

Polity Class 34

10th November, 2023 at 9:00 AM

BUDGETARY PROCESS IN INDIA (09:10 AM)

- **Refer to the uploaded handout for details.**
- **Preparation of Budget Document:**
- **Every year, the Department of Economic Affairs under MoF sends requisitions to various departments and ministries of the government of India asking for their budgetary demands for the coming financial year.**
- **The Union Budget comprises various documents-**
- **Annual financial statement**
- **Finance Bill**
- **Memorandum**
- **Appropriation Bill**
- **Macroeconomic framework statement**
- **Medium-term fiscal policy statement**
- **Output Outcome Framework**
- **Gender Budget Document**
- **Presentation of Budget and Discussion:**
- **After tabling the budget documents in the House of People, the Finance minister makes the budget speech in the House explaining the critical highlights of the Budget.**
- **This is followed by a presentation in the CoS after which General Discussion happens in both houses on the budgetary proposals.**
- **Vote on Account:**
- **It is a tool used by Parliament to allow the executive to spend the money as per the budget proposals until the Parliament passes the Budget.**
- **It allows the executive to carry on its usual business and not wait for approval from the Parliament.**
- **It is passed before the Parliament goes into the break after the general discussion on the budget.**
- **Committee stage:**
- **During recess, the DRSCs analyse the grant demand in detail and provide their recommendations as a report.**

- Each of these committees analyses the demands made by the specific departments and includes 31 members each (21 from LS and 10 from RS).
- **Post-Committee Discussion in Parliament:**
- After the reassembly, the demand for grants is discussed in detail on the basis of reports provided by the DRSCs.
- At this stage, members may suggest cutting the demand for grants.
- Even though the discussion on the demand for grants takes place in both Houses, only the LS may introduce cuts.
- **Various types of cut motion:**
- **Policy cut motion:** It expresses complete disapproval of the policy of the government and reduces the demand for grants to Re 1.
- **Token cut motion:** If the token cut motion is passed by the House, the demand for grants is reduced by Rs 100. The idea behind the token cut is to express token disapproval of the policy proposed by the executive.
- **Appropriation Bill:**
- All the demand for grants is put in the form of an appropriation Bill to withdraw the money from the consolidated fund of India.
- **Finance Bill:**
- At this stage, this bill containing the taxation proposals is presented in front of the Parliament.
- Once the finance bill is passed, the budget is deemed passed by the Parliament.

WHY PARLIAMENT DOESN'T DISCUSS THE DEMAND FOR GRANTS IN DETAIL BY ITSELF (10:44 AM)

- Refer to the uploaded handout for details.
- The Parliament consists of layman politicians who lack technical knowledge related to the functioning of specific departments and ministries of the government.
- The Parliament is too big a group to make any effective decision on such complicated matters.
- This task can be best performed by committees that are relatively smaller and therefore more effective.

VARIOUS GRANTS MADE BY THE EXECUTIVE TO THE LEGISLATURE (11:05 AM)

- Refer to the uploaded handout for details.
- **Supplementary grants:** It is mentioned under Article 115(1)(a) when the funds allocated under the budget are found to be insufficient to meet the objectives during the current financial year. In such a case, the Parliament may provide the executive with supplementary grants.

- **Additional grants:** They are granted when the need has arisen for expenditure upon a new service associated with an existing service and not contemplated in the Budget for that year.

PARLIAMENTARY COMMITTEE (11:20 AM)

- Refer to the uploaded handout for details.
- Parliamentary committees are composed of groups of MPs.
- These committees review proposed laws, oversee the activities of the government, and scrutinise government expenditures.
- Their reports allow for informed debate in Parliament, as well as increase the efficiency and expertise of Parliament.
- **Ad hoc committees:**
 - These committees are appointed for a specific purpose they cease to exist when they finish the task assigned to them and submit a report. The principal Ad hoc Committees are the Select and Joint Committees on Bills.
- **Standing committees:**
 - These act as Parliament's 'Watch Dogs' over the executive. They are permanent in nature.
- Some of the important standing committees are as follows:
 - **Departmentally Related Standing Committees (DRSCs):** They were constituted in 1993 to assist Parliament in scrutinising funds allocated to Ministries. They also examine Bills referred to them by Parliament. They are composed of 31 members - 21 from Lok Sabha and 10 from Rajya Sabha.
 - **Financial Committees:** These include the Committee on Public Accounts, the Committee on Public Undertakings, and the Estimates Committee. They ensure that public finances are used efficiently.
- **Limitations associated with the functions of the parliamentary committee:**
 - All bills need not be referred to a parliamentary committee which has reduced their effectiveness. In the 16th Lok Sabha, only 29 % of the bills were referred to the parliamentary committee in comparison to 70% of bills in the 15th Lok Sabha.
 - **Recommendatory in nature**
 - **Way Ahead**
 - The problem of shortage of technical staff may be addressed by selecting young and dynamic individuals interested in the area of functioning of the parliament.
 - They can be given a fixed timeline to come up with the recommendation and present their report.

PARLIAMENTARY PRIVILEGES AND IMMUNITIES (12:05 PM)

- Refer to the uploaded handout for details.

- **Parliamentary privilege refers to rights and immunities enjoyed by Parliament as an institution and MPs in their individual capacity, without which they cannot discharge their functions as entrusted upon them by the Constitution.**

TOPIC OF THE NEXT CLASS- PARLIAMENTARY PRIVILEGES AND IMMUNITIES (TO CONTINUE)