

## Macro Insights

1<sup>st</sup> December 2023

### Highlights:

### Fiscal deficit touched 45.0% of BE by October 2023.

The government's fiscal deficit for the five months ending October 2023 touched Rs. 8.04 trillion- which is 45% of the Budget Estimates. This was almost at par with last year's achievement by this time.

The government targets to bring down the fiscal deficit to 5.9% of GDP in FY2024, from 6.4% in FY23.

- ☞ Capex rose to Rs. 5.47 trillion during April-October FY24- achieving 54.7% of the budgeted target- up from Rs. 4.09 trillion in the same period last fiscal.
- ☞ While the outlay on various subsidies this fiscal was still lower at 62% of BE compared to 75% last fiscal, the recent extension of free food grains to 81.35 crore people for another five years under PMGKAY, is likely to impose additional cost on union finances in the coming months of January-April 2024.

### Government of India Accounts (April-October 2023)

	Budget Estimates 2023-2024 (Rs. Crore)	Actuals April-October 2023 (Rs. Crore)	% of Actuals to Budget Estimates	
			Current	Corresponding Period Previous Year
Revenue Receipts	2632281	1567722	59.60%	61.20%
Net Tax Revenue	2330631	1301957	55.90%	60.50%
Non-Tax Revenue	301650	265765	88.10%	66.30%
Total Receipts	2716281	1590712	58.60%	60.70%
Revenue Expenditure	3502724	1847488	52.70%	54.30%
Capital Expenditure	1000373	546924	54.70%	54.60%
Total Expenditure	4503097	2394412	53.20%	54.30%
Fiscal Deficit	1786816	803700	45.00%	45.60%
Revenue Deficit	870443	279766	32.10%	38.80%
Primary Deficit	706845	258614	36.60%	38.40%

Source: CGA

### View and Outlook:

- The government targets to bring down the fiscal deficit to 5.9% of GDP in FY2024, from 6.4% in FY23.
- While the outlay on subsidies is high, the robust tax collections and non-tax revenue imply that the government may be able to contain the fiscal deficit as per target.

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