

## Macro Insights

31<sup>st</sup> January 2025

### Fiscal deficit widens to 56.7% of BE in April-December 2024 from 55.0% a year ago

The government's fiscal deficit in April-December 2024 period came in at ₹9.14 lakh crore amounting to 56.7% of the budget estimates (BE) vis-à-vis 55.0% of BE reached during the same period last year.

### Highlights:

- ☛ Total expenditure stood at ₹32.32 lakh crore reaching 67.0% of the BE during Apr-Dec'24. This is 80 bps lower than the expenditure in the same period last year (67.8%).
- ☛ Capital expenditure amounting to ₹6.85 lakh crore during Apr-Dec'24 reached to 61.7% of the revised target compared to 67.3% during April-December 2023.
- ☛ Total receipts of ₹23.18 lakh crore accounted for 72.3% of the BE in Apr-Dec'24, down from 76.3% last year during the same period, due to both lower tax & non-tax revenue growths compared to the previous year.

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

	Budget Estimates 2024-2025 (₹Crore)	Actuals Apr'24-Dec'24 (₹Crore)	% of Actuals to Budget Estimates	
			Current	Corresponding Period Previous Year
Revenue Receipts	3129200	2290710	73.2%	77.6%
Net Tax Revenue	2583499	1843053	71.3%	74.2%
Non-Tax Revenue	545701	447657	82.0%	103.5%
Total Receipts	3207200	2318005	72.3%	76.3%
Revenue Expenditure	3709401	2546757	68.7%	68.0%
Interest Payments	1162940	808313	69.5%	69.3%
Capital Expenditure	1111111	685337	61.7%	67.3%
Total Expenditure	4820512	3232094	67.0%	67.8%
Fiscal Deficit	1613312	914089	56.7%	55.0%
Revenue Deficit	580201	256047	44.1%	38.9%
Primary Deficit	450372	105776	23.5%	33.1%

Source: CGA

**Views and Outlook:**

- ☞ Gross tax collections rose by 11.1 per cent (YoY) in December 2024, driven by a double-digit growth of 16.0 per cent growth in income tax collections, followed by 10.6 per cent growth (YoY) in corporate tax. While non-tax revenue stood at 82.0 per cent of budget estimates.
- ☞ Net tax collection reached ₹18.43 lakh crore, making up 71.3 per cent of budget estimates. This is lower than 74.2 per cent from the same period last year, due to the higher tax devolution to the states (increased to ₹9.01 lakh crore from ₹7.47 lakh crore YoY).
- ☞ On a year-to-date basis, capital expenditure reached 61.7% of the BE, compared to 67.3% during the same period last fiscal. Notably, December 2024 alone contributed ₹1.72 lakh crore which was more than double the ₹87,985 crore spent in December 2023 underscoring the government's continued focus on infrastructure-led growth. This robust momentum in capex is expected to persist through the January–March 2025 quarter, aligning with efforts to meet the full-year budgetary targets.
- ☞ The government remains committed to its fiscal consolidation path, maintaining the revised fiscal deficit target of 4.8% of GDP for FY25, with expectations of meeting this goal supported by robust tax collections and sustained capex momentum.

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