

Macro Insights

4th March 2024

Highlights:

Fiscal deficit at 63.60% of BE by January 2024.

India's fiscal deficit for the first 10 months of this fiscal year through January stood at Rs 11.03 lakh crore, or 63.60 per cent of annual estimates.

- Capex rose significantly to Rs. 7.21 trillion during April-January FY 2023-24-achieving 75.90% of the budgeted target- lower than last fiscal's achievement of 78.30%.
- On the income side, total receipts were lower at Rs. 22.52 lakh crore- reaching 81.70% of budget estimates compared to 81.30% by this time in the last fiscal. This comprised ₹18.8-lakh crore tax revenue (net), ₹3.38-lakh crore of non-tax revenue and ₹34,219 crore of non-debt capital receipts. Non-debt capital receipts consist of the recovery of loans and miscellaneous capital receipts.
- Non-tax revenue, on the other hand, has already exceeded the target for the fiscal year at Rs. 3.38 lakh crore owing to surplus transfer from the RBI.

Government of India Accounts (April-January 2024)

	Budget Estimates 2023-2024 (Rs. Crore)	Actuals April-January 2024 (Rs. Crore)	% of Actuals to Budget Estimates	
			Current	Corresponding Period Previous Year
Revenue Receipts	2699713	2217909	82.20%	81.70%
Net Tax Revenue	2323918	1879840	80.90%	80.90%
Non-Tax Revenue	375795	338069	90.00%	88.20%
Total Receipts	2755713	2252128	81.70%	81.30%
Revenue Expenditure	3540931	2633543	74.40%	75.10%
Capital Expenditure	949555	721187	75.90%	78.30%
Total Expenditure	4490486	3354730	74.70%	75.70%
Fiscal Deficit	1734773	1102602	63.60%	67.80%
Revenue Deficit	841218	415634	49.40%	61.00%
Primary Deficit	679346	280871	41.30%	55.50%

Source: CGA

Views and Outlook:

- ☞ Out of the total fiscal deficit target of ₹17.35 Trillion for FY24, India has touched fiscal deficit of ₹11.03 Trillion (63.6%) as of the end of January 2024. The challenge with fiscal deficit is that it has to be funded (with borrowings) so that the budget is balanced.
- ☞ Out of the ₹10.70 Trillion of domestic financing, market borrowings accounted for the biggest chunk of 94.06%. The balance funding of the fiscal gap came from small savings, provident funds, and other national savings schemes.

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