

## Macro Insights

30<sup>th</sup> March 2024

### Highlights:

#### Fiscal deficit shoots to 86.50% of BE by February 2024.

The government's fiscal deficit in the April 2023-February 2024 period increased to 15.01 lakh crore- amounting to 86.50% of the BE- a big jump from 63.60% of BE reached till last month.

- Capex increased to Rs. 8.06 lakh crore during April-February FY 2023-24-achieving 84.80% of the budgeted target- higher than last fiscal's achievement of 81.10%.
- On the income side, total receipts were lower at Rs. 22.5 lakh crore- reaching 81.50% of budget estimates compared to 83.90% by this time in the last fiscal. Net tax revenue was also lower-meeting 79.60% of the budgeted target vis-à-vis 83.00% achieved last fiscal.
- Revenue expenditure at 83.10% of the BE still leaves the government with almost Rs. 6 lakh crore of spending opportunity.

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

	Budget Estimates 2023-2024 (Rs. Crore)	Actuals April-December 2023 (Rs. Crore)	% of Actuals to Budget Estimates	
			Current	Corresponding Period Previous Year
Revenue Receipts	2699713	2209782	81.90%	84.30%
Net Tax Revenue	2323918	1849452	79.60%	83.00%
Non-Tax Revenue	375795	360330	95.90%	95.00%
Total Receipts	2755713	2245922	81.50%	83.90%
Revenue Expenditure	3540931	2941674	83.10%	83.90%
Capital Expenditure	949555	805613	84.80%	81.10%
Total Expenditure	4490486	3747287	83.40%	83.40%
Fiscal Deficit	1734773	1501365	86.50%	82.80%
Revenue Deficit	841219	731892	87.00%	83.00%
Primary Deficit	679346	620577	91.30%	80.40%

Source: CGA

**Views and Outlook:**

- ☞ The sharp increase in fiscal deficit this month was owed to the Centre transferring around Rs. 2.15 lakh crore to States through two instalments of their tax devolution share, as opposed to Rs. 1.4 lakh crore last year.
- ☞ Further, capital expenditure which had slowed to Rs. 47,600 crore in January 2024, was almost doubled to Rs. 84,400 crore in February 2024. However, capex will have to further rise to Rs. 1.4 lakh crore in March'24 to meet the government's Rs. 10 lakh crore target.
- ☞ The Government aims to reduce the fiscal deficit to 5.8% of gross domestic product during FY24, from 6.4% in the previous fiscal year.

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