

Centre's spending improves after budget date advanced

Disbursal of funds may have increased by 10-15% in April and May, says official

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The advancement of the Budget date to February 1 had a positive effect on the pattern of government expenditure, which increased "substantially" in April and May compared to previous years, according to a Finance Ministry official.

The Budget for the financial year 2017-18 was presented on February 1 instead of at the end of the month in order to facilitate a timely disbursal of funds for various sectors.

Pre-monsoon spending

"The advancement of the Budget date to February 1 has already seen the disbursement of planned expenditure increasing in the months of April and May, instead of having to wait till the monsoon got over, as was happening earlier," a



Slow dating: The February 28 date meant that the disbursal of funds got delayed till the very end of the monsoon.

senior official in the Ministry of Finance told *The Hindu*.

"The exact increase is still being calculated, but it is definitely substantial and we will make the report public soon. It should have increased by about 10-15% of

what was happening last year." According to the government, the February 28 date for the presentation of the Budget meant that the actual disbursal of funds got delayed till the very end of the monsoon.

"The Budget would be passed on the February 28 and the Finance Bill would only be passed by mid-April or May following the completion of the vote on account, the funds for various projects would be disbursed only by the beginning of the monsoon," the official said, echoing an argument made several times before by Finance Minister Arun Jaitley.

'Effective disbursal'

"Then the monsoon would start and the projects would have to wait. So effective disbursal was only after that," the official said.

The Finance Act 2016, for example, was passed by the lower house or Lok Sabha only on May 5, 2016, while the Finance Act 2015 was passed even later in the respective year, on May 14. The Finance Act 2014 was passed on July 10 of that year.