

Topic: Passing or enactment of budget in India:

In India, the Parliament maintains its absolute control over budget. Art. 265 of the Constitution states, “no tax can be levied and no expenditure incurred, without prior approval of the Parliament”. This obviously means that the Government has no power to spend a single penny without the authority of the Parliament.

(1) Introduction to the Parliament: It has already been mentioned that in India, we had plural budget before 2017 as railway and general budget. But this 92 years old legacy has been repealed by the Union Government by amalgamating railway and general budget from 2017. Again, breaking the legacy, the Union Finance Minister Sri Arun Jaitly presented the budget on 1st February, 2017, instead of last working day of February.

The budget is piloted by the Finance Minister on behalf of the President in the Lok Sabha with a speech by the Finance Minister called the budget speech. His budget speech gives a broad outline of the budget and unfold the fiscal and economic policy of the government for the next year. The copies are circulated among the members for their reference. After having read the budget speech, the Finance Minister introduces the Finance Bill.

The budget is also laid before the Rajya Sabha for general discussion.

(2) General discussion: According to Rules of Conduct of Business of Parliament, “no discussion of the budget shall take place on the day on which it is presented to Parliament”. Therefore, Speaker fixes the days for general discussion of budget. Such a date is generally fixed one week after the presentation of budget and about three to four days are allotted for the purpose. At this stage the members may discuss general principles or policy underlying the budget. Various charged expenditures are subjected to discussion. On this occasion, the opposition parties or members may criticize the economic policies of Government. It may be mentioned here that the general discussion on the budget takes place in both the Houses of Parliament simultaneously. The Finance minister makes a general reply at the end of the discussion.

(3) Voting on demands: After the general discussion on the budget is over, the demands for grants are taken up which is the sole business of Lok Sabha. The Speaker fixes a time limit for particular demand or group of demands and for the entire expenditure part of the budget. As soon as the time for any demand is reached, it is immediately put to vote whether the discussion on it is complete or not. It is an opportunity for the opposition to criticize the Government and the Minister concerned have to defend administration against all criticism levelled by opposition. If any of the demand is rejected or reduced by the House, it is considered as the defeat of entire Ministry. It may be mentioned here that the House can only reject or reduce a demand but has no power to increase. On the last day allotted for the voting of demands, the Speaker puts all the outstanding demands to vote and dispose them whether they have been discussed or not. In this way, as soon as the demand is voted it becomes a grant.

(4) Introduction of Appropriation Bill: Article 144(I) of the Constitution provides that after the voting of the grant by the Lok Sabha, a bill to provide for the appropriation of the Consolidated Fund of India shall be introduced. The bill is presented in the Lok Sabha and has to pass through and follow all the stages before being approved by the House. After being passed by the Lok Sabha, it is certified by the Speaker as money bill and sent to the Rajya Sabha.

(5) Procedure in the Rajya Sabha: The Rajya Sabha has no power to amend or reject a money bill. It can pass it or return it to the Lok Sabha within 14 days with or without recommendation. Regarding money bill, the Lok Sabha is not bound to accept the recommendation or even it may reject them. Here, the Rajya Sabha can only delay the passing of the bill by 14 days and remain silent. But after expiry of that period, the bill will be deemed to have been passed by the Rajya Sabha. In that case the Rajya Sabha possesses limited powers.

(7) Passage of the Finance Bill: The Appropriation Act authorizes the government to appropriate money from the Consolidated Fund of India, provisions being made for collecting the required money by way of taxation. For this reason a finance bill is placed in the Lok Sabha. The Bill contains the taxation and revenue proposal for the ensuing financial year. The finance bill follows the same procedure as is followed for passing of a money bill. Thus, with the passing of the appropriation bill and the money bill, virtually the enactment of the budget is complete.

(6) President's assent: As soon as the budgetary procedure is complete in the Parliament, it is sent to the President for his assent. The President has no authority to send or reject the money bill passed by the Parliament. After getting his approval, the money bill becomes an Act.

Thus, passing budget by the Parliament is a cumbersome and time-bound exercise. The Lok Sabha plays a dominant role in passing the budget in comparison to the Rajya Sabha. Even after passing it, the Parliament maintains its control over budget.

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