

F.No.1(17)-B(AC)/2010
Ministry of Finance
Department of Economic Affairs
(BUDGET DIVISION)

*North Block, New Delhi,
Dated the 6th July, 2016.*

The Government hereby constitutes a Committee to examine the desirability and feasibility of having a new financial year.

2. The composition of the Committee is as follows:

- | | | |
|-------|---|----------|
| (i) | Dr. Shankar Acharya
(Former CEA) | Chairman |
| (ii) | Sh. KM Chandrasekhar
(Former Cabinet Secretary) | Member |
| (iii) | Sh. PV Rajaraman
(Former Finance Secretary,
Government of Tamil Nadu) | Member |
| (iv) | Dr. Rajiv Kumar
(Senior Fellow, Center for Policy Research) | Member |

3. The terms of reference (ToR) of the Committee are as under:

Examine the merits and demerits of various dates for the commencement of the financial year including the existing date, taking into account, *inter-alia*, the following:

- (i) The genesis of the current financial year and the studies made in the past on the desirability of change in financial year;
- (ii) The suitability of the financial year from the point of view of –
 - a. correct estimation of receipts and expenditure of Central and State Governments;
 - b. the effect of the different agricultural crop periods;
 - c. the relationship of financial year to the working season;
 - d. impact on businesses;
 - e. taxation systems and procedures;
 - f. statistics and data collection;
 - g. the convenience of the legislatures for transacting budget work; and
 - h. other relevant matters.

4. The Committee may, after due examination of all relevant factors, recommend the date of commencement of the financial year which in its view is the most suitable for the country.

5. In case a change in the financial year is recommended, the Committee may also work out the modalities for effecting the change. This would *inter-alia* include:

- (i) appropriate timing of change;
- (ii) the determination of a transitional period;
- (iii) the change in tax laws during the transitional period;
- (iv) the amendments that may be required in various statutes; and
- (v) changes in the coverage of the recommendations of the Finance Commission.

6. The Committee may interact with experts, institutions, Government Departments and others as deemed necessary.

7. The orders regarding Secretariat support, other administrative expenses and other relevant matters shall be issued separately.

8. The Committee shall submit its report to the Government by 31st December, 2016.


 (Pr. Anil Goyal)
 Joint Secretary (Budget)

To

- (i) Dr. Shankar Acharya, Former CEA
- (ii) Sh. KM Chandrasekhar, Former Cabinet Secretary
- (iii) Sh. PV Rajaraman, Former Finance Secretary, Tamil Nadu
- (iv) Dr. Rajiv Kumar, Senior Fellow, Center for Policy Research

Copy to:-

- (i) PS to FM
- (ii) PSO to FS
- (iii) PPS to Secretary (EA)
- (iv) PPS to JS (B)