Pradesh: Seats 17/80	Uttar Pradesh: Seats 15/80	Uttar Pradesh: Seats 18/80	Uttar Pradesh: Seats 14/80
J & K: Seats 1/6	J & K: Seats 1/6	J & K: Seats 1/6	J & K: Seats 1/6	J & K: Seats 2/6
Bihar: Seats 13/40	Bihar: Seats 13/40	Bihar: Seats 11/40	Bihar: Seats 3/40	
Maharashtra: Seats 13/48	Maharashtra: Seats 25/48	Maharashtra: Seats 10/48	Punjab: Seats 4/13	Punjab: Seats 9/13
Orissa: Seats 10/21	Orissa: Seats 11/21	West Bengal: Seats 14/42	West Bengal: Seats 17/42	West Bengal: Seats 11/42
Jharkhand: Seats 6/14	Jharkhand: Seats 6/14	Gujarat: Seats 26/26	Rajasthan: Seats 25/25	Uttarakhand: Seats 5/5
Assam: Seats 3/14	Assam: Seats 11/14	Sikkim: Seats 1/1	Haryana: Seats 10/10	Tamilnadu: Seats 39/39
Andhra Pradesh: Seats 22/42	Andhra Pradesh: Seats 20/42	Dadar & Nagar Haveli: Seats 1/1	Delhi: Seats 7/7	Himachal Pradesh: Seats 4/4
Manipur: Seats 1/1	Manipur: Seats 1/1	Daman & Diu: Seats 1/1		
Kerala: Seats 20/20	Karnataka: Seats 17/28	Karnataka: Seats 11/28		
Chhattisgarh: Seats 11/11	Madhya Pradesh: Seats 13/29	Madhya Pradesh: Seats 16/29		
Meghalaya: Seats 2/2	Goa: Seats 2/2			
Mizoram: Seats 1/1	Tripura: Seats 2/2			
Nagaland: Seats 1/1				
Arunachal Pradesh: Seats 2/2				
Andaman islands: Seats 1/1				
Lakshadweep: Seats 1/1				
Total Seats: 124/543	Total Seats: 141/543	Total Seats: 107/543	Total Seats: 85/543	Total Seats: 86/543

Source: ECI, Media

30 March 2009

Table 7: State wise opinion poll done by Deccan Chronicle

State	Congress	BJP	Others	Key other parties	Total	BAS-ML Comments
UP	6 (-4)	8 (-1)	66	BSP:37, SP:26, RLD:3	80	SP and Congress contesting the elections separately which may help BSP to gain
Maharashtra	12 (-1)	13	23	SHS:12, NCP:10, RPI:1	48	MNS, the splinter party of Shiv Sena may curtail chances of NDA combine
Andhra				TDP:13, TRS:6, MIM:6,		
Pradesh	19 (-10)	0	23	PRP:3	42	TDP will likely recover lost ground
West Bengal	8 (+2)	0	34	Left: 21, AITC: 13	42	Congress + AITC expected to make inroads on the expense of the Left
						Congress not contesting the elections in alliance with RJD and LJP which may help
Bihar	1 (-2)	9 (+4)	30	RJD:8 LJP:3, JD(U):17	40	JD(U)+BJP combine to gain more seats
				DMK:7, AIADMK:16, PMK:6,		PMK has switched sides to AIADMK further strengthening the 3rd front alliance in the
Tamilnadu	4 (-6)	0	35	MDMK:2, Left:2	39	state
Madhya						
Pradesh	8 (+4)	21 (-4)	0		29	BJP still strong in the state, however margin between Congress and BJP may reduce
Karnataka	8	18	2	JD(S):2	28	Recent troubles in the state may put pressure on BJP
Gujarat	8 (-4)	18 (+4)	0		26	BJP expected to continue its strong position
Rajasthan	15 (+11)	10 (-11)	0		25	Congress stands to gain on expense of BJP
Orissa	8 (+6)	3 (-4)	10	BJD: 10	21	Congress stands to gain with the BJP-BJD split
Kerala	11 (+11)	0	9	Left:6, ML:2, Kerala Cong:1	20	Congress stands to gain on expense of Left front
Assam	6 (-3)	3 (+1)	5	AGP:4	14	The BJP-AGP tie up would help BJP
						BJP would recover from its 2004 lows as Congress and JMM are contesting elections
Jharkhand	3 (-3)	8 (+7)	3	JMM:2, JD(U):1	14	separately
Punjab	6 (+4)	2 (-1)	5	Akali Dal:5	13	Congress could regain some of the lost ground
Chhattisgarh	4 (+3)	7 (-2)	0		11	BJP still strong in the state, however margin between Congress and BJP may reduce
Haryana	6 (-3)	1	3	INLD:3	10	BJP-INLD tie up to help BJP
Delhi	6	1	0		7	Congress still strong in the State
Others	14 (+3)	8	12		34	
Total	153	130	260		543	

Source: Deccan Chronicle, Media

Note: Figures in the bracket denote (+Gain/-loss) with respect to the 2004 election tally.

#3: Blast from the past

We would characterize Indian politics as having 3 phases:

Phase 1: Dominance of the Congress

The Congress party that fought for India's independence has ruled India for practically the whole period from India's independence in 1947 to 1996 except for 2 spells of opposition rule both of which lasted 2 years. The Congress party and Indian politics was dominated by the Nehru-Gandhi family ever since Jawaharlal Nehru became the first Prime Minister of India till 1991 when Rajiv Gandhi was assassinated. (Please note that Gandhi family denotes Indira Gandhi, daughter of Jawaharlal Nehru and her sons. They have no relation to Mahatama Gandhi). A member of the Nehru-Gandhi family was a Prime Minister of the country for all but 6 years of the 44 years from independence to assassination of Rajiv Gandhi in 1991.

By virtue of being the oldest party, INC or the Congress Party has always been the biggest party in terms of the vote share. However, from the 49.1% vote share in 1980, the vote share of the Congress declined to 26.5% in 2004. The General elections held in 1996 marked a shift in the balance of power between the national parties and the regional parties. Till then regional parties had very little say in national politics. But with the 1996 general elections they began to assert themselves. The vote share of national parties and especially the Congress has come down significantly over the last five general elections.

Table 8: Background on previous general elections & governments

	Govt.	Prime Minister	Tenure		Electorate (mn)	Turnout (%)	Total Seats	Candidates	Seats Contested	Congress Seats	BJP Seats^
			Constitution	Dissolution							
First Lok Sabha	Congress	Jawaharlal Nehru	17/4/52	4/4/1957	173.2	45.7	489	1,874	479	364	3
Second	Congress	Jawaharlal Nehru	5/4/1957	31/3/62	193.7	47.7	494	1,519	482	371	4
Third	Congress	Jawaharlal Nehru & Lal Bahadur Shastri	2/4/1962	3/3/1967	217.7	55.4	494	1,985	491	361	14
Fourth	Congress	Indira Gandhi	4/3/1967	27/12/70	250.6	61.3	520	2,369	515	283	35
Fifth	Congress	Indira Gandhi	15/3/71	18/1/77	274.1	55.3	518	2,784	517	342	22
Sixth	Janata Party	Morarji Desai & Charan Singh	23/3/77	22/8/79	321.2	60.5	542	2,439	540	154	295
Seventh	Congress	Indira Gandhi	10/1/1980	31/12/84	363.9	57	542	4,629	529	353	0
Eighth	Congress	Rajeev Gandhi	31/12/84	27/11/89	400.1	64.1	542	5,493	541	415	2
Ninth	National Front Coalition	V.P. Singh & Chandra Shekhar	2/12/1989	13/3/91	498.1	61.9	543	6,158	528	197	86
Tenth	Congress	P.V. Narsimha Rao	20/6/91	10/5/1996	514.1*	53	543	8,699	521	232	120
Eleventh	United Front Coalition	H.D. Deve Gowda & I.K. Gujral	15/5/96	4/12/1997	592.6	57.9	543	13,952	543	140	161
Twelfth	NDA (BJP + Allies)	Atal Bihari Vajpayee	19/03/98	17/04/99	605.9	61.97	543	4,750	543	139	179
Thirteenth	NDA (BJP + Allies)	Atal Bihari Vajpayee	13/10/1999	5/2/2004	620.4	59.99	543	2,743	538	114	182
Fourteenth	UPA (Congress + Allies)	Manmohan Singh	17/5/2004	-	671.5	58.07	543	5,435	543	145	138

Source: ECI, Media

*Note: excluding Jammu and Kashmir

*Note: Bhartiya Lok Dal in 1977 and Bhartiya Jan Sangh till 1971

Phase 2: The rise of the BJP

For the BJP it was a long struggle to power. For a party that managed to win just 2 seats in 1984, it was a major revival in fortunes in 1989. Since then, the BJP has emerged as a major force in politics and erased the Congress monopoly as a national party. The BJP emerged as the largest party in the 1996, 1998 and 1999 elections in terms of the seats.

BJP has more concentrated vote bank

The BJP has a more concentrated vote bank than the Congress. It is largely dominant in the North and the West and has only recently made its first breakthrough in the South by winning Karnataka.

Thus it has been able to get more seats than the Congress since 1996 even though it had a lower vote share.

Table 10: Seats won by parties in past elections

Key Parties	2004	1999	1998	1996	1991
INC	145	114	141	140	244
BJP	138	182	182	161	120
CPI(M)	43	33	32	32	35
BSP	19	14	5	11	3
SP	36	26	20	17	NA
TDP	5	29	12	16	13
RJD	24	7	17	NA	NA
JD(U)	8	21	NA	NA	NA

Source: ECI, Media

Table 9: Vote share of the key parties in the previous general elections

Key Parties	Vote Share				
	2004	1999	1998	1996	1991
INC	26.5%	28.3%	25.8%	28.8%	35.7%
BJP	22.2%	23.8%	25.6%	20.3%	20.0%
CPI(M)	5.7%	5.4%	5.4%	6.1%	6.1%
BSP	5.3%	4.2%	4.7%	4.0%	1.8%
SP	4.3%	3.8%	4.9%	3.3%	NA
TDP	4.3%	3.7%	2.8%	3.0%	3.0%
RJD	3.0%	2.8%	2.8%	NA	NA
JD(U)	2.4%	3.1%	NA	NA	NA

Source: ECI, Media

Phase 3: Rise of regional parties

The 1996 elections brought the coalition politics to the fore. The decline in the vote share of Congress has coincided with the rise in the vote share of regional parties. The era of a single dominant party seems to be over. Although Congress has remained the number one party in terms of the vote share, the higher vote share of Congress is almost always due to the higher number of seats contested. If we see the percentage of votes in seats contested, both BJP and Congress have similar numbers. The rise of BJP has also hit a plateau to a certain extent. It has been hindered by its limited presence in South and East India. The elections have become fragmented with too many parties jostling for the same space.

General elections: Aggregate of state elections?

The general elections have become a multi cornered fight with the rise of several regional centers. Both BJP and Congress have a very limited presence in a few of the key large states which contribute close to 50% of the seats (UP, Bengal, Bihar & Jharkhand, Tamilnadu etc.). They have to lean heavily on their regional partners tilting the balance toward the regional players. The formation of the right pre-poll alliances has become very important in this era of fragmented mandate. The ongoing negotiations on seat sharing pacts between national parties and regional parties indicate the rising power of the regional allies.

30 March 2009

Table 11: State wise tally of 2004- BJP and Congress not dominant in states contributing close to 50% of the seats

States	Total Seats	BJP	NDA	Congress	UPA	Total- Left Front	Others Total
States with Low presence of BJP and Congress in last elections							
UP	80	10	11	9	9	0	60
West Bengal	42	0	1	6	6	35	0
Bihar	40	5	11	3	29	0	0
Kerala	20	0	0	0	1	15	4
Tamilnadu	39	0	0	10	35	4	0
Punjab	13	3	11	2	2	0	0
Orissa	21	7	18	2	3	0	0
Total	255	25	52	32	85	54	64
Other states with significant presence of either of BJP and Congress or both							
Maharashtra	48	13	25	13	23	0	0
Andhra Pradesh	42	0	5	29	34	2	1
Madhya Pradesh	29	25	25	4	4	0	0
Karnataka	28	18	18	8	8	0	2
Gujarat	26	14	14	12	12	0	0
Rajasthan	25	21	21	4	4	0	0
Jharkhand	14	1	1	6	12	1	0
Assam	14	2	2	9	9	0	3
Chhattisgarh	11	10	10	1	1	0	0
Haryana	10	1	1	9	9	0	0
Delhi	7	1	1	6	6	0	0
Jammu & Kashmir	6	0	0	2	3	0	3
Uttaranchal	5	3	3	1	1	0	1
Himachal Pradesh	4	1	1	3	3	0	0
Goa	2	1	1	1	1	0	0
UT	6	0	1	3	4	0	1
NE states	11	2	4	2	2	2	3
Total	543	138	185	145	221	59	78

Source: ECI, Media, BAS-ML

In 2004, NDA included BJP, Shiv Sena, BJD, Akali Dal, JD(U), TDP, MNF and AITC.

Similarly, UPA included Congress, DMK, MDMK, PMK, NCP, TRS, JMM, LJP, PDP and RPI.

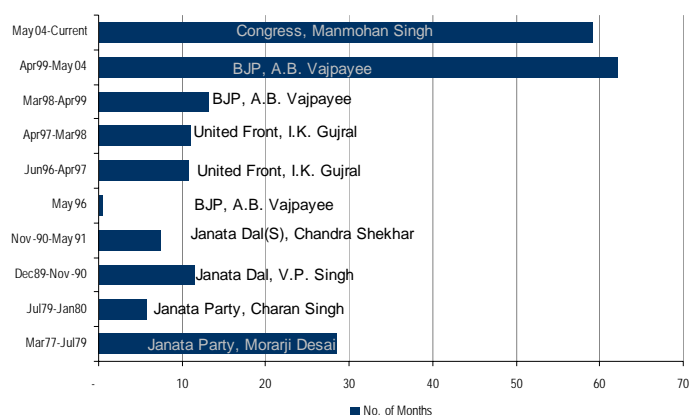
However in the upcoming elections allies for the two alliances may have changed.

India learns to live with coalitions

Since the 1989 elections, India has had a coalition Government or a minority Government. The 1991 Congress Government was a minority Government for a large part of its tenure.

The Vajpayee-led NDA Government that was formed in 1999 achieved a breakthrough by being the first coalition to last its full term. The Congress led UPA has similarly last its full term. India has now learnt to live with coalitions, something that we may continue seeing till the national parties get stronger.

Chart 2: Previous coalition governments – Last two completed their full term



Source: ECI, Media, BAS-ML

2004 general elections - a recap

NDA, after successfully completing its tenure was buoyant post the stunning success in the state elections in MP, Rajasthan and Chhattisgarh. It went for an early election and hoped to come back to power on the back of the "India Shining" campaign. BJP had tried to fight the elections on the "B S P – Bijali, Sadak, Pani" or on governance issues. However, in a surprise result BJP led NDA lost power to the Congress led UPA. BJP was widely seen as being rejected by the rural voters.

Table 12: 2004 general elections result

Congress & Allies	Seats	Opposition	Seats
Congress Party	145	Bharatiya Janata Party	138
Rashtriya Janata Dal (RJD)	24	Shiv Sena	12
Dravida Munnetra Kazagam	16	Biju Janata Dal	11
Nationalist Congress Party (NCP)	9	Shiromani Akali Dal	8
Pattali Makkal Katch (PMK)	6	Janata Dal (United)	7
Jharkhand Mukti Morcha	5	Telegu Desam Party	5
TRS	5	Mizo National Front	1
Lok Janasakti Party (LJP)	3	Others	3
MDMK	4	Total NDA	185
Others	3		
Total UPA	220	Others	
Outside Support		JD (S)	4
Samajwadi Party (SP)	36	Asom Gana Parishad	2
Bahujan Samaj Party	19	NC	2
Rashtriya Lok Dal	3	Others and Independents	13
Left Front			
Communist Party (M)	43		
Communist Party of India	10		
RSP	3		
All India Forward Block	3		
Total Outside Support	117		
Total UPA and outside support	337	Total	206
Total no. of seats	545		
Vacant	2		
Seats required for majority	272		

Source: ECI, Media

Table 13: Summary of 2004 general elections

Key	Seats contested	Seats won	% of Votes	% of votes in Seats contested
INC	400	145	26.5%	34.4%
BJP	364	138	22.2%	34.4%
CPI(M)	69	43	5.7%	42.3%
BSP	435	19	5.3%	6.7%
SP	237	36	4.3%	10.3%
TDP	33	5	3.0%	42.8%
RJD	42	24	2.4%	31.3%
JD(U)	73	8	2.4%	17.7%

Source: ECI, Media

Table 14: Summary of 1999 general elections

Key	Seats contested	Seats won	% of Votes	% of votes in Seats contested
INC	453	114	25.2%	34.0%
BJP	339	182	23.8%	39.5%
CPI(M)	72	33	5.4%	35.2%
BSP	225	14	4.2%	10.0%
SP	151	26	3.8%	14.2%
TDP	34	29	3.7%	50.0%
RJD	61	7	2.8%	25.0%
JD(U)	60	21	3.1%	28.0%

Source: ECI, Media

Post elections UPA led by Congress was able to form the government with outside support of Left parties and a few regional parties.

On the ground, Congress was able to forge a better pre-poll alliance than BJP and thus won more seats even though both BJP and Congress lost vote share. Elections were fought on local issues, which were not given enough importance by the BJP think-tank.

#4: The teams and their key players

Being a multi-party system India has many political parties. In the 2004 general elections there were six national parties, 42 state parties and over 180 other registered (unrecognized) parties. Till the 10th general elections, ie, 1991-92, Congress was the single dominant party. The past two decades have seen the emergence of BJP and regional parties in a big way. Currently, the Indian polity is gravitating toward three coalition groups. The UPA led by Congress is the incumbent coalition; while BJP led NDA was the principal opposition. In the past one year the emergence of a third front led by the Left parties represents a key development. Though loosely bound, the third front has a few important regional players in its fold.

Congress - the grand old party of India

Congress, being the oldest political party, practically ruled India on its own for close to five decades till 1996 – with the exception of two brief spells of opposition rule. However, 1996 ushered in an age of coalitions reducing the power of Congress. Both the BJP led NDA and Congress led UPA have completed their respective terms in the parliament successfully.

Table 15: History of India elections

	Party	Prime Minister
October, 1951-May 1964	Congress	Jawaharlal Nehru
June, 1964-January, 1966	Congress	Lal Bahadur Shastri
January, 1966-Feb, 1977	Congress	Indira Gandhi
March, 1977-July, 1979	Janata Dal	Morarji Desai
July, 1979-Dec, 1979	Janata Dal (secular)*	Charan Singh
January, 1980-October, 1984	Congress	Indira Gandhi
November, 1984-November, 1989	Congress	Rajiv Gandhi
December, 1989-November, 1990	Janata Dal	V.P.Singh
November, 1990-May, 1991	Janata Dal (Secular)*	Chandra Shekhar
June, 1991-May, 1996	Congress	P.V. Narsimha Rao
May, 1996	BJP	Atal Bihari Vajpayee
June, 1996-April, 1997	United Front*	Deve Gowda
April, 1997-March, 1998	United Front*	I.K. Gujral
Mar 98 to April 1999	BJP+ Allies	Atal Bihari Vajpayee
April 1999 to May 2004	BJP+ Allies	Atal Bihari Vajpayee
May 2004 to present	Congress+ Allies	Manmohan Singh

Source: Media *supported by Congress

Nehru-Gandhi family remains the key for the party

We believe Congress has always been a more efficient and focused party with a Nehru-Gandhi family member leading it. The current UPA chairman Sonia Gandhi (the widow of late PM Rajeev Gandhi) has been at the helm of Congress party since 1998. She has been largely credited with the up-swing in the fortunes of the party during the last general election and still remains the most powerful person in the party in our view. We believe the charisma of Sonia Gandhi stems from the dominant role played by the Nehru-Gandhi family ever since Jawaharlal Nehru became the first Prime Minister of the country till the assassination of Rajiv Gandhi in 1991 (the Gandhi family denotes Jawaharlal Nehru's daughter, Indira Gandhi and her sons and are no relations of Mahatma Gandhi). Sonia Gandhi further cemented her position by forgoing the post of PM in 2004, instead making an apolitical Manmohan Singh the PM.

2004 marked the entry of another Gandhi family member into active politics. Rahul Gandhi (Son of Rajiv Gandhi) became the member of 14th Lok Sabha from the Amethi seat.

Key leaders

Sonia Gandhi

She is the president of the Indian National Congress and wife of former Prime Minister Rajiv Gandhi. After Rajiv Gandhi's assassination, Sonia Gandhi had refused to take an active interest in politics. She finally took the plunge into active politics in the 1998 general elections and became the party president soon after. She was elected to the Lok Sabha in 1999 and was the leader of the opposition.

The 2004 general elections were the watershed year for her political fortunes. She was largely credited with the surprise victory of Congress and its allies. Then in a surprise move, taking the higher moral ground, she refused the PM post, which in effect took away the opposition's key agenda. She was chosen as the UPA chairman and that further cemented her position and strengthened her power.

She has also been credited with a few of the populist measures taken by the current government like the NREGS. Being from the Gandhi family, we believe Congress Party often looks to her to provide direction and leadership. She remains the most effective campaigner for the party.

Manmohan Singh

The incumbent PM, Manmohan Singh, is an ex-economist who has held various positions in the finance ministry. He was the finance minister when India opened its economy. He draws respect across political parties and has a clean image in our view.

During his tenure, Singh's administration has focused on providing debt-relief to poor farmers, extending social programs, reducing the fiscal deficit and advancing the pro-industry economic and tax policies that have launched the country on a major economic expansion course since 2002. We believe he was instrumental in the culmination of the Indo-US nuclear deal. He is expected to be the PM designate for the UPA. However, his government has been criticized for not carrying forward the momentum in economic reforms and being soft on terror.

Pranab Mukherjee

He is the current external affairs minister in the UPA government. A veteran Congress leader, Pranab Mukherjee has a parliamentary career of nearly four decades, having first become a Rajya Sabha (upper house) member for Congress Party in 1969. He became a Lok Sabha member for the first time in 2004. He is considered to be a prominent Gandhi family loyalist. He has played the role of a trouble-shooter for the Government.

P Chidambaram

He is the current home minister in the UPA government. He held the post of finance minister till November 2008. He was the finance minister in the 1996 United Front coalition. Economists acclaim his "dream-budget" for 1996-97, in which he brought discipline to government spending and launched an ambitious tax reform program to tackle an unwieldy fiscal deficit.

Rahul Gandhi

He is the son of Sonia Gandhi and the former PM Rajiv Gandhi. Rahul Gandhi joined active politics in 2004 when he contested successfully from Amethi. In the initial years he did not take up any office and concentrated more on his constituency. He started taking more responsibility by way of campaigning for the party in UP, Gujarat and Karnataka assembly elections.

Key UPA Allies

Rashtriya Janata Dal (RJD)

It is a key regional party in the state of Bihar. The party was founded in 1997 by Laloo Prasad Yadav. RJD ruled Bihar from 1997 to 2005. It did well in the previous general election by winning 24 seats. However, in the subsequent assembly elections the party was defeated by the NDA combination.

Laloo Prasad Yadav - president of RJD

He is the railway minister in the ruling UPA combination. He was also the chief minister of Bihar from 1990 to 1997 after which he was forced to resign following widespread criticism in the Fodder transaction. His wife ruled the state till 2005. He is famous for his charismatic leadership and mass appeal among the backward castes and religious minorities, and has been criticized for caste-based politics and the unclear cases against him. He is credited with engineering the financial turnaround of Indian Railways, which was on the verge of bankruptcy before his appointment to the office. He left passenger fares untouched and found several other profitable sources of revenue for the railways.

He is one of the most trusted allies of Congress and is strongly opposed to BJP. Although we believe he may not repeat his stellar performance of the 2004 general elections, he remains a potent force in the state. However, he is fighting elections separately from the Congress given their inability to come to a seat sharing pact.

Nationalist Congress Party (NCP)

NCP is a key regional party in Maharashtra. NCP was formed on 25 May 1999 by Sharad Pawar after he quit Congress party, disputing the right of Italian-born Sonia Gandhi to lead the party. NCP advertises itself as a progressive, secular party that stands for "democracy, Gandhian secularism, equity, social justice and federalism." It positions itself as a moderate, centrist alternative to BJP and Congress. However, it is in alliance with Congress party in the state.

Sharad Pawar - president of NCP

Sharad Pawar is a key politician from the state of Maharashtra. He has previously held the posts of Defence Minister of India and Chief Minister of Maharashtra and currently serves as Minister of Agriculture and Minister of Consumer Affairs, Food and Public Distribution, Government of India.

Even though NCP is part of UPA and is contesting the elections in alliance with Congress, Sharad Pawar appears to be keeping his cards close to his chest. We believe he could be wooed by other alliances post elections.

DMK

DMK is a dominant regional political party in the state of Tamil Nadu in India. It also has a presence in the nearby union territory of Pondicherry. Formed in 1949, it is one of the oldest Tamil parties. It came to power in the state way back in 1967 after defeating Congress. DMK has been firmly in favor of social upliftment for the backward classes, and has increased reservation up to 69% – the highest in the country.

M Karunanidhi - president of DMK

He is the present Chief Minister of Tamil Nadu. He has been the Chief Minister of Tamil Nadu five times. He led the UPA in Tamil Nadu to win all the 40 Lok Sabha seats in the 2004 Elections. Subsequently he also won the state assembly elections. However, it would likely be tough for him to repeat his previous performance.

BJP - beginner of coalition politics

India's history with coalitions has not been very successful. Till the previous BJP-led coalition Government came to power in 1999, no coalition had lasted for more than two-and-a-half years. The party has made coalition politics acceptable. From only two seats in the 1984 elections, BJP saw a sharp resurgence to the largest number of seats in 1996. However, in 2004 BJP unexpectedly failed to come back to power. Its "India-Shining" campaign completely failed.

Although it's a national party, BJP has almost no presence in South and East India. This is a major handicap for BJP, which is always in a weak position when finding alliance partners in these regions. It is designed to represent the country's majority community and Centre-right in nature.

Key leaders

Lal Krishna Advani

He is the Prime Ministerial candidate of the NDA for the forthcoming general elections. He has substantial influence on Indian politics and is often credited with the revival of BJP. In the NDA government from 1999-2004 he was the home minister and was later elevated to the post of Deputy PM. He is currently the leader of the opposition in the Lok Sabha.

Advani along with the former PM Atal Bihari Vajpayee were the two key founders of the party. Since Vajpayee's renunciation of active politics owing to bad health, Advani has emerged as the most prominent leader of BJP. In recent times he has toned down his "*hindutva*" stance to become more acceptable to allies.

Narendra Modi

He is the chief minister of the state of Gujarat. He participated in the rise to political dominance of BJP in Gujarat as its elections organizer in the early 1990s. He became Gujarat's CM in October 2001 and was re-elected in 2002 and 2007. He has been widely criticized for the 2002 Gujarat unrest and praised for outstanding administration for turning Gujarat into an economic powerhouse and controlling terrorism.

He is often credited for successfully putting the development plank onto the election agenda. He is known to run a corruption free administration and is a popular campaigner for the party.

Arun Jaitley

He is the key strategic planner of BJP and a prominent second generation leader of the party. He was a cabinet minister in the NDA government. He is credited for the recent success of BJP in state assembly elections.

Jaswant Singh

He served as the Minister for External Affairs of India in NDA government until July 2002. Responsible for foreign policy, he dealt with high tensions between India and Pakistan. In July 2002 he became Finance Minister.

Key NDA Allies

Janata Dal (U)

Janata Dal (United) is a political party in India with political presence mainly in Bihar. The current party was formed by the merger of the erstwhile Janata Dal (U) with Samata Party in 2003. The uniting force is believed to be common opposition to RJD in Bihar. JD(U) has been one of the most stable allies of BJP and is part of NDA. Currently JD(U) heads the government in Bihar. JD(U) along with BJP defeated the RJD-led UPA government in Bihar in November 2005.

Nitish Kumar

He is the Chief Minister of the state of Bihar. He was instrumental in leading NDA to victory in Bihar assembly elections ending the 15-year rule of Laloo Prasad Yadav. In the Vajpayee government he was the railway minister. He is considered to be a progressive chief minister and has a grasp of caste politics prevalent in Bihar.

Shiv Sena

Shiv Sena is a far-right political party in India, mainly present in Maharashtra. Gradually the party has moved from a pro-Marathi ideology, to supporting a broader Hindu nationalist agenda and has aligned itself with BJP. However, since the split in the party and emergence of MNS it is seen to focus back on the "Sons of the soil" issue.

Balasaheb/Udhav Thackeray

He is the founder and chief of Shiv Sena. He formed Shiv Sena with the intent of fighting for the rights of the natives of the state of Maharashtra. The BJP-Shiv Sena combination won the 1995 Maharashtra state assembly elections and came to power. It was Balasaheb who played a major role in forming policies and decisions from behind-the-scenes. Ailing health has prompted him to relinquish the day to day activities of the party to his son Udhav Thackeray.

Third Front and other important parties

The Left Front - CPI, CPI (M), AIFB, RSP

The left parties have their traditional base in two states – West Bengal and Kerala. They are generally opposed to the opening up of the economy and dis-investments. They provided the outside support to the UPA government though they opposed the government on all the major reform bills and brought the reform process to a stand still. They finally parted ways on the Indo-US nuclear deal. Subsequently they opposed the trust vote and launched the formation of the Third Front allied neither to Congress or BJP. They would probably be willing to support a Congress Government to keep BJP out of power.

Prakash Karat - CPI (M)

He has held the post of General Secretary of CPI (M) since 2005. He was instrumental in withdrawing the support of the Left Front from the UPA government on the Indo-US nuclear deal. Currently he is leading the effort to form the Third Front.

Biju Janata Dal (BJD)

The Biju Janata Dal is a regional party of the state of Orissa. BJD is one of the key regional parties to have changed its alliance. BJD had earlier participated in several ruling coalitions with BJP both at the Center and in Orissa. Recently, the party completed its tenth year in alliance with BJP, however, it has switched sides from the NDA and has tacitly given support to the Third Front led by the Left parties.

Navin Patnaik

Son of the former chief minister of Orissa – Biju Patnaik – he is the current CM of the state. In 1998 he formed the BJD in Orissa and was elected to the 12th Lok Sabha. Subsequently he became the Chief Minister of the state in 2000 with the support of BJP and has been ruling since. In the upcoming general elections he would be in the Third Front alliance.

AIADMK

AIADMK is a regional political party in Tamil Nadu. It was founded by MGR – a veteran star of the Tamil film industry and a popular politician – as a breakaway from DMK. Both AIADMK and DMK have a history of coming to power every alternate election. Currently it is part of the Third Front but could support the NDA or the UPA.

J. Jayalalithaa

She is a former CM and current leader of the opposition of the Government of Tamil Nadu. In the last general elections and the subsequent assembly elections her party performed very poorly. However, according to the opinion polls, on the anti-incumbency wave against DMK, she is expected to do well this time and would be one of the key leaders to watch out for.

TDP

TDP is a regional political party in India's Andhra Pradesh state. Similar to AIADMK, TDP was also founded by a former film star, N.T. Rama Rao, as an alternative to the ruling Congress Party in the state. It is one of the first parties to introduce populist measures like selling a kilogram of rice for Rs.2. TDP was a part of the NDA in previous elections. However, after performing poorly in the general elections it split off from the NDA and is part of the Third Front now.

Chandrababu Naidu

One of the most technology savvy politicians, he is the former CM of Andhra Pradesh. He is credited with bringing the IT boom to Andhra Pradesh. He lost power to Congress in the 2004 State elections. For the upcoming elections he has announced a major shift in policy toward Telangana and a greater focus on the rural areas. According to the opinion polls, he is expected to come back to power once more and would be a key leader to watch out for post-polls.

Bahujan Samaj Party (BSP)

BSP is a national political party in India with socialist leanings and was formed to represent the “*Dalits*” (oppressed sections of society). The party has a very strong base in Uttar Pradesh and has also made some inroads in other states like Delhi, Rajasthan, Madhya Pradesh and Haryana. BSP's emergence in the last few years has, to some extent, eaten more into Congress's vote bank rather than the BJP's. Belying all exit-polls, BSP stormed to power in the most populous state of Uttar Pradesh. BSP is currently not allied to any of the three formations; however, we believe it could join any of the alliances post poll.

Mayawati

Mayawati is the current CM of UP. Since the 2004 general elections she has seen her power increase tremendously when she led the BSP to win 206 seats out of 402. She has expressed her ambition to become PM and thus is keeping her cards concealed.

Samajwadi Party (SP)

SP is a political party mainly present in UP and marginally in adjoining states. It describes itself as a democratic socialist party. It bases its support largely on OBCs and Muslims. In the 2004 general elections SP exhibited stellar performance when it won 36 seats. However, it could not play any significant role at the center. Subsequently, it lost power to BSP in the 2007 assembly elections. It will be difficult for SP to repeat its performance of the 2004 elections this time around.

Mulayam Singh Yadav - President of SP

The three time former CM of the state of UP, Mulayam Singh has often donned the hat of a kingmaker in past elections. He supported the UPA government in the trust vote after the Left parties withdrew support. However, there is an ongoing tussle between Congress and SP on the seat sharing arrangements.

Figure 1: Uttar Pradesh



Source: Media

#5: Key states Uttar Pradesh (UP)

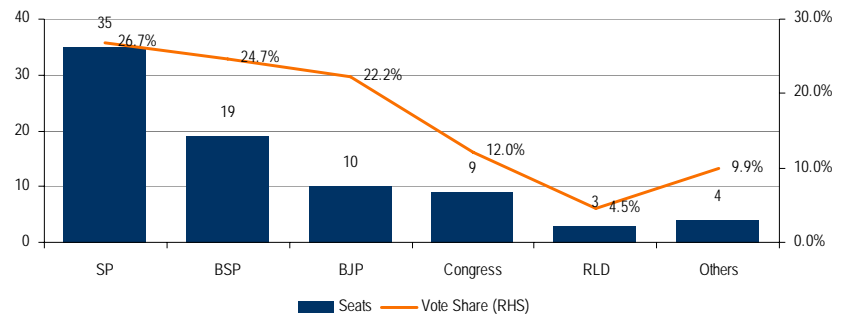
Total Lok Sabha (lower house of parliament) seats: 80

Date of polls: Phase-I (16 April 2009), Phase-II (23 April 2009), Phase-III (30 April 2009), Phase-IV (7 May 2009), Phase-V (13 May 2009)

Key Parties: BSP, SP, BJP, Congress, RLD

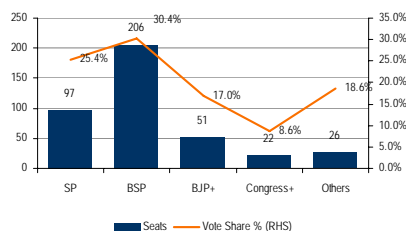
Uttar Pradesh is politically the most important state accounting for close to 15% of the total Lok Sabha seats. The politics in the state has often been driven by local and caste issues. In the last decade both the national parties (BJP and Congress) have been marginalized and SP and BSP have emerged as the key players. This has made both the regional players very important in national politics. Mayawati has already expressed her ambition to become Prime Minister with the left supporting her aim and the results in the state would determine that.

Chart 3: Previous Lok Sabha election – BSP expected to gain at the expense of others



Source: ECI, Media

Chart 4: UP assembly elections (2007)



Source: ECI, Media

Previous assembly elections (2007) - BSP clear winner

Belying all expectations, BSP swept the assembly elections by winning 206 seats out of 403 assembly seats and formed government on its own. This was based on the amalgamation of upper caste votes into the Dalit dominated party – known as “social engineering”. BSP is expected to continue to do well in the Lok Sabha polls at the expense of others and is expected to be a key player post results.

Ongoing alliance landscape - BSP, SP, BJP + RLD, Congress

Among the regional parties, RLD has embraced BJP. Seat sharing arrangements for SP and Congress failed to materialize, resulting in a parting of the ways for the two. For the time being BSP is going it alone with no pre-poll alliance; however it may opt for a post-poll partnership to have a go at forming the government at the center. While the BJP+RLD combination would do well to retain its previous tally, it is BSP that is expected to gain significantly at the expense of SP and Congress (as per the opinion polls). Congress being without an ally in the state would find it difficult to have a significant impact.

Figure 1: Maharashtra



Source: Media

Maharashtra

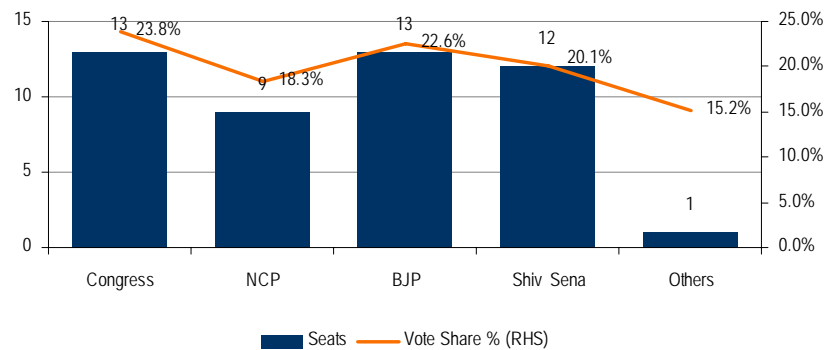
Total Lok Sabha (lower house of parliament) seats: 48

Date of polls: Phase-I (16 April 2009), Phase-II (23 April 2009), Phase-III (30 April 2009)

Key Parties: Congress, NCP, BJP, Shiv Sena

Maharashtra is one of the key states to watch out for in the next elections as even a slight swing of votes could change the fortunes of either the UPA or NDA coalitions. Both the camps have their hands full at the moment with UPA fighting anti incumbency and NDA having to manage the emergence of MNS – a breakaway faction of Shiv Sena.

Chart 5: Previous Lok Sabha election – MNS may spoil the party for NDA this time



Source: ECI, Media

Ongoing alliance landscape - Congress + NCP, Shiv Sena+ BJP

Traditionally Shiv Sena was a core partner of BJP in the state for the last two decades and NCP stitched together an alliance with Congress in the last elections. At the moment, there is a tussle going on in both the camps regarding seat sharing arrangements with regional parties asking for a bigger share from their respective senior alliance partners. We believe pre-poll alliances may not hold after the elections and NCP or Shiv Sena may break away to suit their interests. On the ground BJP + Shiv Sena appear to be the more stable of the two alliances in the state. For UPA to repeat its performance of the last elections, both Congress and NCP have to contest the elections together. However, the split in Shiv Sena and emergence of MNS could divide the vote for the Shiv Sena-BJP coalition, hurting its prospects.

Figure 2: Andhra Pradesh



Source: Media

Andhra Pradesh (AP)

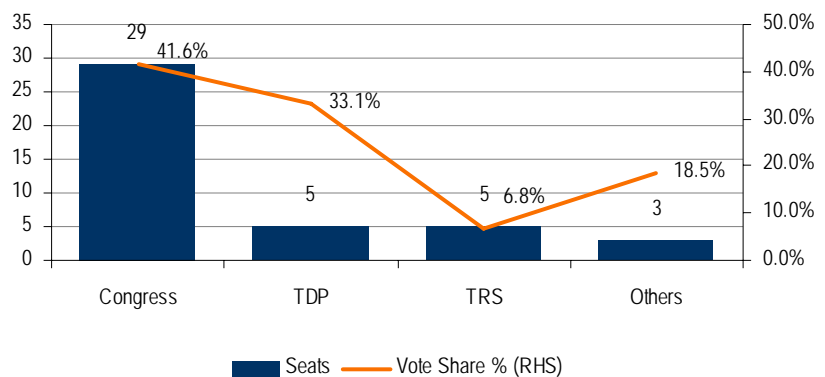
Total Lok Sabha (lower house of parliament) seats: 42

Date of polls: Phase-I (16 April 2009), Phase-II (23 April 2009)

Key Parties: Congress, TDP, TRS

In the last general elections, Congress in combination with TRS swept the state winning 34 of the 42 seats. However, since that Andhra politics has been in a state of constant uncertainty. BJP is trying to make inroads by supporting Telangana demand, thus taking a key election issue from TRS. Congress is facing strong anti-incumbency and opposition in Telangana region. On the other hand, TDP, which has left the NDA fold, is expected to do better than its previous showing.

Chart 6: Previous Lok Sabha election – Congress may not be able to repeat its performance



Source: ECI, Media

Ongoing alliance landscape - TDP & TRS in Third Front

Andhra Pradesh is one of the states where Congress – an unexpected winner in the last elections – may not be able to repeat its performance. It has been bogged down by anti-incumbency factors and constant corruption allegations. The recent Satyam/ Maytas case has further dented its image. As far as the regional parties are concerned, both TDP and TRS have currently joined the third front led by the left parties. However, we believe they can be wooed by either UPA or NDA post elections despite having an anti-Congress electoral platform. BJP, on the other hand, despite making inroads, would remain weak due to its lack of any regional ally.

Another key development in the state has been the emergence of Praja Rajyam Party (PRP) – a party floated by the local film superstar Chiranjeevi. PRP is expected to capture some of the vote share of the existing players (as per the opinion polls).

Figure 3: West Bengal



Source: Media

West Bengal

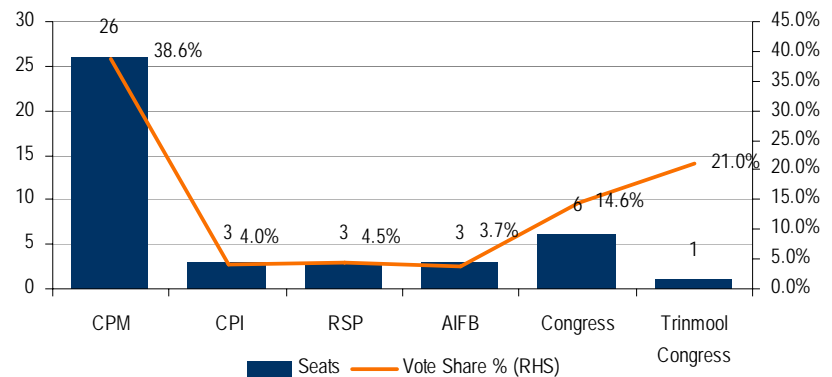
Total Lok Sabha (lower house of parliament) seats: 42

Date of polls: Phase-III (30 April 2009), Phase-IV (7 May 2009), Phase-V (13 May 2009)

Key Parties: Left (CPM, CPI, RSP, AIFB), Trinmool Congress, Congress

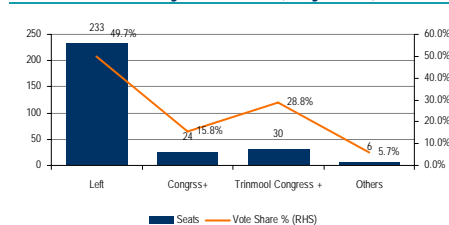
West Bengal has been the traditional bastion of Left parties where they haven't been dislodged in the last three decades. In the previous elections, Left parties swept the state winning 35 of the 42 seats. However, anti-incumbency factors and the violent protests in Nandigram/ Singur have dented the Left's prospects. Although the Left would likely continue to be in a position of strength, Trinmool Congress is expected to improve its tally over the last time at the Left's expense.

Chart 7: Previous Lok Sabha election – Left may not be able to repeat its performance



Source: ECI, Media

Chart 8: Assembly elections (May 2006)



Source: ECI, Media

Ongoing alliance landscape- Trinmool and Congress tie up to counter Left front

In the last decade All India Trinmool Congress (AITC) had a good vote share in the state. But due to the lack of a good partnership and constant change of allies this vote share did not translate into seats in the previous general elections as well as assembly elections. In the past 2-3 years AITC led headline grabbing anti-government farmer protests against the land acquisitions in Nandigram and Singur. This may have polarized voters in favor of AITC in some of the constituencies. An erstwhile NDA partner, Trinmool Congress has switched sides and joined the UPA camp. It is expected to do well, significantly improving its tally of one measly seat in the previous elections, thus reducing the power of the Left Front.

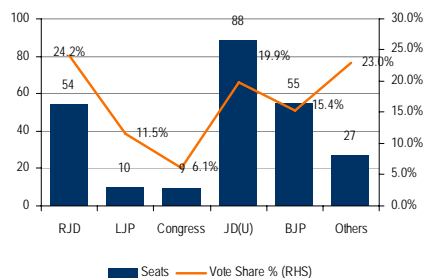
The break-up of BJP and AITC has left BJP without an ally in the state, thus further curtailing its already limited presence.

Figure 4: Bihar



Source: Media

Chart 10: Bihar assembly elections (Oct 2005)



Source: ECI, Media

Bihar

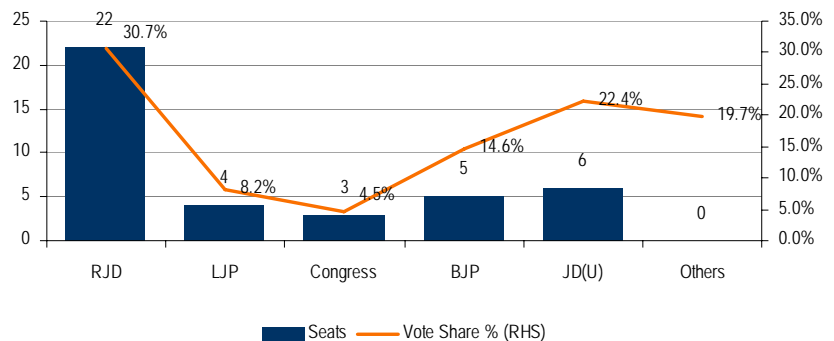
Total Lok Sabha (lower house of parliament) seats: 40

Date of polls: Phase-I (16 April 2009), Phase-II (23 April 2009), Phase-III (30 April 2009), Phase-IV (7 May 2009)

Key Parties: JD(U), BJP, RJD, LJP, Congress

One of the most populous states, historically Bihar has the most fragmented mandate in any elections. The voting pattern is divided across many caste lines and other local issues. A small swing in vote share has always had a magnified effect on the seats tally. In the previous elections the UPA camp contesting the elections together swept the state winning 29 of the 40 seats. However, very soon the JD(U)+BJP combination came back strongly in the assembly elections on the back of anti-incumbency factor against the ruling RJD coupled with the break-up in the UPA camp.

Chart 9: Previous Lok Sabha election – JD(U)+BJP combination is expected to do well



Source: ECI, Media

Ongoing alliance landscape- JD(U)+BJP, RJD+LJP, Congress

Forming the right alliances has always been a key in this state. This was evident from the previous assembly elections in which LJP and the CPI contested separately, eating into the UPA share. This enabled NDA to form the government led by Nitish Kumar of JD(U). He has continued with his positive image of good governance in the state and has a stable partnership with BJP as compared with the UPA camp. It is always a difficult task to predict a clear winner in the state as the good governance may not guarantee vote share because of caste-based politics.

The seat sharing pact between the UPA allies could not materialize and Congress is contesting the elections in the state on its own. This is a bad news for Congress and makes the contest three cornered. It is going to benefit the NDA constituents as the anti-NDA votes would be divided. However, both RJD and LJP would be part of the UPA post the polls.

Figure 5: Tamilnadu



Source: Media

Tamilnadu

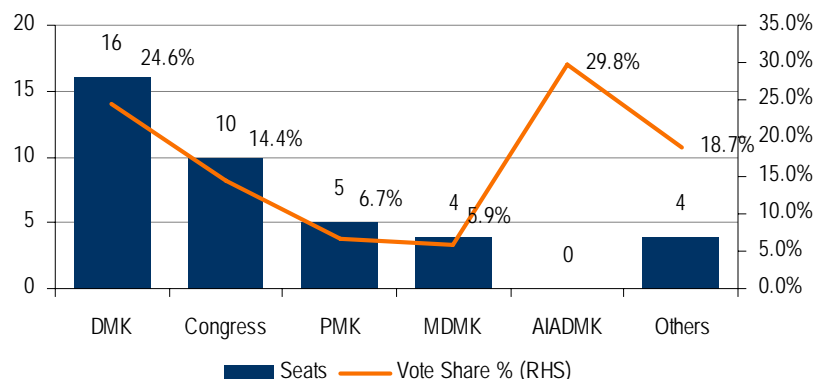
Total Lok Sabha (lower house of parliament) seats: 39

Date of polls: Phase-V (13 May 2009)

Key Parties: AIADMK, DMK, Congress, Left front

Tamilnadu is one of the key states where regional parties (mainly AIADMK and DMK) often dominate the politics. In the previous elections BJP tied up AIADMK and the combination was completely routed by the DMK + Congress + PMK + MDMK combination, winning 35 of the 39 seats. The state has a consistent history of alternating between DMK and AIADMK decisively. BJP on its own has a very weak presence in the state.

Chart 11: Previous Lok Sabha election – Difficult for UPA to repeat its performance again



Source: ECI, Media

Ongoing alliance landscape - Congress+ DMK, AIADMK with the Third Front

For the moment Congress and DMK are sticking together even though MDMK and Left parties have moved out of the DMK fold in the state. MDMK and the Left Front along with AIADMK have formed the Third Front. PMK, an ally of UPA, may be expected to snap ties with Congress to join AIADMK. With DMK chief minister M. Karunanidhi's poor health and an unpopular administration of UPA government in the state, we believe UPA would not be able to repeat its stellar performance of last time.

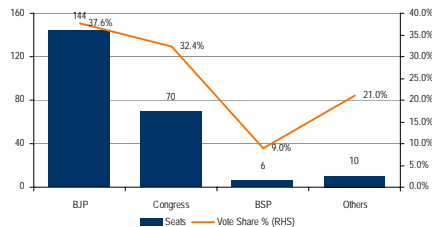
On the other hand, according to the opinion polls, the AIADMK led Third Front is expected to do well in the state. AIADMK has a history of switching alliances and it would be open to support either BJP or Congress post polls, based on its interests.

Figure 6: Madhya Pradesh



Source: Media

Chart 13: MP assembly elections (Dec 2008)



Source: ECI, Media

Madhya Pradesh (MP)

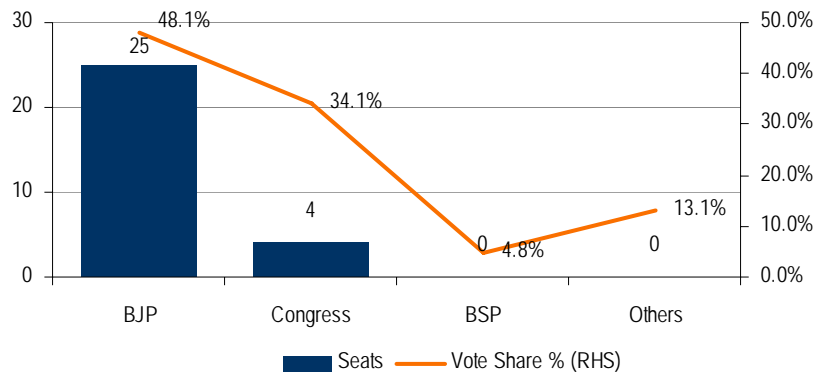
Total Lok Sabha (lower house of parliament) seats: 29

Date of polls: Phase-II (23 April 2009), Phase-III (30 April 2009)

Key Parties: BJP, Congress

Madhya Pradesh is the biggest state where BJP and Congress are pitted against each other directly. Unlike many of its neighbors, Madhya Pradesh largely has two dominant parties with small or regional parties not having had much success in recent elections. In the previous elections, BJP swept the state winning 25 of the 29 seats.

Chart 12: Previous Lok Sabha election – BJP will hope to repeat its dominance



Source: ECI, Media

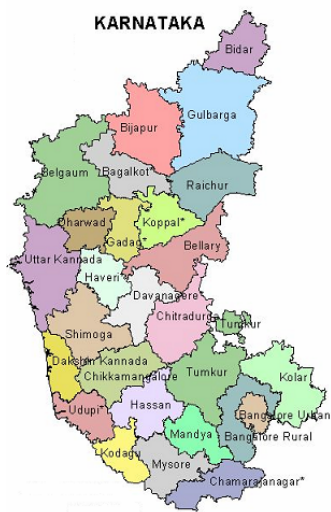
Previous assembly elections (Dec 2008) - BJP hits a home run

Led by Shivraj Singh, who has a clean image and has efficiently implemented a few pro-poor schemes, BJP was able to retain the state. But the margin of victory came down significantly vis-à-vis the last assembly election. It was also helped by the fact that Congress in the state had no cohesion and unlike BJP there was a lack of central leader to rally around. A rise in BSP's vote share also helped BJP.

Ongoing alliance landscape - BJP vs. Congress

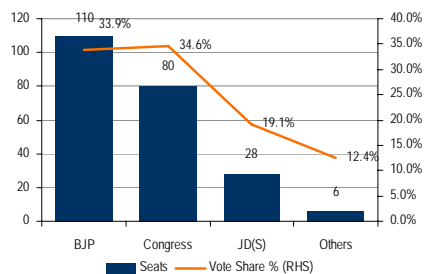
Madhya Pradesh has a history of bi-polar elections between Congress and BJP. Even though BSP and SP have been trying to make inroads in the state, they are still marginal players. Shivraj Singh Chouhan, the BJP Chief Minister, buoyed by his win in the recently concluded assembly elections, has continued to make good progress on governance and people issues. BJP is expected to hold its dominance in the upcoming general elections.

Figure 7: Karnataka



Source: ECI, Media

Chart 15: Assembly elections (May 2008)



Source: ECI, Media

Karnataka

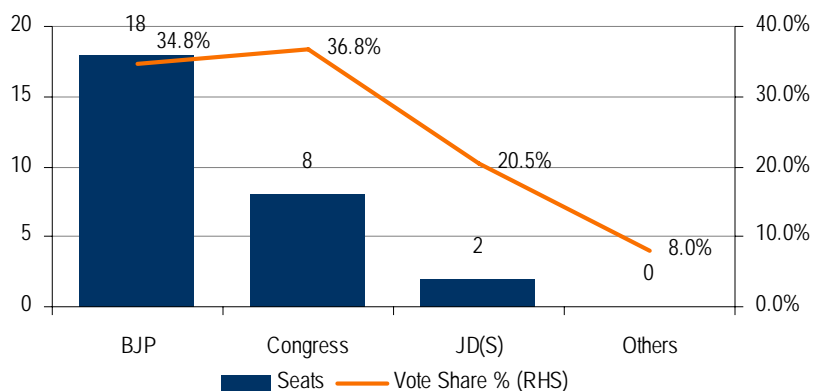
Total Lok Sabha (lower house of parliament) seats: 28

Date of polls: Phase-II (23 April 2009), Phase-III (30 April 2009)

Key Parties: BJP, Congress, JD(S)

Karnataka is the only state in South India where BJP has a significant presence and is in power. It continued its performance in the recently concluded assembly elections and formed the government on its own for the first time in a South Indian state. Previously BJP was considered to be an urban party but now it has become more accepted by the masses.

Chart 14: Previous Lok Sabha election – Toss up between BJP and Congress



Source: ECI, Media

Previous Assembly Elections (May 2008) - BJP manages to win

After decades of waiting, BJP scripted history as it dramatically won top honors in the Karnataka election to rule a state in South India on its own strength for the first time. The election was the first in India to vote after electoral constituencies had been redrawn based on new population data. BJP was able to carve out victory with a slim margin on the back of rising inflation, drumming up the sense of betrayal and the terror plank.

Ongoing alliance landscape - three way fight between BJP, Congress, and JD(S) led Third Front

Apart from the three major parties, the other parties have very little presence. Since winning the elections BJP has been embroiled in myriad small controversies. The recent communal violence and pub attacks may put a spanner in the works in its plan to sweep the state. However, such incidents, though negative in nature, also tend to polarize the electorate. Its main opposition Congress and H.D. Deve Gowda led JD(S) are expected put up stiff opposition, though Congress would be concerned that JD(S) may eat into its anti-BJP vote bank.

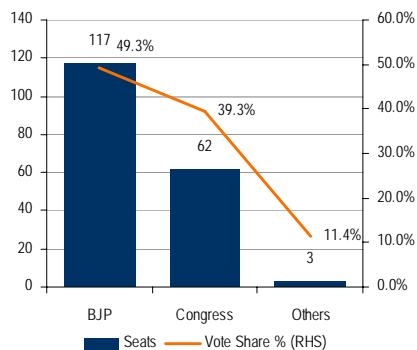
Gujarat

Figure 8: Gujarat



Source: Media

Chart 17: Gujarat assembly elections (Dec 2007)



Source: ECI, Media

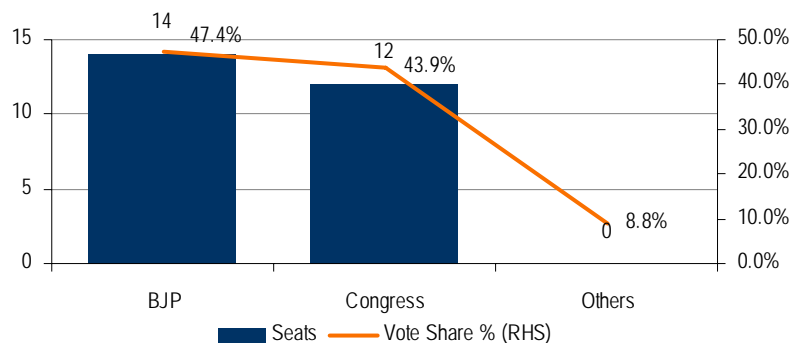
Total Lok Sabha (lower house of parliament) seats: 26

Date of polls: Phase-III (30 April 2009)

Key Parties: BJP, Congress

Gujarat is another state where BJP and Congress are pitted against each other. Development and governance as key electoral planks represents one of the positives that has emerged in the past couple of elections. The last general election in the state was evenly poised with BJP winning 14 of the 26 seats. However, BJP was able to improve its vote share in the 2007 assembly elections and was able to retain the state.

Chart 16: Previous Lok Sabha election – BJP expected to improve its tally



Source: ECI, Media

Previous assembly elections (Dec 2007) - BJP wins comfortably

Narendra Modi of BJP withstood anti-incumbency and rebels from his party to score a near two-third majority in the Gujarat assembly elections. While exit polls had given BJP an edge, no one had predicted the huge scale of the BJP win. The win also likely ensured that there is no more unrest in the BJP state unit.

Ongoing alliance landscape - BJP vs. Congress

Gujarat was split between Congress and BJP during the last elections due to internal problems in the BJP state unit. BJP's thumping win in the assembly elections has sorted out all the internal problems. The positive image of BJP CM Narendra Modi on the back of good governance and development focus would further help the BJP. According to the opinion polls, the BJP is expected to improve its tally at the expense of Congress.

Figure 9: Rajasthan



Source: Media

Rajasthan

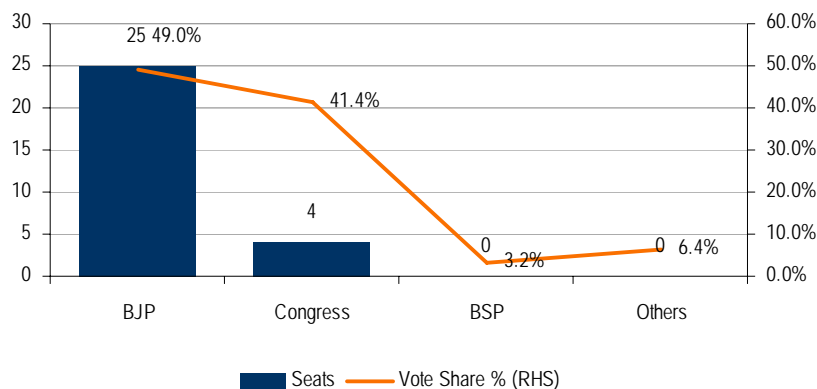
Total Lok Sabha (lower house of parliament) seats: 25

Date of polls: Phase-IV (7 May 2009)

Key Parties: BJP, Congress

Rajasthan has been a state where both BJP and Congress are pitched directly against each other with very little influence of regional or state parties. In the previous elections BJP had swept the state winning 21 of the 25 seats. However, in the recently concluded assembly elections power shifted back to Congress and BJP was dislodged from the state.

Chart 18: Previous Lok Sabha election – Congress expected to improve its tally significantly



Source: ECI, Media

Previous assembly elections (Dec 2008) - Congress takes back the state

On the lines of the Gujarat assembly elections, BJP started the campaign for the polls on development issues; however caste-based politics played an important role. BJP was not able to overcome the setback of Gujar agitation. The internal schisms in the party among the senior leaders did not help its cause. Finally, the anti-incumbency factors and the not so popular chief minister cost BJP heavily.

Ongoing alliance landscape - BJP vs. Congress again

Not much has changed in the state since the assembly elections in terms of its political landscape. BJP is in relative disarray since its defeat in the assembly elections. Congress buoyed by the assembly election wins would expect to significantly improve its tally.

Other important states

Orissa: Three way contest - BJD led Third Front vs. Congress vs. BJP

Orissa sends 21 MPs to the Lok Sabha. It is one of states where the BJD + BJP combination had managed to win in the assembly elections three times in a row. The combination led by Navin Patnaik's BJD had swept the state in the previous general elections winning 18 seats. BJD has an image of providing clean and stable administration. However, in the upcoming elections BJD has decided to go with the Left parties led Third Front leaving BJP without an ally in the state. It's a blow to the NDA which has not only lost a key ally but also a large state where it had dominated for a long time.

Kerala - Left Front vs. Congress

Kerala is another traditional left bastion with 20 seats. In the previous general elections the Left Front did well to win 15 of the 20 seats. Although Congress had an impressive vote share of 32%, it did not manage to win a single seat. BJP has a limited presence in the state.

Jharkhand - BJP+JD(U) vs. RJD+ Congress+ JMM

An erstwhile part of Bihar, Jharkhand sends 14 MPs to the Lok Sabha. NDA was routed in the previous general elections, managing to win just one seat. However, in the subsequent assembly elections held in February 2005 BJP emerged as the single largest party winning 30 out of the 81 seats. The state has suffered constant political instability since. Currently there is a president's rule in the state. On the whole BJP is expected to bounce back from its tally of only one seat.

Assam - BJP + AGP vs. Congress

Another Congress stronghold in the last elections, Assam sends 14 MPs to the Lok Sabha. Congress had won nine of the 14 seats with BJP and AGP managing to win just two each. This time, however, BJP and AGP have a pre-poll alliance. This coupled with the anti-incumbency against the ruling Congress would help the BJP+AGP to gain significantly at the expense of Congress.

#6: Election process

Indian elections - a gigantic task

India is a constitutional democracy with a parliamentary system of government. Free and fair elections determine the composition of the government, the membership of the two houses of parliament, the state and union territory legislative assemblies, and the Presidency and vice-presidency.

Indian elections are events involving political mobilization and organizational complexity on a massive scale. For example, in the 2004 election to the lower house of the Parliament (Lok Sabha) there were 1,351 candidates from six National parties, 801 candidates from 42 State parties, 898 candidates from other officially registered parties and 2,385 independent candidates. A total of 389mn people voted out of an electorate size of 670mn.

Composition of the Indian parliament

The Parliament of India consists of the President, the Lok Sabha (House of the People, also called the 'Lower House') and the Rajya Sabha (Council of States, also called the 'Upper House'). The President is the head of state, though this is largely symbolic, as the main authority rests with the Prime Minister.

Although the government is headed by the Prime Minister, the Cabinet is the central decision making body. Members of more than one party can make up a government, and although the governing parties may be a minority in the Lok Sabha, they can only govern as long as they have the confidence of a majority of MPs, the members of the Lok Sabha. Elections for the Lok Sabha take place every five years, unless called earlier. The President can dissolve the Lok Sabha and call for a general election before five years is up, if the government no longer commands the confidence of the Lok Sabha, and if there is no alternative government available to take over. When the five-year limit is up, or the legislature has been dissolved and new elections have been called, the Election Commission puts into effect the machinery for holding an election. The constitution states that there can be no longer than six months between the last session of the dissolved Lok Sabha and the recalling of the new House, so elections have to be concluded before then.

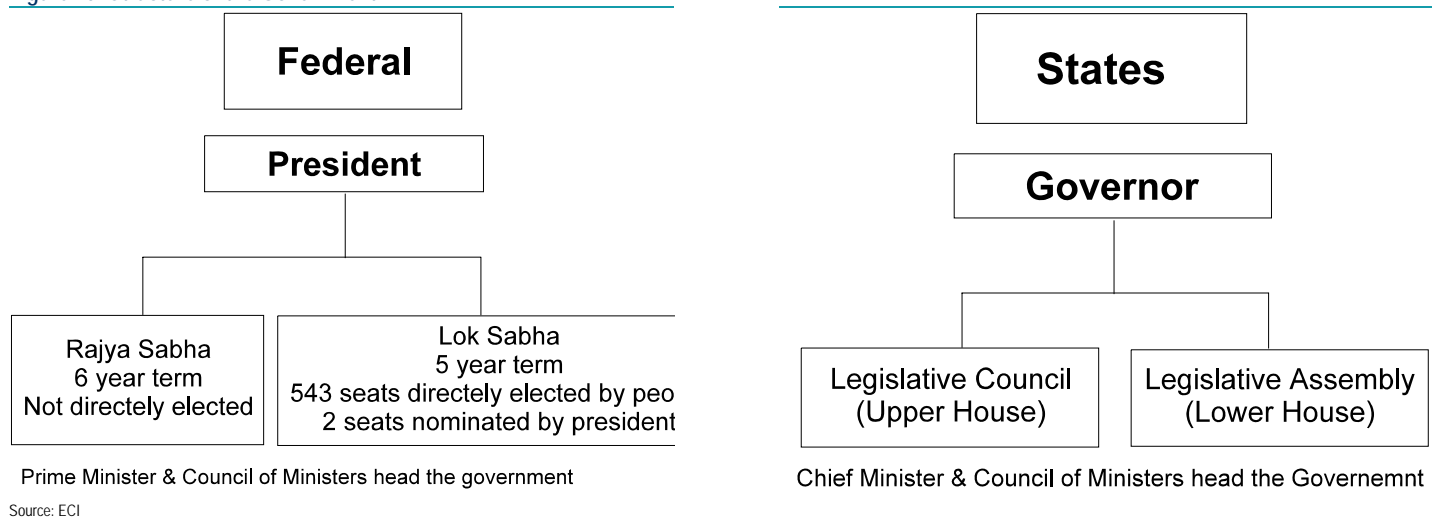
The country has been divided into 543 Parliamentary Constituencies, each of which returns one MP to the Lok Sabha. The size of the parliamentary constituencies are determined by an independent Delimitation Commission, which aims to create constituencies which have roughly the same population, subject to geographical considerations and the boundaries of the states and administrative areas. Two additional members to the Lok Sabha are nominated by the President to represent the Anglo-Indian community.

Rajya Sabha members indirectly elected: Members of the Rajya Sabha are indirectly elected by the people. Rather than being elected by citizens at large, they are elected by each state Vidhan Sabha (State Assemblies). At present, there are 233 members of the Rajya Sabha elected by the Vidhan Sabhas, and also 12 nominated by the President as representatives of literature, science, art and social services. Rajya Sabha members can serve for six years, and elections are staggered, with one third of the assembly being elected every two years.

State assemblies

The Constitution gives the states and union territories significant control over their own government. The Vidhan Sabhas (legislative assemblies) are directly elected bodies set up to carry out the administration of the government in the 28 states of India. In some states, there is a bicameral organization of legislatures, with both an upper and Lower House. Elections to the Vidhan Sabhas are carried out in the same manner as for the Lok Sabha election, and they are held every five years unless called earlier. The largest Vidhan Sabha is for Uttar Pradesh, with 402 members; the smallest Pondicherry, with 30 members.

Figure 10: Structure of the Government



President and Vice-President

The President is elected by the elected members of the Vidhan Sabhas, Lok Sabha, and Rajya Sabha, and serves for a period of five years (although they can stand for re-election). A formula is used to allocate votes so there is a balance between the population of each state and the number of votes assembly members from a state can cast, and to give an equal balance between state and national assembly Parliament members. The Vice President is elected by a direct vote of all members elected and nominated, of the Lok Sabha and the Rajya Sabha.

Independent Election Commission

An independent Election Commission has been established under the Constitution in order to carry out and regulate the holding of elections in India. It is responsible for the conduct of elections to parliament and state legislatures and to the offices of the President and Vice-President. Originally a Chief Election Commissioner ran the commission, but first in 1989 and later again in 1993 two additional Election Commissioners were appointed. At present, there are two Election Commissioners appointed by the President.

Who can stand for Election?

Any Indian citizen who is registered as a voter and is over 25 years of age is allowed to contest elections to the Lok Sabha or State Legislative Assemblies. For the Rajya Sabha the minimum age is 30 years. Candidates for the Rajya Sabha and Vidhan Sabha should be a resident of the same state as the constituency from which they wish to contest.

Who can vote?

The Indian Constitution sets the eligibility of an individual for voting. Any person who is a citizen of India and above 18 years of age is eligible to enroll as a voter in the electoral rolls. It is the responsibility of the eligible voters to enroll their names. Normally, voter registrations are allowed at the latest one week prior to the last date for the nomination of candidates. Earlier, the age for registration of a voter was 21 years. However it was brought down to 18 years in 1989.

What has changed?

Electronic voting - making the election process transparent

Electronic voting was first used on an experimental basis in the assembly elections held in 1998. During the last general elections held in 2004 and in subsequent state assembly elections, EVMs (Electronic Voting Machines) were used throughout the country. EVMs increase the transparency by eliminating electoral malpractices. Secondly, counting is very quick and the result can be declared within two to three hours in comparison with 30-40 hours (on average) under the conventional system. Thirdly, there are no invalid votes under the system of voting under EVMs. The importance of this will be better appreciated, if it is recalled that in every General Election the number of invalid votes was sometimes more than the winning margin between the winning candidate and the second candidate in a number of constituencies. To this extent, the choice of the electorate will be more accurately reflected when EVMs are used.

Delimitation - no clear winner

According to the Indian Constitution, the Parliament by law enacts a Delimitation Act after every census. After the Act comes into force, the Central Government constitutes a Delimitation Commission.

This Delimitation Commission demarcates the boundaries of the Parliamentary Constituencies as per provisions of the Delimitation Act. The present delimitation of constituencies has been done on the basis of 2001 census figures under the provisions of Delimitation Act, 2002. Notwithstanding the above, the Constitution of India was specifically amended in 2002 not to have delimitation of constituencies till the first census after 2026. Thus, the present Constituencies carved out on the basis of 2001 census will continue to be in operation till the first census after 2026.

This delimitation has created new constituencies while some of the older constituencies are no longer there. The rework of boundaries based on the 2001 census would increase the reserved (for SC/ST) seats and the urban seats. This will also realign the social/religious demographics of a few of the constituencies. However, quantifying the impact of delimitation on the parties is not easy as all the major parties have been impacted in both a positive and a negative manner.

Appendix

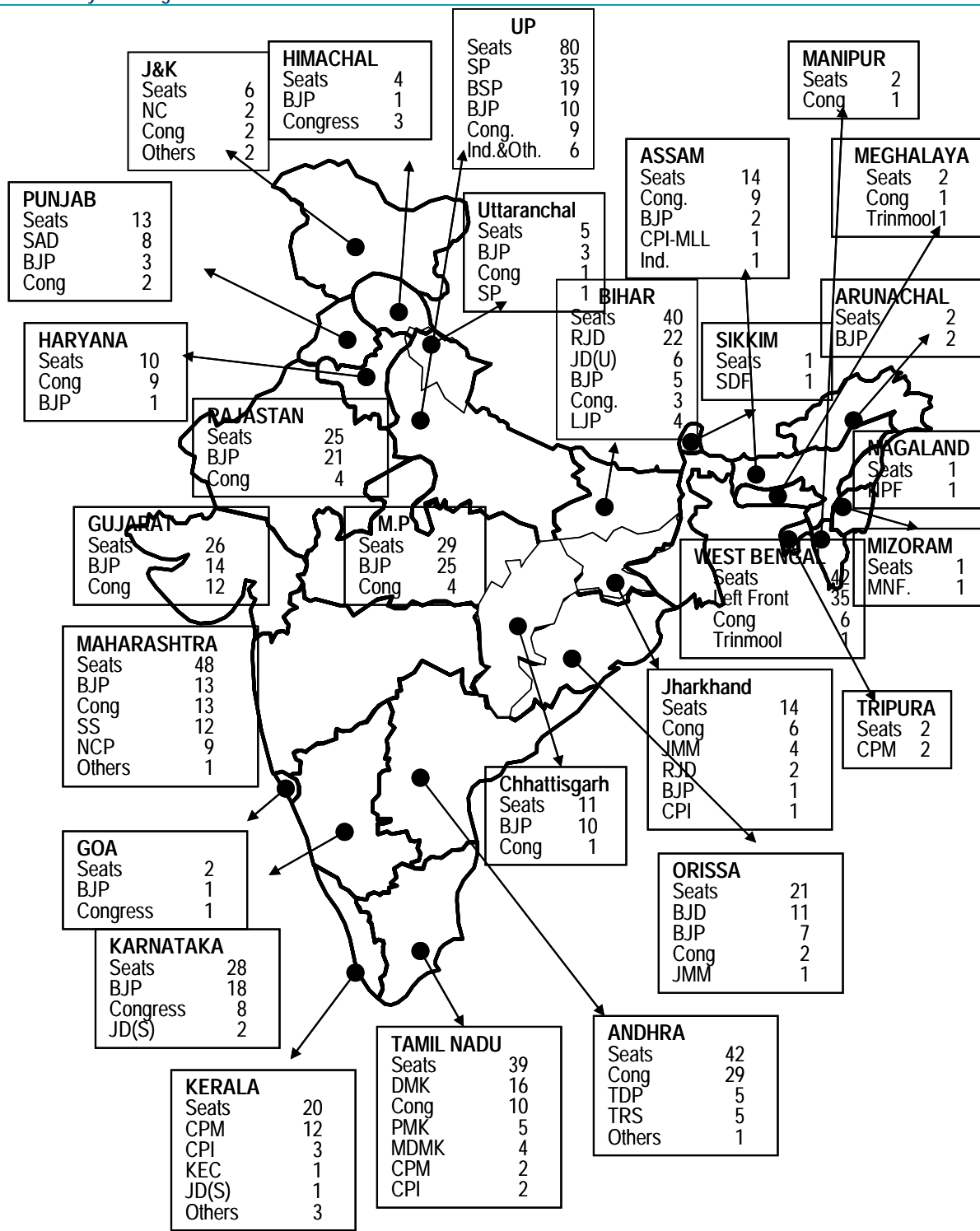
I) List of Political parties

Table 16: Major political parties in India

S.No.	Parties	Full Name	Key Leader(s)
National Parties			
1	BJP	Bharatiya Janata Party	L.K. Advani, Narendra Modi
2	BSP	Bahujan Samaj Party	Mayawati
3	CPI	Communist Party of India	A.B. Bardhan
4	CPM	Communist Party of India (Marxist)	Prakash Karat
5	INC	Indian National Congress	Sonia Gandhi, Manmohan Singh
6	NCP	Nationalist Congress Party	Sharad Pawar
Key Regional Parties			
1	AIADMK	All India Anna Dravida Munnetra Kazhagam	J. Jayalalithaa
2	AGP	Asom Gana Parishad	Prafulla Mahanta
3	AIFB	All India Forward Bloc	D.D. Shastri
4	AITC	All India Trinamool Congress	Mamta Banarjee
5	BJD	Biju Janata Dal	Navin Patnaik
6	DMK	Dravida Munnetra Kazhagam	K Karunanidhi
7	INLD	Indian National Lok Dal	Om Prakash Chautala
8	JD(S)	Janata Dal (Secular)	H.D. Deve Gowda
9	JD(U)	Janata Dal (United)	Nitish Kumar
10	JKNC	Jammu & Kashmir National Conference	Omar Abdullah
11	JMM	Jharkhand Mukti Morcha	Shibu Soren
12	MDMK	Marumalarchi Dravida Munnetra Kazhagam	Vaiko
13	MNS	Maharashtra Navnirman Sena	Raj Thackeray
14	PMK	Pattali Makkal Katchi	K. Mani
15	RJD	Rashtriya Janata Dal	Laloo Prasad Yadav
16	RLD	Rashtriya Lok Dal	Ajit Singh
17	SAD	Shiromani Akali Dal	Prakash Singh Badal
18	SHS	Shivsena	Bal Thackeray
19	SP	Samajwadi Party	Mulayam Singh Yadav
20	TDP	Telugu Desam	N. Chandrababu Naidu

Source: ECI, Media

Chart 19: State wise tally in 2004 general elections



2004 Elections

Analyst Certification

I, Jyotivardhan Jaipuria, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster*
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

* Ratings dispersions may vary from time to time where BAS-ML Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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