

interest and except after giving a reasonable opportunity to the concerned body or authority to make representations with regard to the proposal for such audit.

21. *Delegation of power of Comptroller and Auditor-General.*—Any power exercisable by the Comptroller and Auditor-General under the provisions of this Act, or any other law may be exercised by such officer of his department as may be authorised by him in this behalf by general or special order :

Provided that except during the absence of the Comptroller and Auditor-General on leave or otherwise no officer shall be authorised to submit on behalf of the Comptroller and Auditor-General any report which the Comptroller and Auditor-General is required by the Constitution or the Government of Union Territories Act, 1963 to submit to the President or the Governor of a State or the Administrator of a Union Territory having a Legislative Assembly, as the case may be.

ANNEXURE II.

(Referred to in paragraphs 301, 304 & 309)

Extracts from the Constitution of India :—

202 Annual financial statement :—(1) The Governor shall in respect of every financial year cause to be laid before the House or Houses of the Legislature of the State a statement of the estimated receipts and expenditure of the State for that year, in this part referred to as the "annual financial statement."

(2) The estimates of expenditure embodied in the annual financial statement shall show separately :—

- (a) the sums required to meet expenditure described by this Constitution as expenditure charged upon the Consolidated Fund of the State; and
- (b) the sums required to meet other expenditure proposed to be made from the Consolidated Fund of the State;

and shall distinguish expenditure on revenue account from other expenditure.

(3) The following expenditure shall be expenditure charged on the Consolidated Fund of each State :—

- (a) the emoluments and allowances of the Governor and other expenditure relating to his office;
- (b) the salaries and allowances of the Speaker and the Deputy Speaker of the Legislative Assembly and, in the case of a State having a Legislative Council, also of the Chairman and the Deputy Chairman of the Legislative Council;
- (c) debt charges for which the State is liable including interest, sinking fund charges and redemption charges and other expenditure relating to the raising of loans service and redemption of debt;
- (d) expenditure in respect of the salaries and allowances of Judges of any High Court;
- (e) any sums required to satisfy any judgement, decree or award of any court or arbitral tribunal;
- (f) any other expenditure declared by this Constitution, or by the Legislature of the State by Law, to be so charged.

203. Procedure in Legislature with respect to estimates :—(1) So much of the estimates as relates to expenditure charged upon the Consolidated Fund of a State shall not be submitted to the vote of the Legislative Assembly, but nothing in this clause shall be construed as preventing the discussion in the Legislature of any of those estimates.

(2) So much of the said estimates as relates to other expenditure shall be submitted in the form of demands for grants to the Legislative Assembly and the Legislative Assembly shall have power to assent or to refuse to assent, to any demand, or to assent to any demand subject to a reduction of the amount specified therein.

(3) No demands for a grant shall be made except on the recommendation of the Governor.

204. *Appropriation Bills* :—(1) As soon as may be, after the grants under article 203 have been made by the Assembly, there shall be introduced a Bill to provide for the appropriation out of the Consolidated Fund of the State of all moneys required to meet.

(a) the grants so made by the Assembly ; and

(b) 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 House or Houses.

(2) No amendment shall be proposed to any such Bill in the House or either house of the Legislature of the State which will have the effect of varying the amount or altering the destination of any expenditure charged on the Consolidated Fund of the State, and the decision of the person presiding as to whether an amendment is inadmissible under this clause shall be final.

(3) Subject to the provisions of Articles 205 and 206, 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.

205. *Supplementary additional or excess grants* :—(1) The Governor shall—

(a) If the amount authorised by any law made in accordance with the provisions of Article 204 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, or

(b) 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 ;

cause to be laid before the house or the Houses of the Legislature of the State another statement showing the estimated amount of that expenditure or cause to be presented to the Legislative Assembly of the State a demand for such excess as the case may be.

(2) The provisions of Articles 202, 203 and 204 shall have effect in relation to any such statement and expenditure or demand and also be made authorising the appropriation or moneys out of the Consolidated Fund of the State to meet such expenditure or the grant in respect of such demand as may have effect in relation to the annual financial statement and the expenditure mentioned therein or to a demand for a grant and the law to be made for the authorisation of

appropriation of moneys out of the Consolidated Fund of the State to meet such expenditure or grant.

206. *Votes on account, Votes of credit and exceptional grants* :—(1) Notwithstanding anything in the foregoing provisions of this Chapter, the Legislative Assembly of a State shall have power :

- (a) to make any grant in advance in respect of the estimated expenditure for a part of any financial year pending the completion of the procedure prescribed in Article 203 for the voting of such grant and the passing of the law in accordance with the provisions of Article 204 in relation to that expenditure :—
- (b) to make a grant for meeting an unexpected demand upon the resources of the State when on account of the magnitude of the indefinite character of the service the demand cannot be stated with the details ordinarily even in an annual financial statement;
- (c) to make an exceptional grant which forms no part of the current service of any financial year ;

and the Legislature of the State shall have power to authorise by law the withdrawal of moneys from the Consolidated Fund of the State for the purposes for which the said grants are made.

(2) The provisions of Articles 203 and 204 shall have effect in relation to the making of any grant under clause (1) and to any law to be made under that clause as may have effect in relation to the making of a grant with regard to any expenditure mentioned in the annual financial statement and the law to be made for the authorisation of appropriation of moneys out of the Consolidated Fund of the State to meet such expenditure.

207. *Special Procedure as to financial bills* :—(1) A bill or amendment making provision for any of the matters specified in sub-clauses (a) to (f) of clause (1) of Article 199 shall not be introduced or moved except on the recommendation of the Governor, and a Bill making such provisions shall not be introduced in a Legislative Council.

Provided that no recommendation shall be required under this clause for the moving of an amendment making provision for the reduction or abolition of any tax.

(2) A Bill or amendment shall not be deemed to make provision for any of the matters aforesaid by reason only that it provides for the imposition of fines or other pecuniary penalties, or for the demand or payment of fees for licenses or fees for services rendered, or by reasons that it provides for the imposition, abolition, remission, alteration or regulation of any tax by any local authority or body for local purposes.

(3) A Bill which, if enacted and brought into operation, would involve expenditure, from the Consolidated Fund of a State shall not be passed by a House of the Legislature of the State unless the Governor has recommended to that House the consideration of the Bill.

287. *Contingency Fund.*—(1) Parliament may by law establish a Contingency Fund in the nature of an interest to be entitled: "The Contingency Fund of India" into which shall be paid from time to time such sums as may be determined by such law, and the said Fund shall be placed at the disposal of the President to enable advances to be made by him out of such Fund for the purposes of meeting unforeseen expenditure pending authorisation of such expenditure by Parliament by law under Article 115 or Article 110.

(2) The Legislature of State may by law establish Contingency Fund in the nature of an imprest to be entitled: "the Contingency Fund of the State" into which shall be paid from time to time such sums as may be determined by such law, and the said Fund shall be placed at the disposal of the Governor or Rajpramukh of the State to enable advances to be made by him out of such Fund for the purposes of meeting unforeseen expenditure pending authorisation of such expenditure by the Legislature of the State by law under Article 205 or Article 206.

292. *Borrowing by the Government of India.*—The executive power of the Union extends to borrowing upon the security of the Consolidated Fund of India within such limits, if any, as may from time to time be fixed by Parliament by law and to the giving of guarantees within such limits, if any, as may be so fixed.

293. *Borrowing by States.*—(1) Subject to the provisions of this Article, the executive power of a State extends to borrowing within the territory of India upon the security of the Consolidated Fund of the State within such limits, if any, as may from time to time be fixed by the Legislature of such State by law and to the giving of guarantees within such limits, if any, as may be so fixed.

(2) The Government of India, may subject to such condition as may be laid down by or under any law made by Parliament make loans to any State or, so long as any limits fixed under article 292, are not exceeded give guarantees in respect of loans raised by any State, and any sums required for the purpose of making such loans shall be charged on the Consolidated Fund of India.

(3) A State may not without the consent of the Government of India raise any loan if there is still outstanding any part of a loan which has been made to the State by the Government of India or by its predecessor Government, or in respect of which a guarantee has been given by the Government of India or by its predecessor Government.

(4) A consent under clause (3) may be granted subject to such conditions, if any, as the Government of India may think fit to impose.