

Macro Insights

30th June 2025

Highlights:

Fiscal deficit stands at 0.8% of BE in May 2025 against 3.1% a year ago

The government's fiscal deficit in May 2025 period came in at ₹13,163 crore amounting to 0.8% of the Budgeted estimates (BE) vis-à-vis 3.1% of BE reached during the same period last year.

- ☞ Total expenditure stood at ₹7.46 lakh crore reaching 14.7% of the BE during April-May 2025. This is 180 bps higher than the expenditure in the same period last year (12.9%).
- ☞ Capital expenditure amounting to ₹2.21 lakh crore during April-May 2025 reached to 19.7% of the Budget Estimate compared to 12.9% during April-May 2024.
- ☞ Total receipts of ₹7.33 lakh crore accounted for 21.0% of the BE, up from 17.9% last year during the same period.
- ☞ There was a Revenue surplus of ₹1.83 lakh crore as on May'25 owing to large Non-tax revenue.

Government of India Accounts (April- May'2025)

	Budget Estimates 2025-2026 (₹Crore)	Actuals Apr'25-May'25 (₹Crore)	% of Actuals to Budget Estimates	
			Current	Corresponding Period Previous Year
Revenue Receipts	3420409	707739	20.7%	18.2%
Net Tax Revenue	2837409	350862	12.4%	12.3%
Non-Tax Revenue	583000	356877	61.2%	46.1%
Total Receipts	3496409	732963	21.0%	17.9%
Revenue Expenditure	3944255	524772	13.3%	12.9%
Interest Payments	1276338	147788	11.6%	10.6%
Capital Expenditure	1121090	221354	19.7%	12.9%
Total Expenditure	5065345	746126	14.7%	12.9%
Fiscal Deficit	1568936	13163	0.8%	3.1%
Revenue Deficit	523846	-182967	-34.9%	-15.7%
Primary Deficit	292598	-134625	-46.0%	-16.3%

Source: CGA

Views and Outlook:

- ☞ Gross tax collections rose by 19.12 per cent (YoY) in May 2025, driven by a triple digit growth of 157.56 per cent growth in corporate tax collections. While, Non-tax revenue stood at 61.2 per cent of Budget estimates. Net tax collection reached ₹3.51 lakh crore, making up 12.4 per cent of budget estimates. This is lower than 12.3 per cent from the same period last year.
- ☞ On year to date basis, Capital expenditure reached 19.7 per cent of BE vis-a-vis 12.9 per cent recorded in last fiscal. Capital expenditure increased to ₹2.21 lakh crore (54.12% YoY) from ₹ 1.43 Lakh crore. The robust capex trend is expected to continue in the coming months.
- ☞ Revenue Expenditure of the government increased to ₹5.25 lakh crore in Apr- May'25 compared to ₹4.80 lakh crore in the same period last year.
- ☞ There was a Revenue surplus of ₹1.83 lakh crore as on May'25 owing to large Non-tax revenue (61.2 per cent YoY). In the same period last year there was a revenue surplus of ₹ 90,923 crore.
- ☞ Expenditure on urea subsidy increased from ₹12,443 Crore in Apr- May'24 to ₹18,951 Crore in Apr- May'25 making up 16% of the BE up from 10% 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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