

Macro Insights

1st February 2024

Highlights:

Fiscal deficit at 55% of BE by December 2023.

The government's fiscal deficit for the nine months ending December 2023 was at Rs. 9.82 lakh crore- amounting to 55.0% of the Budget Estimates- lower than last year's achievement by this time.

- Capex rose significantly to Rs. 6.74 trillion during April-December FY 2023-24-achieving 67.30% of the budgeted target- higher than last fiscal's achievement of 65.40%.
- On the income side, total receipts were lower at Rs. 20.72 lakh crore- reaching 76.30% of budget estimates compared to almost 80% by this time in the last fiscal. The Centre's receipts fell in December even though gross tax collections were up due to the central government releasing an additional instalment of tax devolution to states during the month.
- Non-tax revenue, on the other hand, has already exceeded the target for the fiscal year at Rs. 3.12 lakh crore owing to surplus transfer from the RBI.

Government of India Accounts (April-December 2023)

	Budget Estimates 2023-2024 (Rs. Crore)	Actuals April-December 2023 (Rs. Crore)	% of Actuals to Budget Estimates	
			Current	Corresponding Period Previous Year
Revenue Receipts	2632281	2042289	77.60%	80.30%
Net Tax Revenue	2330631	1729931	74.20%	80.40%
Non-Tax Revenue	301650	312358	103.50%	79.50%
Total Receipts	2716281	2071939	76.30%	79.90%
Revenue Expenditure	3502724	2380587	68.00%	72.90%
Capital Expenditure	1000373	673630	67.30%	65.40%
Total Expenditure	4503097	3054217	67.80%	71.40%
Fiscal Deficit	1786816	982278	55.00%	59.80%
Revenue Deficit	870443	338298	38.90%	56.30%
Primary Deficit	706845	234071	33.10%	43.30%

Source: CGA

Views and Outlook:

- ☞ Fiscal deficit up to December 2023 was arrested, however the upcoming election season is likely to amplify the government's revenue expenditure. Nonetheless, the FY24 fiscal deficit target of Rs. 17.9 lakh crore is expected to be met.
- ☞ External financing, however breached the budget estimates of Rs. 22,117 crore- reaching almost 130% of the target at around Rs. 28,830 in the April-December 2023 period. During the same period last fiscal, this was at 92% of the budget estimates.

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