THE HINDU LIVE

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Humanities

AAS

UPSC

Udaay Batch

11th | 12th

499/-

Bridge Course

11th

UPSC

PW Foundation

9th | 10th

@HISTORYBYAASIMSIR

pdf

India's marginalised Parliament in budgetary affairs

The Budget is more than just a financial statement, as it reflects a nation's priorities, economic vision and governance philosophy. Across democracies, parliaments exercise the power of the purse, which is critical in shaping national budgets, ensuring fiscal discipline, and promoting transparency. However, in India, parliamentary influence over the Budget remains minimal. The executive-driven process side lines legislators, leaving them with little opportunity to effectively shape or scrutinise financial policies. Parliament must evolve from being a mere approver of the government's financial proposals to actively shaping economic policy. This requires critical institutional reforms, including pre-Budget discussions and establishing a Parliamentary Budget Office (PBO).

Vinod Bhanu

is the Executive Director of the Centre for Legislative Research and Advocacy (CLRA), New Delhi

The Budget, a pillar of democracy

Budgeting is a fundamental democratic exercise that allocates public resources and defines the government's social and economic priorities. Historically, the power of the purse has been hard-won, with legislatures across the world asserting their right to oversee public finance. From the British Parliament's financial control in the 19th century to the fiscal policies of modern democracies, legislative scrutiny has been essential in preventing executive overreach.

Globally, the degree of legislative influence over budgets varies. Some parliaments actively draft and modify budget proposals, while others act as rubber stamps. Certain legislatures hold in-depth committee discussions on budgetary allocations, whereas others rely on centralised finance committees. However, one common thread remains – Budget transparency and parliamentary engagement correlate with better social outcomes and economic stability.

Parliament's role in Budget formulation and scrutiny in India is mainly ceremonial. The Finance Ministry single-handedly crafts the Budget, keeping even Cabinet Ministers uninformed until its presentation in the Lok Sabha. Unlike other legislative Bills, the Budget proposal is not subjected to thorough cabinet discussions before being introduced in Parliament. The executive monopoly over financial planning results in fragmented debates and limited oversight, weakening the core tenets of representative democracy.

The existing budgetary process diminishes the role of elected representatives, undermining democratic accountability

Moreover, the Rajya Sabha, despite its democratic credentials, has no substantive role in Budget discussions. Ironically, while India permits a Finance Minister to be a Rajya Sabha member, they lack the ability to vote on their (own) Budget proposals in the Lok Sabha. This absence of budgetary bicameralism contrasts sharply with the British House of Lords, which wields some influence over financial legislation despite being an unelected body.

The decline of parliamentary authority over budgetary matters is evident in the poor quality and brevity of debates and the ineffective scrutiny by subject committees. Parliamentarians lack the power to amend or significantly influence budget proposals, effectively reducing their role to passive approval. This status quo is neither democratic nor conducive to accountability.

Pre-Budget discussions

Two key reforms must be implemented for Parliament to reclaim its rightful role in Budget-making: introducing pre-budget discussions and creating a Parliamentary Budget Office.

Parliament should institutionalise pre-Budget discussions during the monsoon session to ensure meaningful engagement in the Budget process. A dedicated five to seven-day discussion period would allow legislators to assess the nation's fiscal health, outline Budget priorities, and present a broad economic framework for the government's consideration. Such discussions would also encourage better coordination among subject committees, enhancing their ability to provide informed input.

Pre-Budget debates would democratise the Budget-making process, allowing elected representatives to voice public concerns, suggest equitable resource allocation, and engage in policy deliberations. More importantly, they would facilitate greater public involvement, fostering transparency and trust in financial governance.

Scepticism about active legislative involvement in budgeting often stems from concerns over fiscal discipline. Some economists argue that empowering legislatures may lead to populist spending and weakened financial prudence. However, placing unchecked faith in the executive to act in the public interest is naive. Regardless of ideology, no government has ever voluntarily ensured economic justice without oversight. A balanced approach, where the executive retains financial discretion but remains answerable to Parliament, is the hallmark of a healthy democracy.

A crucial aspect of Budget reform is in strengthening Parliament's analytical and research capabilities. India lacks an institutional mechanism that provides legislators with independent and non-partisan Budget analysis. Establishing a Parliamentary Budget Office (PBO) would bridge this gap as there would be data-driven insights and expert economic forecasts. Modelled on institutions such as the U.S. Congressional Budget Office and similar bodies in Australia, Canada and the United Kingdom, a well-structured PBO in India would play a vital role in analysing government spending, revenue projections, and fiscal policies. It would conduct independent economic forecasts, assess the fiscal impact of proposed policies, and evaluate medium-term and long-term budgetary trends.

Additionally, the PBO would offer policy briefs to parliamentarians, enhancing informed decision-making. Rather than encroaching upon the executive's role, it would complement it by ensuring legislative scrutiny is backed by objective research. Such an institution would significantly enhance Parliament's capacity to hold the government accountable and foster evidence-based policy discussions.

Reclaiming parliamentary authority

The current budgetary process diminishes the role of elected representatives, undermining democratic accountability. By integrating pre-Budget discussions and establishing a PBO, Parliament can transition from being a passive recipient of financial proposals to an active budget-influencing institution.

These reforms are procedural adjustments and fundamental steps towards strengthening representative democracy. They would ensure public finance decisions reflect collective deliberation rather than executive fiat. A robust parliamentary engagement in budgeting would ultimately lead to more equitable economic policies, greater transparency, and a financial governance framework that genuinely serves the people's interests.

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Countries *

Suggestion →

1

2

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The word "Budget" is mentioned under which article of the Indian Constitution?

A. Art 110 → MONEY BILL
B. Art 111
C. Art 112 → 'Annual Financial Statement'
D. None

ART 114
ART 116
ART 113

Charting a route for IORA under India's chairship

The Indian Ocean Rim Association (IORA) is an apex regional organisation that promotes open regionalism between the countries of Asia, Africa and Australia, connected via Indian Ocean waters. As the Indian leadership prepares to step up to chair IORA from November 2025 – it is now Vice-Chair – it can bring impetus to increased resilience in its governance structure. As IORA chair for the next two years, India will have three priorities: creating funding opportunities to enlarge IORA's budget; integrating technology for data management and policy analysis, and creating maritime-ready courses with academic and research institutions using collaborations.

Pooja Bhatt

is an Associate Professor at O.P. Jindal Global University, Sonepat and teaches maritime geopolitics and regional institutions

The Indian Ocean Region and IORA

Geostrategically, the Indian Ocean Region (IOR) is a subset of the Indo-Pacific, yet unique. The Indian Ocean, home to two-thirds of humanity, has a rich and diverse marine life. It also transports 75% of global trade and 50% of daily oil consumption. It produces $1 trillion in goods and services, and its intra-IORA trade was $800 billion in 2023. However, this region is also marred by poor development, troubled political systems, climate change-induced disasters, and environmental degradation. It also faces security challenges such as piracy, terrorism, and human and drug trafficking. These supranational issues compel the regional countries to cooperate and find workable solutions.

Therefore, as one of the oldest regional inter-governmental organisations, IORA has been working to further cooperation among its members by facilitating dialogue on cultural and academic exchanges and crucial issues such as disaster risk management. While the United States, China and the European Union are IORA's dialogue partners, it is mainly driven by only middle and small powers and, therefore, requires a tour de force to become more relevant.

New Delhi must strengthen the foundation for meaningful and ground-level governance

Issues faced by IORA

The Indian Ocean region is relatively free of the great power competition yet has its own set of challenges, including funding. IORA's annual budget is member-dependent. Barring Singapore, the United Arab Emirates (UAE) and France, the member-states are developing Asian and African economies. The budget is indicated to be just a few million. Incidentally, the Indian Ocean Commission, which has only five IO countries, has a $1.3 billion budget for the 2020-25 time frame. Thus, the funds generated fall short of achieving IORA's growing areas of engagement such as maritime safety and security, fisheries management, disaster risk management, technology and innovation, and the blue economy.

Notably, each of these pillars is resource-intensive and requires constant engagement. One way to generate more funds would be to include private players as consultative partners as they are some of the biggest players in the maritime domain. From shipping companies to marine-related industries such as oil and gas, and marine tourism, these industries are relevant to the blue economy. These industries can be involved in maritime policy-making and also contribute to the IORA fund. The IORA has a small Secretariat with limited staff based in Mauritius. Since government-based structures and institutions have limited bandwidth for data processing, technology can be a big help in improving governance. Accounting for data is laborious with a large margin of error, and quick and efficient policy analysis would be made easier with digitised record keeping.

Other suggestions for India

India's Security and Growth for All (SAGAR) vision complements IORA's objectives and must leverage its excellent relations with IORA member-states to develop workable solutions. IORA members, such as Australia, have made significant contributions to research in marine science and technology. France and Singapore, have their strength in marine-related technologies, and the UAE and Oman can contribute through investments in sectors where IORA seeks help. Traditional knowledge that exists in coastal and small island nations (Sri Lanka, Seychelles, Mauritius) should be mainstreamed for developing sustainable methods of marine governance. To further productive outcomes, IORA needs sustained and improved collaborative avenues.

Lastly, as marine and maritime-related employment opportunities will only multiply, industrial leaders should collaborate with educational and research institutions to provide problem statements and seek solutions, and to create newer, industry-related courses. Marine accounting is an interdisciplinary course that could help create a base for a blue economy. With the available talent in the region, scholars and practitioners are most likely to work out solutions.

IORA holds immense promise for regional prosperity and India must use its leadership to overcome the existing issues at the institutional level.

IORA

Srilanka → Nov 2025 = India → 2 yrs

* Indian Ocean Rim Asso.
* Currently; 23 member
* HQ: Mauritius
* Indian Ocean — Economic ↑↑↑ Trade

developing Nat.

under-developed Nat.

Issues →

India = chair

① FUNDING ↑↑↑

② DATA — * TECHNOLOGY

③ Ind Ocean* Academic Courses

* CORE MEMBERS: Ind. Ocean
* DIALOGUE PARTNERS: CHINA.

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IORA holds immense promise for regional prosperity and India must use its leadership to overcome the existing issues at the institutional level.

Popul^n / Trade Robust + Budget + Techno + Academia

New Delhi must strengthen the foundation for meaningful and ground-level governance

[FRANCE REUNION] – 9sl

Indian Ocean Rim Association was established on 7 March 1997.

The vision for IORA originated during a visit by late President Nelson Mandela of South Africa to India in 1995.

Membership is open to all sovereign states of the Indian Ocean Rim willing to subscribe to the principles and objectives of the Charter.

9 sl. → Ind. Ocean.

Current 23 Member States:

Australia, Bangladesh, Comoros, France Reunion, India, Indonesia, Iran, Kenya, Madagascar, Malaysia, Maldives, Mauritius, Mozambique, Oman, Seychelles, Singapore, Somalia, South Africa, Sri Lanka, Tanzania, Thailand, United Arab Emirates and Yemen.

The headquarters of the Indian Ocean Rim Association (IORA) is located in Mauritius

The current chair of IORA is Sri Lanka, India will chair from Nov 2025

Dialogue Partners:

China, Egypt, Germany, Italy, Japan, Republic of Korea, Russia, Turkey, the United Kingdom and the United States of America.

In context to Indian Ocean Rim Association, consider the following statements:

1. It is an initiative involving only the nations belonging to Indian Ocean Region
2. It is headquartered at Maldives | MAURITIUS

Which of the statements is/are correct?

A. 1 only
B. 2 only
C. Both 1 and 2
D. Neither 1 nor 2

Heat plan

India must develop a comprehensive heat strategy ahead of COP30

Summer has arrived early in several parts of India. In the last week of February, heatwaves were officially reported in Goa and Maharashtra. States such as Odisha, Telangana, and Maharashtra have already recorded temperatures exceeding 40°C. Throughout most of February, 31 States and Union Territories experienced night temperatures at least 1°C above normal, with 22 States and Union Territories reporting night temperatures that were 3°C to 5°C above normal. Given that February is classified as 'winter' by the India Meteorological Department, these are signposts that point toward new climate normals. Scientists have long warned that rising global temperatures – both on land and sea – will result in more intense and frequent heatwaves. This underscores the need for countries and States to prepare for heat events just as they do for earthquakes or floods. However, a recent study by the Sustainable Futures Collaborative, which examined heat-related preparedness in nine Indian cities, found that none had long-term plans in place. Most responses are limited to short-term emergency measures such as providing drinking water, adjusting work hours, and boosting hospital capacity during heatwaves. Crucial long-term interventions such as ensuring access to household or occupational cooling for vulnerable populations, insuring workers against lost income on extremely hot days, improving fire management, and upgrading electricity grids for reliability are missing. Few cities have even begun planning for expanded local weather monitoring, mapping urban heat islands, or training those responsible for implementing heat plans. Other strategies, which include increasing green cover, creating open spaces to reduce heat, and deploying rooftop solar for active cooling, are often carried out without targeting the populations that are most at risk.

While global efforts to combat climate change largely focus on cutting greenhouse gas emissions, the limited progress on that front is shifting attention to adaptation – particularly in managing responses to heat. Affordable cooling devices are frequently recommended, but they raise concerns about increased use of ozone-depleting refrigerants. Experts now advocate having sustainable buildings, green infrastructure, and passive cooling solutions, although these too can impact land prices and urban planning. India must develop a comprehensive national heat strategy and embed it within its National Adaptation Plan ahead of the 30th UN Climate Change Conference (COP30) in Brazil in November.

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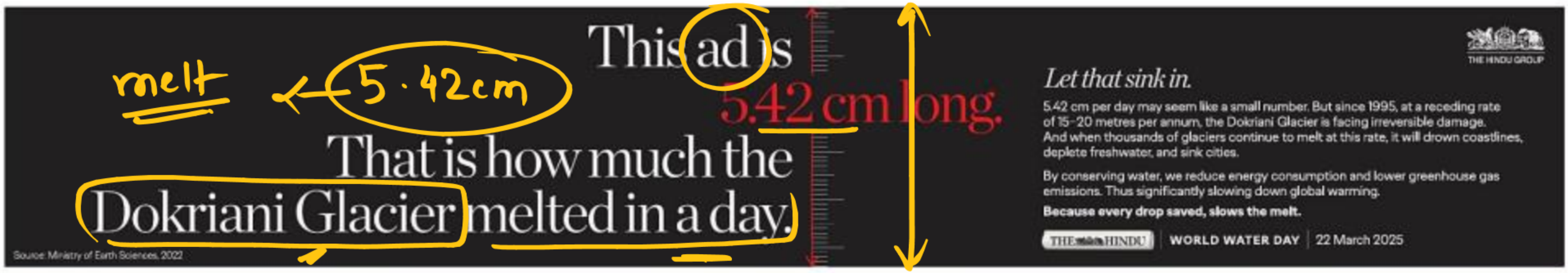
150 YRS

SHORT

LONG TERM



melt

5.42cm

The Dokriani Glacier, also known as Dokriani Bamak, is a medium-sized glacier located in the Uttarkashi district of the Garhwal Himalayas in Uttarakhand, India, specifically within the Gangotri region

LS approves Demands for Grants of ₹50 lakh crore for various Ministries

The Hindu Bureau

NEW DELHI

The Lok Sabha on Friday passed the Demands for Grants for various Ministries for 2025-26, amounting expenditure of more than ₹50 lakh crore.

The House passed the Demands for Grants by applying the guillotine, which means the funds for the Ministries it [guillotine] is applied on are considered approved without a discussion.

The Lower House also passed the Appropriation Bill (I), 2025, moved by Finance Minister Nirmala Sitharaman.

Prime Minister Narendra Modi, Defence Minister Rajnath Singh, Home Minister Amit Shah, and others in the Lok Sabha during the Budget Session on Friday. ANI

'Fully committed'

Earlier in the day, the Lok Sabha debated the Demands for Grants of the Ministry of Agriculture and Farmers' Welfare for about four hours. Replying to the debate, Agriculture Minister Shivraj Singh Chouhan said the Narendra Modi government had spent ₹22.38 lakh crore on procurement of farm produce at minimum support price (MSP) and the procurement formula ensured that farmers earned 50% profits over their cost of production.

Asserting that a 5% growth in agriculture was a "miraculous achievement", Mr. Chouhan said, "Our government is fully committed to farmers' welfare... The BJP's vision is to serve farmers and we consider it akin to worshipping God".

Former Punjab Chief Minister and Congress MP, Charanjit Singh Channi also raised concern over the government's position on slashing import duties on grains.

"America's President has openly stated they would impose reciprocal taxes and that India agreed to lower import duties on grains. If that is the case, what will happen to our country's agricultural produce?" Mr Channi asked.

'Betraying the farmers'

The Congress MP also deplored the police action on farmers on the Punjab border and accused the BJP of betraying the farmers by failing to fulfil its promise on MSP and suppressing the ongoing farmers' agitation.

"The government asked the protesting farmer leaders to withdraw their hunger strike, promising negotiations. But while they held meetings, the police were being prepared to dismantle the agitation. How can there be trust when the farmers are called for talks but then forcibly removed at night?" Mr. Channi asked, referring to the action by the Punjab Police.

Hitting back, Mr. Chouhan asked, "Have we been friends with Aam Admi Party? You were walking arm-in-arm till the Lok Sabha election. You were together and you are accusing us".

Samajwadi Party MP Dharmendra Yadav also condemned the government's handling of the protests, citing distress among farmers under the BJP-led government. "In the past 10 years, over a lakh farmers have committed suicide. Three farm laws were introduced and, despite the Opposition labelling them as 'black laws', the government refused to listen. Farmers endured extreme weather and staged month-long protests, during which 750 of them were martyred. Till today, not a single family of those farmers has received compensation," he said.

Drawing a parallel between colonial rule and the treatment of farmers, Congress MP Jai Prakash said the government using force to suppress protests was unacceptable.

Dravida Munnetra Kazhagam (DMK) MP T.M. Selvaganapathi said, "Even U.S. President Donald Trump has said India agreed to the U.S. conditions. Mexico, China and even European countries are resisting but we have become spineless. This will be a death knell for our farmers".

He also said the Centre was seeking to reverse India's long-standing policy of reducing dependence on the U.S. wheat imports. "Thanks to the Green Revolution led by our forefathers, especially M.S. Swaminathan and Dr. C. Subramaniam, India overcame its dependence on PL-480 wheat imports from the US. But now, the government is reversing that trend," he charged.

NCP (Sharadchandra Pawar) MP Amol Ramsing Kolhe pointed to the disparity between the U.S. and the Indian farmers, particularly in soyabean production. "After the change of power in the U.S., they are demanding that India open its agriculture market. This poses a major crisis for our farmers but the government has not given any clarity on this matter," Mr. Kolhe said.

* 'Demands for Grants'

* Appropriation Bill 2025

Art 112 = BUDGET = ANNUAL FINANCIAL STAT. = Govt = → Receipts, Income, Expenditure

CONSOLIDATED FUND OF INDIA

Art 266

↓

Feb (1st) = F.M — Budget = Presented.

↓

Art 113 = [Demands for Grants] = Approval

↓

Art 114 (Z) ← [Appropriation Bill] → Act — Automatic Repeal.

Art 116 ← [Vote on Account]

↓

To meet immediate expenses.

Appropriation Bill- Art 114

- The **Appropriation Bill** is a bill introduced in Parliament to approve the government's expenditure for the upcoming financial year.
- It gives the government the legal authority to withdraw money from the **Consolidated Fund of India** (the government's main account) and spend it on various activities, as outlined in the **Union Budget**.
- The Appropriation Bill ensures that the government can access the funds necessary to implement policies, pay salaries, fund infrastructure, and carry out various government functions.
- As per **Article 114 of the Constitution**, the government can withdraw money from the Consolidated Fund only after receiving approval from Parliament.

Consolidated Fund of India:

This is the primary fund from which the government draws money for its various expenditures.

All government revenues (like taxes) and borrowings are credited to this fund.

Constituted under Article 266 (1) of the Constitution of India.

The Process of Passing the Appropriation Bill

The process of passing the Appropriation Bill involves several steps, as part of the larger **budget process**:

Step 1: Presentation of the Budget

- The **Finance Minister** presents the **Union Budget**
- The **budget** outlines the government's revenue and expenditure plans for the next financial year .

Step 2: Discussion and Passing of the Budget

- After the budget is presented, discussions take place in both Houses of Parliament (the **Lok Sabha** and **Rajya Sabha**).
- The **Demand for Grants** is approved, which gives the government permission to spend money on various departments and schemes.

Art 113: "Demands for Grants" are formal requests for funds, presented to the Lok Sabha, outlining the estimated expenditures of various ministries and departments for the upcoming financial year.

The Appropriation Bill is **introduced in the Lok Sabha** after discussions on Budget proposals and Voting on Demand for Grants.

The defeat of an Appropriation Bill in a parliamentary vote would lead to the resignation of a government or a general election.

Once it is passed by the Lok Sabha it is sent to the Rajya Sabha. **Rajya Sabha** has the **power to recommend any amendments in this Bill.** However, it is the prerogative of the Lok Sabha to either accept or reject the recommendations made by the Rajya Sabha.

After the bill receives assent from the president it becomes an Appropriation act.

The unique feature of the Appropriation Bill is its automatic repeal clause, whereby the Act gets repealed by itself after it meets its statutory purpose.

The government **cannot withdraw money from the Consolidated Fund of India till the enactment of the appropriation bill.**

However, this takes time and the government needs money to carry on its normal activities.

To meet the immediate expenses the **Constitution has authorised the Lok Sabha to make any grant in advance for a part of the financial year.** This provision is known as the 'Vote on Account'.

1st Feb

31st MARCH

A vote on account is defined in Article 116 of the Indian Constitution.
During an election year the Government either opts for 'Interim Budget' or for 'Vote on Account' as after the election the Ruling Government may change and so the policies.

No amendment can be proposed to an Appropriation Bill which will have the effect of varying the amount or altering the destination of any grant so made or of varying the amount of any expenditure charged on the Consolidated Fund of India, and the decision of the **Lok Sabha Speaker** as to whether such an amendment is admissible is final.

Thank You!