

# Early Budget

The government is considering a proposal to advance the presentation of the budget by a month to end of January from end of February now. **ET** takes a look at the proposal.

## NDA READY TO EXPERIMENT WITH BUDGET

 <p><b>BUDGET TIMING</b> <b>IN 2001</b>, NDA-1 had changed the timing</p>	 <p><b>END OF PLAN</b> <b>MANY COMMITTEES</b> had suggested doing away with Plan/non-Plan distinction</p>	 <p><b>RAILWAY BUDGET</b> <b>SHOULD WE</b> have a railway budget?</p>
<p><b>THE THEN FM</b> Yashwant Sinha presented budget at 11 am</p>	<p><b>MODI GOVT</b> abolished the planning commission</p>	<p><b>THERE WAS</b> a time when railway had a big role in economy, but no longer</p>
<p><b>EARLIER BUDGET</b> was presented at 5 pm, a colonial legacy that had continued till 2001</p>	<p><b>FROM COMING</b> year no Plan and non-Plan distinction</p>	<p><b>IT IS</b> very likely there will not be a railway budget this year</p>

## AN EARLY BUDGET NOW?

**CURRENT PRACTICE** Budget is presented on the last working day of February. The entire process lasts over two and half months

## WHY MOVE IT A MONTH AHEAD

At present budget process is completed by mid-May. By then the financial year is well on its way. This leads to uncertainty, especially with respect to tax provisions

- 1 Jan budget will allow process to be aligned with financial year
- 2 From the very beginning businesses and individuals will know tax liability
- 3 Government departments will be able to start spending quickly

## SOME COMPLICATIONS

<p><b>1 CHG IN FIN YR</b> <b>A COMMITTEE</b> set up to see if India needs to change financial year from April-March</p>	<p><b>2 POLITICAL PROCESS</b> <b>BUDGET IS</b> a political process with extensive deliberation in Parliament</p>	<p><b>IT WILL</b> call for a change in schedule of Parliament</p>
<p><b>IF IT</b> suggests a different FY then budget process will have to change</p>	<p><b>IT IS</b> spread over two and half months to facilitate discussion</p>	<p><b>GOVT WILL</b> have to take political views into consideration</p>
<p><b>3 TOO MANY VARIABLE</b> <b>THE BUDGET</b> this year is already grappling with other difficulties</p>	<p><b>IF GST</b> is rolled out from Apr 1, there will be more changes</p>	<p><b>4 LIMITED TIME</b> <b>BUDGET CYCLE</b> typically starts from Sept-end <b>OR THE</b> process will have to be crunched by a month</p>
<p><b>PLAN/NON</b> plan distinction has to be dropped</p>	<p><b>RAILWAY</b> budget is also proposed to be merged with general budget</p>	<p><b>ADVANCING</b> by a month will mean the process should start immediately</p>

## WHY NOT

There will be lesser data to work with in Jan | The data will at best be till Dec-end | No.s may not be that credible