

## Macro Insights

29<sup>th</sup> June 2024

### Highlights:

#### Fiscal deficit at 3% of BE in the April-May 2024 period.

The government's fiscal deficit in the April- May 2024 period was at Rs. 50,615 crore- amounting to 3% of the budget estimates vis-à-vis 11.80% of BE reached during the same period last year.

- ☞ Capital expenditure was robust at 12.90% of the budgeted target at Rs. 1.4 lakh crore during April-May FY 2024-25 although lower than the last fiscal's achievement of 16.80% owing to the general elections.
- ☞ On the income side, total receipts were higher at Rs. 5.7 lakh crore- reaching 18.60% of budget estimates compared to 15.30% by this time in the last fiscal being aided by robust tax collections. Net tax revenue came in at 12.30% of the budgeted target.
- ☞ Revenue expenditure at 13.10% of the BE during April-May 2024 was at par with the expenditure last year.

### Government of India Accounts (April-May 2024)

	Budget Estimates 2024-2025 (Rs. Crore)	Actuals April'24-May'24 (Rs. Crore)	% of Actuals to Budget Estimates	
			Current	Corresponding Period Previous Year
Revenue Receipts	3001275	570758	19.00%	15.70%
<b>Net Tax Revenue</b>	<b>2601574</b>	<b>319036</b>	<b>12.30%</b>	<b>11.90%</b>
Non-Tax Revenue	399701	251722	63.00%	44.60%
Total Receipts	3080275	572845	18.60%	15.30%
Revenue Expenditure	3654657	479835	13.10%	13.10%
<b>Capital Expenditure</b>	<b>1111111</b>	<b>143625</b>	<b>12.90%</b>	<b>16.80%</b>
Total Expenditure	4765768	623460	13.10%	13.90%
<b>Fiscal Deficit</b>	<b>1685494</b>	<b>50615</b>	<b>3.00%</b>	<b>11.80%</b>
Revenue Deficit	653383	-90923	-13.90%	5.20%
Primary Deficit	495054	-73195	-14.80%	14.10%

Source: CGA

**Views and Outlook:**

- ☞ The sharp growth in gross collections during April-May FY25 was primarily driven by a massive 41.7% growth recorded in personal income tax collections, which stood at Rs. 1.8 lakh crore. This shows a widening of the tax base, as the use of technology, rationalisation, simplification of taxes and procedures, and improved tax payer services, have led to higher tax compliance.
- ☞ The sharp surge in non-tax revenue was owing to the record Rs. 2.11 trillion dividend announced by the Reserve Bank of India. Non tax revenue came in at Rs. 2.5 trillion- amounting to 63.0% of the budget estimates during April-May 2024 vis-à-vis 44.60% of BE reached during the same period last year.
- ☞ The Government aims to reduce the fiscal deficit to 5.1% of gross domestic product during FY25, from 5.6% in the previous fiscal year.

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