

CHAPTER X

PRESENTATION OF THE BUDGET TO AND ITS LEGISLATURE

DISPOSAL BY THE

81. Details of the Budget Literature - The Budget Literature, which is supplied to the Legislature, at present consists of six Volumes, namely –

Volume I – The Finance Minister's budget speech.

Volume II – This Volume is in two parts. The Part-I is the Finance Secretary's Memorandum on the Budget, containing a brief review of the State's finances as revealed by the actuals of the previous year and the revised estimates for the current year, and a brief review of the estimated receipts and detailed explanations for the variations in the estimates of expenditure for the budget year and also the undermentioned statements:

- (1) Introduction to the Budget
- (2) Review of Financial Position
- (3) Statement of Receipts into the Consolidated Fund
- (4) Expenditure to be made from the Consolidated Fund
- (5) Contingency Fund and the Public Account
- (6) Grant wise Statement of Gross and Net Expenditure
- (7) Statements to be presented under the provisions of the Uttar Pradesh Fiscal Responsibility and Budget Management Act, 2004

The Memorandum also contains annexures showing the total indebtedness of the State, the guarantees given by the State Government involving contingent liability on the Consolidated Fund of the State, the outstanding balances of loans and advances granted by the State Government, the balances in the various Reserve Funds including Depreciation Reserve Fund and Sinking Funds, analysis of interest payments, analysis of interest receipts, statement of grants-in-aid given to various institutions, statement of subsidies given by the State Government, statement of pension, gratuity and other retirement benefits, financial results of commercial departments (Irrigation) etc.

The Part-II of this Volume contains Standard Object-wise details of expenditure under each Grant/ Appropriation

Volume III – This gives a list of the new items of expenditure included in the estimates of the budget year with connected explanatory notes (See Chapter VIII).

Volume IV – This contains the estimates of receipts of revenue and capital accounts. Estimates of refunds, if any, under any head of receipts, are also shown.

Volume V – This contains grant-wise detailed estimates of expenditure. This volume may have number of parts on the basis of number of grants and the number of schemes.

Volume VI - This contains scale-wise description of posts of Government employees in different departments.

82. Procedure for presentation to and Disposal of the Budget by the Legislature - The procedure for the presentation of the Budget to the Legislature and for its disposal is regulated by the Rules of Procedure and Conduct of Business of the Legislative Assembly and the Legislative Council.

83. According to the Rules referred to above, the budget has to go through the following stages :

- (1) presentation to the Legislature,
- (2) general discussion,
- (3) voting on the demands for grants in the Legislative Assembly,
- (4) introduction, consideration and passing of the Appropriation Bill in the Legislative Assembly and its consideration thereafter by the Legislative Council, and

(5) obtaining the assent of the Governor to the Appropriation Bill.

84. The Budget is presented to the Legislature ordinarily in the second half of February or early in March. In presenting the budget the Finance Minister makes a speech in the Legislative Assembly explaining the salient features of the budget and Government policies. In the Legislative Council the budget is presented with the same speech read either by the Finance Minister himself or by some other Minister or member of the Government.

85. On days to be appointed by the Speaker / Chairman, but not earlier than two days in the case of the Legislative Assembly and three days in the case of the Legislative Council of the presentation of the budget, begins the general discussion in both the Houses of the Legislature on the budget as a whole or on any question of principle or policy involved therein. The number of days for such discussion in the Legislative Assembly allotted by the Speaker is ordinarily five days; while in the Legislative Council the number of days is allotted by the Chairman in consultation with the Leader of the House. No motion is to be moved, nor are the details of the budget to be discussed, at this stage further than is necessary to explain the general principles and policies of the budget. The Finance Minister has a general right of reply at the end of the discussion in both the Houses.

86. After the general discussion is over, the voting on the demands for grants is taken up in the Legislative Assembly in accordance with the programme approved by the Speaker. The Legislative Council is not required to vote on the demands for grants. A demand for grant is a proposal made, on the recommendation of the Governor, for the appropriation of funds for expenditure to be met from the Consolidated Fund of the State, other than that charged. The amounts required for charged expenditure are shown separately (generally in italics) and are not subject to vote but can nevertheless be discussed. There is usually one demand for grant in respect of each department, but the Finance Minister may include in any one demand grants proposed for two or more departments or make a demand for grant in respect of expenditure which cannot readily be classified under particular departments. Each demand for grant contains first a statement of the total amount required, followed with details arranged by Major Head(s) and Sub-Major Heads, Minor Heads, Sub-Heads, Detailed Heads and Primary Units of Appropriation. The demand is moved by the Minister in-charge of the subject or department or some one deputising for him. The Legislative Assembly has power to assent, or to refuse to assent, to any demand, or to assent to any demand subject to reduction of the amount specified therein. Motions can be moved to reduce or omit any grant but not to increase or alter the destination of a grant. Notice of such motions is to be given not less than two days before the day appointed for the discussion of the demand for the grant concerned, unless otherwise directed by the Speaker. Every such motion must be accompanied by a brief note explaining in precise terms the purpose of the intended motion.

87. Appropriation Bill - After the voting on all the demands for grants has been completed, an Appropriation Bill is introduced to provide for the appropriation out of the Consolidated Fund of the State of all moneys required to meet (a) the grants made by the Assembly and (b) the expenditure charged on the Consolidated Fund but not exceeding in any case the amount shown in the statement previously laid before the Legislative Assembly and the Legislative Council. The Bill has to go before both the Houses, but being a Money Bill it originates in the Legislative Assembly. Article 204(2) of the Constitution prohibits the moving of any amendment to an Appropriation Bill which has the effect of varying the amount or altering the destination of any grant made by the Assembly or of varying the amount of any expenditure charged on the Consolidated Fund. After the Appropriation Bill has been considered and passed by the Legislative Assembly, it is transmitted to the Legislative Council for its recommendations. The Legislative Council is empowered to make recommendations and required to return the Bill, within fourteen days of its receipt, to the Legislative Assembly with or without any recommendations. The Legislative Assembly may either accept or reject any of the recommendations of the Legislative Council. If it accepts any of the recommendations, the Appropriation Bill is deemed to have been passed by both the Houses with the amendments recommended by the Legislative Council and accepted by the Assembly. If, on the other hand, it does not accept any of the recommendations of the Legislative Council, the Bill is deemed to have been passed by both the Houses in the form in which it was passed by the Assembly without any of the amendments recommended by the Legislative Council. The Governor's assent to the Bill is thereafter obtained; and when that has been given, the amounts shown in the Act assented to by the Governor and the Schedule thereto become the sanctioned grants for expenditure under the various demands.