

New date for Budget only after Acharya panel inputs

The National Democratic Alliance government at the Centre wants to change the date of the Union Budget, in sync with the suggestions of an expert panel examining the feasibility of a new financial year for the country.

At present, the Budget is usually presented on the last day of February. A committee headed by former chief economic advisor Shankar Acharya was setup to examine whether the April-to-March financial year could be replaced with a new one.

With the possibility of an earlier Budget date, the Budget season has already begun this year. Sources said senior officers have started to brainstorm on the themes of the annual exercise.

Specifics are yet to be worked out, but the broad theme would be “development”, according to a highly placed source. The focus will be on achieving eight percent yearly growth and government expenditure with an eye on that goal, he said.

Several state elections, including that of Uttar Pradesh, are scheduled next year.

Prime Minister Narendra Modi, it is learnt, has discussed the possibility of advancing the Union Budget 2017-18, but no date has been confirmed.

The two dates being talked about are February 6 and 8, but several issues have to be looked at before finalising it.

In fact, there are voices within the government and outside (including Opposition parties) who are against any change to the Budget date.

The idea behind having the Budget in early February is that Parliament approval can come by March end, ahead of the new financial year starting April 1. Such a move would help prevent “fiscal pendency” and tax uncertainties in the new financial year, officials believe. Finance Minister Arun Jaitley had also supported the idea as it would result in balanced expenditure by the government through the year. However, the Shankar Acharya committee input on the Budget timing may be critical for a decision. According to the terms of reference, the Acharya panel has time till December to submit its report on the feasibility of a new financial year. The committee has not received any reference yet from the government on early input on Budget date, it is learnt. Other members of the committee are former Cabinet secretary, K M Chandrasekhar, former finance secretary of Tamil Nadu, PV Rajaraman, and a research fellow at the Centre for Policy Research, Rajiv Kumar. A source close to the development told this news paper the Acharya committee is in the process of consultation. “Views will be firmed up only after giving opportunities to the principal stakeholders.” The committee will also look at public views expressed on the my.gov.in portal, besides getting “notes and papers from various sources”. Besides giving reasons from the stand point of receipts and expenditure of the central and state

governments and agricultural crop periods, the committee would also have to analyse the impact on businesses, taxation and transacting Budget work, if the financial year were to change.

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