



GOVERNMENT OF INDIA

**Statement on Half Yearly Review of the Trends in Receipts and
Expenditure in relation to the Budget at the end of the
first Half of the Financial Year 2024-25**

and

**Statement explaining deviation in meeting the obligations
of the Government under the Fiscal Responsibility and
Budget Management Act, 2003**

(As required under Section 7(1) and Section 7(3)(b) of the
Fiscal Responsibility and Budget Management Act, 2003)

Ministry of Finance

CONTENTS

	Page
Macroeconomic backdrop	1
Review of trend in Receipts and Expenditure	1
Key fiscal indicators	3
Receipts	3
Expenditure	5
Deficit	6
Statement of deviation prepared as per the Section 7(3)(b) of the FRBM Act, 2003	8
Conclusion	9

1. Macro-economic Backdrop

India's economic growth, as measured by growth in Gross Domestic Product at constant (2011-12) prices is estimated at 6.0 per cent during H1 (April-September) of FY 2024-25. Growth in the Gross Value Added at constant prices for H1 of FY 2024-25 has been about 6.2 per cent.

The agriculture sector, industry sector and the services sector have registered a growth of 2.7 per cent, 6.0 per cent and 7.1 per cent, respectively, in H1 of FY 2024-25. Among the sub-sectors of the economy, electricity, gas, water supply, other utility services, construction and public administration, defence & other services, have supported growth.

Inflation rate, based on the Consumer Price Index (Combined), was lower at 4.57 per cent in H1 of FY 2024-25 compared to 5.53 per cent in H1 of FY 2023-24 and 7.16 per cent in H1 of FY 2022-23. Inflation-based on the Wholesale Price Index was 2.1 per cent in H1 of FY 2024-25 compared to (-) 1.74 per cent in H1 of FY 2023-24 and 14.2 per cent in H1 of FY 2022-23. The core inflation in the H1 of FY 2024-25 was about 3.27 per cent compared to 4.96 per cent in the H1 of FY 2023-24.

Merchandise exports at current prices during H1 of FY 2024-25 stood at USD 213.0 billion. It grew by 1 per cent over the level of USD 211.1 billion during H1 of FY 2023-24. During H1 of the current Financial Year (FY), merchandise imports at current prices was pegged at USD 350.6 billion. Merchandise trade deficit for H1 of FY 2024-25 has been estimated at USD 137.6 billion. India's current account deficit during Q1 of FY 2024-25 is projected at 1.1 per cent of the GDP (USD 9.7 billion).

Net foreign portfolio inflows were USD 21.6 billion in H1 of FY 2024-25 compared to USD 20.8 billion during the corresponding period in the previous FY. Net foreign direct investment inflows stood at USD 14.3 billion during H1 of FY 2024-25 *vis-à-vis* USD 10.4 billion in the corresponding period of the previous year. Net foreign institutional investment flows stood at USD 20 billion during H1 of FY 2024-25.

India's foreign exchange reserves was at about USD 705.8 billion at the end of September 2024 as compared to USD 587.7 billion at the end-September 2023. As on 31st October 2024, foreign exchange reserves are sufficient to cover about 12 months of merchandise imports. In terms of other key external sector indicators such as external debt to GDP, net international investment position (IIP) and short-term debt to external debt, India's position remains resilient.

2. Review of Trends in Receipts and Expenditure in H1 of FY 2024-25

The Union Budget (Regular) was presented by the Government to Parliament on July 23, 2024 and the Appropriation Act was notified on August 14, 2024. Prior to this, Ministries/ Departments were incurring expenditures based on the appropriations granted by the Parliament through the Interim Budget FY 2024-25.

In BE 2024-25 (Regular), total expenditure was estimated at about ₹48.21 lakh crore, of which, expenditure on revenue account and capital account were estimated at about ₹37.09 lakh crore and ₹11.11 lakh crore, respectively. Taking into account the grant for creation of capital assets, the effective CAPEX was projected at ₹15.02 lakh crore.

Gross Tax Revenue (GTR) was estimated at about ₹38.40 lakh crore with an implied tax-GDP ratio of 11.8 per cent. Total non-debt receipt of the Centre was estimated at about ₹32.07 lakh crore. It comprised Tax Revenue (Net to Centre) of about ₹25.83 lakh crore, Non-Tax Revenue of about ₹5.46 lakh crore, and miscellaneous capital receipts of ₹0.78 lakh crore.

With above estimates of receipts and expenditure, the Fiscal Deficit was pegged at about ₹16.13 lakh crore in BE 2024-25 or 4.9 per cent of GDP. The fiscal deficit was planned to be financed by raising ₹11.13 lakh crore from market (G-sec + T-Bills), and the remaining amount of ₹5 lakh crore from other sources, such as NSSF, State Provident Fund, External debt, draw down of cash balance, etc.

During H1 of FY 2024-25, the GTR and Tax Revenue (Net to Centre) were about ₹18.14 lakh crore (or 47.2 per cent of BE) and ₹12.65 lakh crore, respectively. In H1 of FY 2024-25, Tax Revenue (Net to Centre), at 49 per cent of BE, has been higher than the past five years' moving average of 45.3 per cent of BE. Similarly, Non-Tax Revenue (NTR) during H1 of FY 2024-25, at 65.5 per cent of BE 2024-25, has also been higher than the last five years' moving average of about 58.7 per cent of BE.

In H1 of FY 2024-25, Revenue Receipts, defined as the sum of Tax Revenue (Net to Centre) and NTR, at about ₹16.22 lakh crore, has been estimated at 51.8 per cent of BE. This is higher than the five years' moving average of 47.1 per cent of BE.

Total Expenditure during H1 of FY 2024-25 has been about ₹21.11 lakh crore (or 43.8 per cent of BE). While the revenue expenditure was about ₹16.97 lakh crore, capital expenditure was about ₹4.15 lakh crore during this period.

With above position of receipts and expenditure, fiscal deficit in H1 of FY 2024-25 is projected at about ₹4.75 lakh crore or about 29.4 per cent of BE 2024-25. Table – I summarizes the trends in receipts and expenditure at the end of H1 of FY 2024-25 (receipts and recoveries, wherever linked to expenditure, have been netted out).

Table 1: Key Fiscal Indicators in H1 of FY 2024-25*(₹ in crore)*

S. No.	Particulars	BE 2024-25	Actuals		Percentage to BE		
			H1 of FY 2024-25	H1 of FY 2023-24	H1 of FY 2024-25	H1 of FY 2023-24	5 years' moving average
1.	Revenue Receipts (2+3)	31,29,200	16,22,373	13,97,112	51.8%	53.1%	47.1%
2.	Tax Revenue (Net)	25,83,499	12,65,159	11,60,340	49.0%	49.8%	45.3%
3.	Non-Tax Revenue	5,45,701	3,57,214	2,36,772	65.5%	78.5%	58.7%
4.	Capital Receipts (5+6+7)	16,91,312	4,89,121	7,22,027	28.9%	38.6%	56.2%
	Non Debt Capital Receipts (5+6)	78,000	14,601	20,166	18.7%	24.0%	20.1%
5.	Recovery of Loans	28,000	11,434	13,216	40.8%	57.5%	61.8%
6.	Other Receipts	50,000	3,167	6,950	6.3%	11.4%	13.8%
7.	Borrowings and other liabilities	16,13,312	4,74,520	7,01,861	29.4%	39.3%	63.8%
8.	Total Receipts (1+4)	48,20,512	21,11,494	21,19,139	43.8%	47.1%	48.4%
9.	Revenue Expenditure of which	37,09,401	16,96,528	16,28,511	45.7%	46.5%	48.7%
10.	Interest Payments	11,62,940	5,15,010	4,84,329	44.3%	44.8%	44.1%
11.	Grants for creation of Capital Assets	3,90,778	1,45,208	1,45,278	37.2%	39.3%	46.6%
12.	Capital Expenditure	11,11,111	4,14,966	4,90,628	37.3%	49.0%	46.4%
13.	Total Expenditure (9+12)	48,20,512	21,11,494	21,19,139	43.8%	47.1%	48.4%
14.	Revenue Deficit (9-1)	5,80,201	74,155	2,31,399	12.8%	26.6%	62.1%
15.	Effective Revenue Deficit (14-11)	1,89,423	(-)71,053	86,121	-37.5%	17.2%	73.1%
16.	Fiscal Deficit {13 – (1+5+6)}	16,13,312	4,74,520	7,01,861	29.4%	39.3%	63.8%
17.	Primary Deficit (16-10)	4,50,372	(-)40,490	2,17,532	-9.0%	30.8%	329.9%

Source: Budget 2024-25, Ministry of Finance, Controller General of Accounts. The figures upto September, 2024 are unaudited and provisional.

Notes: The figures of Railways have been netted as in Budget Estimates.

2.1 RECEIPTS

2.1.1 Gross Tax Revenues (GTR)

The GTR collections in H1 of FY 2024-25 was about ₹18.14 lakh crore or 47.2 per cent of BE 2024-25.

2.1.2 Revenue receipts

Revenue receipts of the Centre was estimated at ₹31.29 lakh crore in BE 2024-25. In H1 of FY 2024-25, Revenue Receipts were about ₹16.22 lakh crore (or 51.8 percent of BE).

2.1.3 Direct Taxes

The main components of Direct taxes are Corporation tax and Taxes on Income. Direct Taxes in FY 2024-25 (BE) was pegged at ₹22.07 lakh crore. The total direct tax collection in H1 of FY 2024-25 was ₹10.52 lakh crore.

2.1.3.1 Corporation Tax

In BE 2024-25, the Corporation Tax was estimated at ₹10.20 lakh crore. In H1 of FY 2024-25, the receipts from Corporation tax were ₹4.62 lakh crore.

2.1.3.2 Taxes on Income

Receipts from Taxes on Income including Securities Transaction Tax was pegged at ₹11.87 lakh crore in BE 2024-25. The collection under this head in H1 of FY 2024-25, is about ₹5.91 lakh crore or 49.8 per cent of BE.

2.1.4 Indirect Taxes

Indirect taxes mainly comprise Goods and Services Tax, Union Excise Duties and Custom Duties. It was estimated at ₹16.33 lakh crore in BE 2024-25. As against this, the receipt in H1 of FY 2024-25 was ₹7.61 lakh crore.

2.1.4.1 Goods and Services Tax

Goods and Services Tax (GST) includes Central GST, IGST, UT GST and GST Compensation Cess. Collections during H1 of FY 2024-25 stood at ₹5.16 lakh crore against the BE of ₹10.67 lakh crore or 48.4 per cent of BE. Receipts from GST Compensation Cess were ₹0.74 lakh crore in H1 of FY 2024-25, which was about 49.2 per cent of BE.

2.1.4.2 Union Excise Duty and Customs Duty

Other significant contributors under Indirect taxes are Union Excise Duties and Customs, which were estimated at ₹3.19 lakh crore and ₹2.38 lakh crore, respectively, in BE 2024-25. Receipts during H1 from them were ₹1.28 lakh crore (40.3 per cent of BE) and ₹1.13 lakh crore (47.5 per cent of BE), respectively.

2.1.5 Non-Tax Revenue (NTR)

NTR of the Union Government, comprises mainly of interest, dividend from Public Sector Undertakings, receipts from services provided by Ministries/ Departments, etc.

The Budget Estimate of NTR was ₹5.46 lakh crore in FY 2024-25. In H1 of FY 2024-25, NTR receipts stood at ₹3.57 lakh crore or 65.5 per cent of BE.

2.1.6 Non-debt Capital Receipts (NDCR)

Non-debt capital receipts (NDCR) of the government were budgeted at ₹0.78 lakh crore. They comprised ₹0.50 lakh crore from other capital receipts and ₹0.28 lakh crore from Recovery of Loans and Advances. Total NDCR receipts in H1 of FY 2024-25 were about ₹0.15 lakh crore.

Table 2: Trends of Receipts in H1 for the last five Financial Years.*(₹ in crore)*

S. No.	Particulars	2020-21	2021-22	2022-23	2023-24	2024-25
1	Gross Tax Revenue (2+3)	7,20,896	11,83,808	13,91,806	16,19,271	18,13,842
2	Direct Taxes	3,23,276	5,93,933	7,31,805	9,16,538	10,52,389
3	Indirect Taxes	3,97,620	5,89,875	6,60,001	7,02,732	7,61,454
4	Revenue Receipts of the Centre (5+6)	5,50,782	10,81,048	11,69,561	13,97,112	16,22,373
5	Tax Revenue (Net)	4,58,508	9,20,692	10,11,961	11,60,340	12,65,159
6	Non-Tax Revenue	92,274	1,60,356	1,57,600	2,36,772	3,57,214
7	Non-Debt Capital Receipts (8+9)	14,635	18,118	34,187	20,166	14,601
8	Recovery of Loans	8,854	9,003	9,597	13,216	11,434
9	Other Receipts	5,781	9,115	24,590	6,950	3,167
10	Total Non-debt Receipts (4+7)	5,65,417	10,99,166	12,03,748	14,17,278	16,36,974
11	Borrowings and other liabilities	9,13,993	5,26,851	6,19,849	7,01,861	4,74,520
12	Total Receipts (10+11)	14,79,410	16,26,017	18,23,597	21,19,139	21,11,494

Source: Controller General of Accounts

2.2 EXPENDITURE

Total expenditure in BE 2024-25 was estimated at ₹48.21 lakh crore. As against this, the expenditure in H1 of FY 2024-25 was ₹21.11 lakh crore or about 43.8 per cent of BE.

2.2.1 Revenue Expenditure

In BE 2024-25, expenditure on Revenue Account was budgeted at ₹37.09 lakh crore of which ₹16.97 lakh crore was expended in H1 of FY 2024-25 (or 45.7 per cent of BE). From the total revenue expenditure during H1 of FY 2024-25, ₹1.45 lakh crore was on account of Grant-in-Aid for capital assets.

Interest payments, Defence Services (Revenue), Pension, Major Subsidies and Grants-in-Aid to States/UTs are important components of Revenue Expenditure. In BE 2024-25, total amount under these components was estimated at ₹27.12 lakh crore (73.1 per cent of Total Revenue Expenditure). Expenditures against these components in H1 of FY 2024-25 and FY 2023-24 are tabulated in Table.

Table 3: Major Items of Revenue Expenditure

(₹ in crore)

S. No.	Item of Expenditure	BE 2024-25	H1 of FY 2024-25	H1 of FY 2023-24
1.	Interest Payments (Net)	11,62,940	5,15,010	4,84,329
2.	Defence Services	2,82,773	1,45,181	1,48,970
3.	Grants in Aid to States & UTs	6,41,460	2,39,296	2,48,564
4.	Major Subsidies	3,81,175	2,14,658	2,06,396
5.	Pension	2,43,296	1,48,989	1,34,717

2.2.2 Effective Capital Expenditure

Effective Capital Expenditure is total capital outlay of the Government directed towards building of capital assets and related expenditure. It is sum of Capital Expenditure and grant in aid for creation of capital assets.

Effective Capital Expenditure, in BE 2024-25, was estimated at ₹15.02 lakh crore. In H1 of FY 2024-25, the Effective Capital Expenditure was ₹5.60 lakh crore, comprising Capital Expenditure of ₹4.15 lakh crore and grant-in-aid for creation of capital assets of ₹ 1.45 lakh crore.

2.3 DEFICIT

2.3.1 Fiscal Deficit

Fiscal deficit (FD) in BE 2024-25 was estimated at ₹16.13 Lakh crore, or about 4.9 per cent of GDP. In H1 of FY 2024-25, the Fiscal Deficit is estimated at ₹4.75 lakh crore, or about 29.4 per cent of BE.

2.3.2 Revenue Deficit

Revenue Deficit (RD) for FY 2024-25 was budgeted as ₹5.80 lakh crore (1.8 per cent of GDP). In H1 of FY 2024-25, RD stood at ₹0.74 lakh crore or 12.8 per cent of BE.

2.3.3 Financing of Fiscal Deficit

Table-4 below indicates the sources of financing of Fiscal Deficit.

Table 4: Sources of financing fiscal deficit

(₹ in crore)

	April-Sept, 2024	April-Sept, 2023
Fiscal Deficit	4,74,520	7,01,861
Sources of Financing		
1. Internal Debt	4,07,047	4,23,051
(a) Market Loans & Short-Term Borrowings	4,17,692	8,37,109
(b) Treasury Bills (14 days)	(-)1,16,541	(-)4,68,001
(c) Compensation and Other Bonds	2,594	(-)9,145
(d) WMA	0	(-)48,677
(e) Cash Management Bill	0	0
(f) Sovereign Gold Bond Scheme 2015	(-)3,752	11,329
(g) Securities against Small Savings	1,02,331	1,08,267
(h) Sovereign Green Bonds	1,697	0
(i) Marketable Sec. issued in Conversion of Spl. Sec.	0	(-)8,000
(j) Others	3,026	169
2. External Assistance including Revolving fund	18,810	7,185
3. Cash Draw Down Decrease(+)/Increase(-)	4,495	4,990
4. Investment of Surplus Cash(-)/redemption(+)	(-)1,30,993	54,409
5. Borrowings(-)/Surplus(+) on Public Account*	1,75,161	2,12,226

**Includes Suspense & Remittances*

Source: Controller General of Accounts

3. Assessment *vis-à-vis* mid-year benchmarks (Rule 7 of FRBM Rules, 2004)

There has been no deviation in any of the three mid-year benchmarks prescribed under the FRBM Rules during the H1 of FY 2024-25. Table-5 below presents the H1 picture of last 5 years including current financial year.

Table 5: Mid-year benchmarks

Parameters	Mid-year (H1) benchmarks prescribed under FRBM Rules	April-Sept. (H1) of FY (per cent of BE)				
		2020-21	2021-22	2022-23	2023-24	2024-25
Total non-debt receipts	Not less than 40 per cent of BE	25.2%	55.6%	52.7%	52.2%	51.0%
Fiscal deficit	Not more than 70 per cent of BE	114.8%	35.0%	37.3%	39.3%	29.4%
Revenue deficit	Not more than 70 per cent of BE	125.2%	27.7%	31.4%	26.6%	12.8%

4. Statement of deviation prepared as per the provision of Section 7(3)(b) of the Fiscal Responsibility and Budget Management (FRBM) Act, 2003 explaining the reasons for not laying the Medium-term Expenditure Framework (MTEF) Statement, 2024.

Section 7(3)(b) of the Act provides that –

“Where owing to unforeseen circumstances, any deviation is made in meeting the obligation cast on the Central Government under this Act, the Minister-in-Charge of the Ministry of Finance shall make a statement in both Houses of Parliament explaining -

any deviation in meeting the obligations cast on the Central Government under this Act;

whether such deviation is substantial and relates to the actual or the potential budgetary outcomes; and the remedial measures the Central Government proposes to take.”

As per Section 3 (1B) of the FRBM Act, 2003, MTEF Statement needs to be laid in the Parliament in the session immediately following the session of Parliament in which the Medium-Term Fiscal Policy Statement (MTFPS), the Fiscal Policy Strategy Statement (FPSS) and the Macro-Economic Framework Statement are laid.

The MTEF Statement 2024 is not being laid in Parliament due to the following reasons:

- (i) At the time of presentation of Union Budget 2024-25 (Regular), the Government informed the Parliament through the MTFPS and FPSS that rolling targets for the FY 2025-26 and FY 2026-27 have not been provided alongside the MTFPS and FPSS. This is because the continuing unprecedented global uncertainty impedes the ability to make reasonable assumptions/ projections on receipts/ expenditure over the short/ medium term.
- (ii) Since the presentation of the Union Budget for FY 2024-25 (Regular) in July 2024, global headwinds and associated risks are yet to abate. The global situation has become even gloomier due to further escalation of conflict among a set of countries.
- (iii) Given the prevailing global economic and security environment, it is necessary for the Government to retain fair degree of flexibility in conducting its fiscal policy so as to be able to respond to any fallout from adverse global events.

5. Conclusion:

The budget 2024-25 was presented in the backdrop of global uncertainties caused by the wars in Europe and the Middle East. India's sound macro-economic fundamentals have cushioned the country from the vagaries afflicting the global economy. It has also helped the nation pursue growth with fiscal consolidation. As a result, India retains its pride of place as one of the fastest growing economies in the world. However, risks to growth still remain.

The Union Government is committed to pursuing the glide path of fiscal consolidation as announced in the Budget for FY 2021-22 and to attain a level of Fiscal Deficit lower than 4.5 per cent of GDP by FY 2025-26. The thrust will be on improving the quality of public spending, while at the same time, strengthening the social security net for the poor and needy. This approach would help further strengthen the nation's macro-economic fundamentals and ensure overall financial stability.
