

## Macro Insights

30th May 2025

### Highlights:

**Fiscal deficit stands at 11.9% of BE in April 2025 against 13.0% a year ago**

The government's fiscal deficit in April 2025 period came in at ₹1.86 lakh crore amounting to 11.9% of the Budgeted estimates (BE) vis-à-vis 13.0% of BE reached during the same period last year.

- ☛ Total expenditure stood at ₹4.66 lakh crore reaching 9.2% of the BE during April 2025. This is 40 bps higher than the expenditure in the same period last year (8.8%).
- ☛ Capital expenditure amounting to ₹1.58 lakh crore during April 2025 reached to 14.3% of the Budget Estimate compared to 8.9% during April 2024.
- ☛ Total receipts of ₹2.79 lakh crore accounted for 8.0% of the BE, up from 6.7% last year during the same period.
- ☛ Revenue deficit stood at 0.49 lakh crore reaching 9.4% of the BE during April 2025 compared to 19.3% during April 2024.

### Government of India Accounts (April'2025)

|                     | Budget Estimates 2025-2026 (₹Crore) | Actuals Apr'25 (₹Crore) | % of Actuals to Budget Estimates |                                    |
|---------------------|-------------------------------------|-------------------------|----------------------------------|------------------------------------|
|                     |                                     |                         | Current                          | Corresponding Period Previous Year |
| Revenue Receipts    | 3420409                             | 256829                  | 7.5%                             | 6.8%                               |
| Net Tax Revenue     | 2837409                             | 189669                  | 6.7%                             | 7.2%                               |
| Non-Tax Revenue     | 583000                              | 67160                   | 11.5%                            | 5.0%                               |
| Total Receipts      | 3496409                             | 279288                  | 8.0%                             | 6.7%                               |
| Revenue Expenditure | 3944255                             | 305830                  | 7.8%                             | 8.7%                               |
| Interest Payments   | 1276338                             | 93460                   | 7.3%                             | 11.0%                              |
| Capital Expenditure | 1121090                             | 159790                  | 14.3%                            | 8.9%                               |
| Total Expenditure   | 5065345                             | 465620                  | 9.2%                             | 8.8%                               |
| Fiscal Deficit      | 1568936                             | 186332                  | 11.9%                            | 13.0%                              |
| Revenue Deficit     | 523846                              | 49001                   | 9.4%                             | 19.3%                              |
| Primary Deficit     | 292598                              | 92872                   | 31.7%                            | 18.2%                              |

Source: CGA

### Views and Outlook:

- ☞ Gross tax collections rose by 6.5 per cent (YoY) in April 2025, driven by a double digit growth of 10.8 per cent growth in income tax collections. While, Non-tax revenue stood at 11.5 per cent of Budget estimates. Net tax collection reached ₹1.89 lakh crore, making up 6.7 per cent of budget estimates. This is lower than 7.2 per cent from the same period last year.
- ☞ On year to date basis, Capital expenditure reached 14.3 per cent of BE vis-a-vis 8.9 per cent recorded in last fiscal. Capital expenditure increased to ₹1.60 lakh crore (6.02% YoY) from ₹ 0.99 Lakh crore. The robust capex trend is expected to continue in the coming months.
- ☞ Revenue Expenditure of the government decreased to ₹3.05 lakh crore in Apr'25 compared to ₹3.24 lakh crore in the same period last year.
- ☞ Revenue deficit decreased to ₹0.49 Lakh Crore in Apr'25 from ₹1.12 Lakh crore in the same period last year.
- ☞ Expenditure on urea subsidy increased from ₹4,781 Crore in Apr'24 to ₹12,646 Crore in Apr'25 making up 11% of the BE up from 4% in the same period last year.
- ☞ In the Union Budget, the government had estimated its fiscal deficit target to 4.4% of GDP aiming to maintain fiscal prudence in FY26 in line with its earlier commitment of bringing fiscal deficit down below 4.5% by FY26. The Fiscal deficit target set by the government is likely to be met if fiscal prudence is maintained going forward.

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