

# Early Budget lifts April spend by 50%

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New Delhi, 21 May

Advancing the Union Budget and passing the Finance Bill before the start of the financial year are already showing results in central government expenditure. For April, total spending is pegged at ₹2.43 lakh crore, *Business Standard* has learnt. That is a near 50 per cent jump over ₹1.62 lakh crore spent in April 2016.

The April 2017 figure of ₹2.43 lakh crore works out to 11.3 per cent of the total budgeted spending estimates for 2017-18 at ₹21.46 lakh crore. Last April, the expenditure was 8.2 per cent of the annual spending estimates for 2016-17.

Budget 2017-18 was marked by three important changes — the Railway and Union Budgets were merged; the plan and non-plan classifications of expenditure were abolished and replaced by revenue expenditure and capital expenditure classifications; and the date of Budget presentation was advanced from February 28 to February 1.

This allowed the passage of the Finance Bill by March 31, unlike previous years, when a vote-on-account was used to keep the government running in the April-June quarter.

Till last year, the Finance Bill was passed in May.

“The momentum of expenditure, which was built up last year, has continued. The early passage of the Budget has helped maintain that momentum. There has been no slippage or period of lull,” said a senior government official.

Sources said that out of nearly ₹2.43 lakh crore spent in April, about ₹29,000 crore was capital spending, while ₹2.14 lakh crore was revenue spending on administrative expenses, salaries, pensions, as well as on existing programmes, including many of the Narendra Modi government’s flagship schemes.

“The focus has been on schemes related to school education, women and child development, drinking water, housing and poverty alleviation, and agriculture. These have shown a substantial increase compared to last year,” the official said.



## SPENDING BOOST

(in ₹ cr)	April 2016*	April 2017** (% rise from year ago period)
Capital expenditure	20,835	28,898 (38.7)
Revenue expenditure	1,41,150	2,13,720 (51.4)
Total	1,61,985	2,42,618 (49.8)

\*Source: cga.nic.in

\*\*Source: Finance ministry sources

### **Early Budget...**

“There is a change in perception and approach. Since the Budget was approved before March 31, there is no excuse for the first quarter being slow

(on spending momentum). There has been a change in attitude throughout the government,” the person added. “Earlier, because revenue collection in the first quarter was low, there was no emphasis on expenditure. Now the finance ministry is able to tell other departments to maintain the momentum. At most, we may borrow slightly more in the first two months. On the whole, if you are able to maintain fiscal deficit at the end of the year, you are fine,” the official said. The budgeted fiscal deficit target for 2017-18 is ₹5.46 lakh crore, or 3.2 per cent of gross domestic product, compared with the revised estimates of 3.5 per cent in 2016-17.