

LEGISLATIVE PROCEDURE
ASSEMBLY ABSTRACT SERIES

9

Budget



TELANGANA LEGISLATURE SECRETARIAT
HYDERABAD

PREFACE

This abstract containing the information pertaining to the **Budget** is a part of Legislative Procedure and is intended to serve as handy guide for ready reference. The information contained in this abstract booklet is in consonance with the Rules of Procedure and Conduct of Business in the Telangana Legislative Assembly.

The information contained in this publication is not exhaustive and it cannot be quoted as an authority. It is hoped that this publication will meet the reference requirements. However, for authenticity, the original source may be referred to and relied upon.

Hyderabad,
December, 2018.

Dr. V. NARASIMHA CHARYULU,
Secretary to State Legislature.



BUDGET

The annual financial statement or the statement of the estimated receipts and expenditure of the State in respect of every financial year is popularly known as Budget.

Presentation of Budget :

The Budget is presented to the Assembly on such day as the Governor may appoint.

Discussion on Budget :

No discussion on Budget takes place in the Legislative Assembly on the day on which it is presented. There should be an interval of forty eight hours between the presentation of the Budget and the general discussion. The Budget is dealt with by the Legislative Assembly in two stages. They are known as general discussion on Budget and voting

of demands for grants. The Speaker shall decide the number of days for discussion on Budget and the voting of Demands for Grants in consultation with Business Advisory Committee.

During the days appointed for general discussion on the Budget, the Assembly is at liberty to discuss the Budget as a whole or any question of policy involved therein. No motion is moved at this stage and the Budget is not submitted to the vote of the Assembly.

At the end of the general discussion on the Budget, the Minister for Finance gives reply.

Demands for Grants :

The Second stage of the Budget is the voting of demands for grants. A separate demand is ordinarily made in respect of the

grant proposed for each department of the Government.

The Government may, however, include in one demand, grants proposed for two or more departments or make one demand in respect of expenditure which cannot readily be classified under any particular demand. Each demand contains a statement of the total grant proposed and a statement of the detailed estimates under each grant divided into items.

Allotment of time :

The Speaker will, in consultation with the Leader of the House and the Business Advisory Committee, fix the time to be allotted for discussion on each demand. He determines the order in which the demands are to be taken up.

Budget Notes and Cut-Motions :

The Minister furnishes to the House an explanatory note regarding the working of the department during the year. Such note is made available to members atleast one day before the day on which the Minister moves the demand for grant. The Minister may make a statement explaining the policy underlying the demand while moving the demand for a grant.

At this stage any member may make a motion to reduce the demand by a specified sum. They are known as cut motions.

Cut-motions are of three kinds. They are as follows:

- (a) “that the amount of the demand be reduced to Re.1” as representing disapproval of the policy underlying

the demand. Such a motion shall be known as “Disapproval of Policy Cut”. A member giving notice of such a motion shall indicate in precise terms the particulars of the policy which he proposes to discuss. The discussion shall be confined to the specific point or points mentioned in the notice and it shall be open to the member to advocate an alternative policy.

- (b) “that the amount of the demand be reduced by a specified amount” representing the economy that can be effected. Such specified amount may be either a lumpsum reduction in the demand or omission or reduction of an item in the demand. The motion shall be known as “Economy Cut”.

The notice shall indicate, briefly and precisely the particular matter on which discussion is sought to be raised and speeches shall be confined to the discussion as to how economy can be effected.

- (c) “that the amount of the demand be reduced by Rs. 100” in order to ventilate a specific grievance which is within the sphere of the responsibility of the State Government. Such motion shall be known as “Token Cut” and the discussion there on shall be confined to the particular grievance specified in the motion.

The cut-motions should reach the Secretary of the Assembly before the time and date fixed by the Speaker.

Conditions for the admissibility of cut-motions:

The speaker decides whether a Cut-motion is admissible or not. He may disallow any cut-motion when in his view it is an abuse of the right of moving cut-motion or is calculated to obstruct the House or is in contravention of the Rules of Procedure of the House. Cut-motions seeking to discuss the action of the Speaker or relating to Speaker's Department or matters under the control of Speaker are not allowed. It is a well established Parliamentary Convention. Cut-motions covering personal grievances and those which cast aspersions on individual Government Officials are not admissible. The cut-motions which seek omission of a whole grant are not admissible.

Preparation of lists of cut-motions :

The cut-motions which are admitted are arranged demand-wise. The list of cut-motions to various demands for grants are circulated to members in advance of the date on which the demands for grants in respect of the Department are to be taken up in the House for discussion.

After the commencement of the discussion on demands for grants in respect of a particular Department, the members move their Cut-motions. A member should be present in the House to move his Cut-motions when the demands for grants are taken up.

At the expiry of the time allotted for the discussion of any demand, the Speaker puts every question necessary to dispose of all the matters in connection with the demands for

grants including the Motion of reduction of a grant, if any, under discussion.

Appropriation Bill:

After the completion of the voting of demands, the Appropriation Bill is introduced on the next day and disposed of on the same day.

The debate on an Appropriation Bill is restricted to matters of public importance or administrative policy implied in the grants covered by the Bill which have not been raised while the relevant demands for grants were under consideration.

As soon as may be after the grants have been made by the Assembly, a Bill is introduced to provide for the appropriation out of the consolidated fund of the State of all moneys required to meet the grants so made by the

Assembly and the expenditure charged on the Consolidated Fund of the State but not exceeding in any case the amount shown in the statement previously laid before the Legislative Assembly. Such Bill is popularly known as Appropriation Bill. No amendment is proposed to any such Bill in the House 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 the State.

Supplementary, Additional or Excess Grants:

If the amount authorised to be expended for a particular service for the current financial year is found to be insufficient for the purposes of that year or when a need has

arisen during the current financial year for supplementary or additional expenditure upon some new service not contemplated in the Annual Financial Statement for that year, the Governor causes to be laid before the State Legislative Assembly another statement showing the estimated amount to that expenditure.

If any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, the Governor causes to be laid before the State Legislative Assembly a demand for such excess.

The supplementary demands for grants are presented to and passed by the House before the end of the financial year. The demands or excess grants are made after the expenditure has actually been incurred and after the

financial year to which it relates, has expired.

Regarding procedure in respect of supplementary or additional demands, the Speaker allots one or more days not earlier than twenty-four hours after the day allotted for such presentation for discussion of and the voting of demands for supplementary or additional expenditure. After discussion is over, the Speaker puts every question necessary to dispose of all the matters in connection with the demands for supplementary grants. The demands for supplementary or additional grants are dealt with as if they were demands for grants.

The Legislative Assembly passes Appropriation Bill. It is presented to the Governor for his assent. It becomes an Act after it is assented by the Governor.

Vote on Account :

Article 204 (3) of the Constitution of India lays down that no money shall be withdrawn from the consolidated fund of the State except under appropriation made by Law passed in accordance with the provisions of this Article. The only exception made is with reference to supplementary, additional or excess or exceptional grants or vote on account or vote of credit.

A vote on account is nothing other than an advance grant made by the Legislature for a part of the financial year pending completion of the procedures laid down in Articles 203 and 204 of the Constitution of India namely putting before the Legislature so much of the estimates other than the charged expenditure as demands for grants, subject

to the recommendation of the Governor and passage of the Appropriation Bill.

Seeking a vote on account for a part of the year enables the members of the Legislature to get sufficient time beyond 31st March, to study, scrutinize and discuss in detail over an adequate period of time the annual financial proposals.

A question therefore arises, as to when the motion for vote on account can be moved in the Legislative Assembly. The Rules of Procedure and Conduct of Business in the Telangana Legislative Assembly lay down that the motion for Vote on Account can be moved on any day subsequent to the presentation of the Budget. In Lok Sabha Rule 214 of Rules of Procedure does not however stipulate when a motion for a

Vote on Account can be moved. By way of convention, the motion of a Vote on Account and the Appropriation (Vote on Account) Bill is moved and passed on the days earmarked for general discussion on budget and reply by the Minister for Finance.

It may be seen that according to the Rules of Procedure and Conduct of Business in the Legislative Assembly the motion for Vote on Account can be made on any day subsequent to the presentation of the Budget. It is laid down in Rules that a motion for Vote on Account shall be dealt with in the same way as if it were a demand for grant.

Article 206 (2) of the Constitution of India gives a hint that motion for Vote on Account should succeed General Discussion on Budget in as much as provisions of Articles

203 and 204 have effect in relation to Vote on Account. That is to say the motion for Vote on Account is equated to demand for grant. A demand for grant must naturally succeed General Discussion on Budget in the Assembly.

According to the provisions of the Rules of Procedure and Conduct of Business in the Telangana Legislative Assembly, the Appropriation (Vote on Account) Bill can be introduced and disposed of on the day subsequent to the day when the House voted the motion for Vote on Account.

Normally Vote on Account is taken for a short period only, say one or two months except during an election year where it is anticipated that the main demands and the

Appropriation Bill takes longer time than two or three months to be passed by the House.

As a convention Vote on Account is normally passed without discussion as members would have an opportunity of discussing the demands later. If necessary, members might be allowed to ask questions for eliciting information at the time the motion for Vote on Account is made.



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the 1990s, the number of people who have been employed in the public sector has increased in all countries. The increase has been particularly large in the United States, where the public sector has grown from 10.5% of the total workforce in 1970 to 17.5% in 1995 (see Figure 1).

There are a number of reasons for the increase in public sector employment. One reason is that the public sector has become a more important part of the economy. In many countries, the public sector has become a major employer, particularly in the service sector. Another reason is that the public sector has become a more attractive place to work. This is due to a number of factors, including the fact that the public sector is often seen as a more stable and secure place to work than the private sector.

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