



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 financial year 2023-24

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

Ministry of Finance

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1. Macro-Economic Backdrop

India's economic growth, measured by growth in Gross Domestic Product (GDP) at constant (2011-12) prices, has been estimated at 8.1 per cent for the second half (H2) (October-March) of FY 2023-24, as compared to 8.2 per cent in H1 (April-September) of FY2023-24 and 5.3 per cent in the H2 of FY2022-23. Growth in the gross value added at constant basic prices for H2 of FY2023-24 has been estimated at 6.5 per cent as against 8 per cent in H1 of FY2023-24 and 5.4 per cent in H2 of FY2022-23.

The inflation rate based on the Consumer Price Index (Combined) was 5.2 per cent in H2 of FY2023-24 compared to 5.5 per cent in H1 of FY2023-24 and 6.2 per cent in H2 of FY2022-23. Inflation based on the Wholesale Price Index was 0.3 per cent in H2 of FY2023-24 compared to (-) 1.7 per cent in H1 of FY2023-24 and 4.9 per cent in H2 of FY2022-23.

Merchandise exports at current prices during H2 of FY2023-24 stood at USD 225.7 billion, which grew by 2.9 per cent over the level of USD 219.3 billion during the corresponding period of the previous year. During H2 of FY2023-24, merchandise imports at current prices were USD 348 billion, registering a growth of 1.3 per cent, as against the level of USD 343.4 billion in H2 of FY2022-23. The merchandise trade deficit for H2 of FY2023-24 stood at USD 122.3 billion, as compared to USD 124.1 billion in H2 of FY2022-23.

India's current account deficit moderated to 0.7 per cent of GDP (USD 23.2 billion) during FY2023-24 from 2 per cent of GDP (USD 67 billion) in the previous year on the back of a lower merchandise trade deficit, rising net services receipts and increase in remittances.

Foreign portfolio inflows were USD 20.3 billion in H2 of FY2023-24, as compared to an inflow of USD 1.9 billion in the corresponding period of FY2022-23. Net foreign direct investment inflows (gross inflows-disinvestment/repatriation) stood at USD 16.5 billion during H2 of FY2023-24 vis-à-vis USD 16.6 billion in the corresponding period of the previous year. Net foreign institutional investment flows stood at USD 21.5 billion in H2 of FY2023-24 vis-à-vis USD 2.9 billion in H2 of FY2022-23.

India's foreign exchange reserves stood at USD 645.6 billion at the end of March 2024 as compared to USD 578.4 billion at the end of March 2023. The average exchange rate was ₹83.1 per USD during H2 of FY2023-24 as compared to ₹82.2 per USD in the corresponding period of the previous year.

2. Review of Trends in Receipts and Expenditure in FY 2023-24

The Fiscal Deficit for FY 2023-24 was budgeted at ₹17.87 lakh crore or 5.9 per cent of GDP. It was 0.5 percentage points lower than the actuals of FY 2022-23 (6.4 per cent of GDP). Against the BE 2023-24 target of Fiscal deficit at 5.9 per cent of GDP, the fiscal deficit was estimated at 5.8 per cent of GDP in RE 2023-24. In this regard, a statement of deviation explaining the reasons for the deviation and the path of return to annual prescribed targets, as per the provisions of Section 4(5) of the FRBM Act 2003, was included in the Medium-Term Fiscal Policy cum Fiscal Policy Strategy Statement (MTFP cum FPSS) that was laid in Parliament along with the Interim Union Budget FY 2024-25.

Fiscal Deficit in FY 2023-24 (Provisional) stood at ₹16.54 lakh crore which was 5.6 per cent of GDP. Total Revenue Receipts (Provisional) were ₹27.28 lakh crore at the end of FY 2023-24 against ₹23.83 lakh crore in FY 2022-23. It shows a growth of 14.5 per cent over FY 2022-23. Tax Revenue (Net to Centre) at the end of FY 2023-24 was ₹23.27 lakh crore while Non-Tax Revenue was ₹4.02 lakh crore. Total Expenditure at the end of FY 2023-24 (Provisional) was ₹44.43 lakh crore against the revised estimates of ₹44.90 lakh crore for the year (Table 1).

Table 1: Key Fiscal Indicators, FY 2023-24

S. No.	Particulars	BE	RE	Prov.	Final	% growth in FY 2023-24 (prov.) over 2022-23
		2023-24	2023-24	2023-24	2022-23	
		(₹ in crore)				
		1	2	3	4	5
1.	Revenue Receipts (2+3)	2,632,281	2,699,713	2,728,412	2,383,206	14.5%
2.	Tax Revenue (Net)	2,330,631	2,323,918	2,326,524	2,097,785	10.9%
3.	Non- Tax Revenue	301,650	375,795	401,888	285,421	40.8%
4.	Capital Receipts (5+8)	1,870,816	1,790,773	1,714,130	1,809,951	-5.3%
5.	Non- Debt Capital Receipts (6+7)	84,000	56,000	60,460	72,196	-16.3%
6.	Recovery of Loans	23,000	26,000	27,338	26,161	4.5%
7.	Other Receipts	61,000	30,000	33,122	46,035	-28.1%

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		2023-24	2023-24	2023-24	2022-23	
		(₹ in crore)				
		1	2	3	4	5
8.	Borrowings and other liabilities	1,786,816	1,734,773	1,653,670	1,737,755	-4.8%
9.	Total Receipts (1+4)	4,503,097	4,490,486	4,442,542	4,193,157	5.9%
10.	Revenue Expenditure	3,502,136	3,540,239	3,494,036	3,453,132	1.2%
10(i).	- of which Interest Payments	1,079,971	1,055,427	1,063,871	928,517	14.6%
10(ii).	- of which Grants for creation of Capital Assets	369,988	321,190	303,787	306,264	-0.8%
11.	Capital Expenditure	1,000,961	950,246	948,506	740,025	28.2%
12.	Total Expenditure (10+11)	4,503,097	4,490,486	4,442,542	4,193,157	5.9%
13.	Revenue Deficit (10-1)	869,855	840,527	765,624	1,069,926	-28.4%
14.	Effective Revenue Deficit{(13- 10(ii))}	499,867	519,337	461,837	763,662	-39.5%
15.	Fiscal Deficit {12-(1+5)}	1,786,816	1,734,773	1,653,670	1,737,755	-4.8%
16.	Primary Deficit {(15-10(i))}	706,845	679,346	589,799	809,238	-27.1%

Source: Controller General of Accounts and Budget Documents.

Notes: 1. The Figures are net as in Budget Documents;

2. Actuals for FY 2023-24 are unaudited provisional numbers and are subject to change; and

3. Individual items in the table may not sum up to the totals due to rounding off.

2.1 Receipts

2.1.1 Gross Tax Revenue

In BE 2023-24, Gross Tax Revenue (GTR) was estimated at ₹33.61 lakh crore. It was revised to ₹34.37 lakh crore in RE 2023-24. GTR for FY 2023-24 (Provisional) was ₹34.65 lakh crore. It shows a year-on-year growth of 13.4 per cent over FY 2022-23.

2.1.2 Revenue receipts

Revenue receipts of the Centre comprise of Tax Revenue (Net to Centre) and Non-Tax Revenue. In BE 2023-24, total revenue receipts were estimated at ₹26.32 lakh crore and the same was revised to ₹27.0 lakh crore in RE 2023-24. The Revenue Receipts for FY 2023-24 (Provisional) were ₹27.28 lakh crore comprising of Tax Revenue (Net to Centre) of ₹23.27 lakh crore and Non-Tax revenue of ₹4.02 lakh crore.

2.1.3 Direct Taxes

The main components of Direct Tax receipts are Corporation tax and Taxes on Income. Direct Taxes were estimated to be ₹18.24 lakh crore in BE 2023-24, which was revised to ₹19.45 lakh crore in RE 2023-24. Direct Tax receipts for FY 2023-24 (Provisional) were ₹19.57 lakh crore.

2.1.3.1 Corporation Tax

BE 2023-24 for Corporation tax was ₹9.23 lakh crore which was kept at the same level in RE 2023-24. Corporation tax collection for FY 2023-24 (Provisional) was ₹9.11 lakh crore recording a growth of 10.3 per cent over FY 2022-23.

2.1.3.2 Taxes on Income

Taxes on Income is the other major sub-component of Direct Taxes. In BE 2023-24, Taxes on Income were estimated to be ₹9.01 lakh crore (₹8.73 lakh crore from Taxes on Income other than Corporation Tax and ₹27,625 crore from Securities Transaction Tax). This was revised upward to ₹10.22 lakh crore in RE 2023-24. As per provisional estimates for FY 2023-24, the receipts under this head were ₹10.45 lakh crore, comprising of ₹10.11 lakh crore from Taxes on Income other than Corporation Tax and ₹33,778 crore from STT, and registering a growth of 25.4 per cent over actual receipts of FY 2022-23 (i.e. ₹8.33 lakh crore).

2.1.4 Indirect Taxes

Indirect tax collection for FY 2023-24, mainly comprising of Goods and Services Tax (GST), Customs and Union Excise Duties, was estimated at ₹15.37 lakh crore. Against the budgeted target, the actual receipts for FY 2023-24 (Provisional) were ₹15.08 lakh crore.

2.1.4.1 Goods and Services Tax

GST for the Central Government comprises of CGST, IGST, UTGST and GST Compensation cess. GST collection was budgeted at ₹9.61 lakh crore for FY 2023-24 and kept at the same level in RE 2023-24. The total collection under GST in FY 2023-24 (Provisional) was ₹9.62 lakh crore. It indicates the growth of 12.7 per cent over the GST collections of ₹8.54 lakh crore in FY 2022-23.

2.1.4.2 Customs

The Budget for 2023-24 estimated tax receipts from Customs at ₹2.33 lakh crore. It was revised to ₹2.19 lakh crore in RE 2023-24. The actual (Provisional) receipts under Customs stood at ₹2.33 lakh crore for FY 2023-24, recording a growth of 9.2 per cent over FY 2022-23.

2.1.4.3 Union Excise Duty

Union Budget 2023-24 estimated Union Excise Duty collection at ₹3.39 lakh crore, which was revised to ₹3.04 lakh crore in RE 2023-24. Actual (Provisional) tax receipts under Union Excise Duty were ₹3.05 lakh crore for FY 2023-24.

2.1.5 Non-Tax Revenue

Non-Tax Revenues of Centre mainly comprises of interest and dividend receipts of the Government from Public Sector Banks, Public Sector Undertakings and Reserve Bank of India, receipts from services provided by Central Ministries and Departments such as the supply of Central Police Forces to various agencies, issue of passport and visa, registration of companies, patent and license fees, royalty from off-shore oil fields, various receipts from telecom sector, etc.

The Budget Estimate of 2023-24 for Non-Tax Revenue was pegged at ₹3.02 lakh crore. It was revised at the RE stage to ₹3.76 lakh crore and actual (provisional) receipts of NTR were ₹4.02 lakh crore.

2.1.6 Non-Debt Capital Receipts (NDCR)

The main components of Non-Debt Capital Receipts (NDCR) are miscellaneous capital receipts and receipts from the recovery of loans and advances. NDCR of the government were budgeted at ₹84,000 crore in FY 2023-24. Out of this, ₹61,000 crore were from miscellaneous capital receipts and ₹23,000 crore from the recovery of loans and advances. In RE 2023-24, NDCR was revised to ₹56,000 crore. Against this, the actual (Provisional) receipts under NDCR stood at ₹60,460 crore, of which ₹33,122 crore was realized from miscellaneous capital receipts and ₹27,338 crore were from the recovery of loans and advances.

2.2 Expenditure

In BE 2023-24, the total expenditure of Union Government was estimated at ₹45.03 lakh crore which was revised to ₹44.90 lakh crore in RE 2023-24. The Actual (provisional) expenditure in FY 2023-24 was ₹44.43 lakh crore, recording a growth of 5.9 percent over FY 2022-23.

2.2.1 Revenue Expenditure

Revenue expenditure in BE 2023-24 was estimated at ₹35.02 lakh crore. It was revised to ₹35.40 lakh crore in RE 2023-24. Against this, total revenue expenditure (Provisional) in FY 2023-24 was ₹34.94 lakh crore. Revenue expenditure accounted for 78.6 per cent of Total Expenditure in FY 2023-24 as compared to 82.4 per cent in FY2022-23. Out of ₹34.94 lakh crore of Revenue Expenditure in FY 2023-24, ₹3.04 lakh crore was on account of Grant-in-Aid for creation of capital assets.

In FY 2023-24, around ₹26.16 lakh crore was spent on Interest payments, Defence Services, Pension, Major Subsidies and Grants-in-Aids to States/UTs Expenditure (Table 2). The revenue expenditure of the above-mentioned heads increased by ₹7404 crore in FY 2023-24 as compared to FY 2022-23.

Table 2: Major Items of Revenue Expenditure*(₹ in crore)*

Items	FY 2022-23	Prov. Actuals FY 2023-24
Interest Payments	9,28,517	10,63,871
Defence Service	2,56,183	2,90,437
Grants in Aid to States & UTs	6,51,648	6,10,134
Major Subsidies	5,30,958	4,13,542
Pension	2,41,599	2,38,325
Total	26,08,905	26,16,309

2.2.2 Capital Expenditure

Capital expenditure (Provisional Actual) recorded a growth of 28.2 per cent and stood at ₹9.49 lakh crore in FY 2023-24. This was 3.2 per cent of GDP as compared to 2.7 per cent of GDP in FY 2022-23.

Table 3: Composition of Revenue, Capital and Effective Capital Expenditure*(₹ in crore)*

Items	2021-22	2022-23	2023-24
1. Revenue Expenditure	32,00,926	34,53,132	34,94,036
1.1 Grant for creation of capital assets	2,42,646	3,06,264	3,03,787
2. Capital Expenditure	5,92,874	7,40,025	9,48,506
3. Effective Capital Expenditure (2+ 1.1)	8,35,520	10,46,289	12,52,293
Total Expenditure (1+2)	37,93,800	41,93,157	44,42,542

2.3 Deficit

2.3.1 Fiscal Deficit

Fiscal deficit (FD) was estimated at ₹17.87 lakh crore (5.9 per cent of GDP) in BE 2023-24. It was revised to ₹17.35 lakh crore (5.8 per cent of GDP) at RE stage. Against the revised target, the actual (provisional) fiscal deficit for FY 2023-24 was ₹16.54 lakh crore, which was 5.6 per cent of GDP.

2.3.2 Revenue Deficit

Revenue Deficit (RD) for FY 2023-24 was budgeted at ₹8.70 lakh crore (2.9 per cent of GDP). It was revised to ₹8.41 lakh crore (2.8 per cent of GDP) at RE stage. At the end of FY 2023-24, RD (provisional) was ₹7.66 lakh crore (2.6 per cent of GDP).

2.3.3 Financing of deficit

Fiscal Deficit of ₹16.54 lakh crore (Provisional) in FY 2023-24 was mostly financed by raising internal debt (Table-4).

Table 4: Sources of financing fiscal deficit

	2023-24 (Prov.)	2022-23	2021-22	2020-21
Fiscal Deficit	16,53,670	17,37,755	15,84,519	18,18,291
Internal Debt (Net) excluding MSS	16,94,935	16,10,883	13,89,530	17,51,072
External Assistance including Revolving Fund	55,121	37,124	36,147	70,181
Public Account	(-)88,869	91,370	1,56,299	4,226
Cash Balance	(-)7,517	(-)1,622	2,543	(-)7,188

The Progressive Internal Debt (gross) of the Government (excluding WMA and Central securities against Small Savings) grew by ₹13 lakh crore from ₹107.45 lakh crore at the beginning of FY 2023-24 to ₹120.45 lakh crore at the end of the financial year. Fresh external loans of ₹1,20,429 crore were contracted and past obligations to the tune of ₹47,317 crore were discharged. The progressive External debt (gross) at the end of the financial year was ₹5.66 lakh crore. Thus, External Debt (Gross) grew by ₹73,112 crore over the course of the year.

2.4 Liabilities

The Government of India had a cumulative Public Debt of ₹153.43 lakh crore, at the end of 31st March 2024. Total cumulative Government liabilities (including that of Public Account) as on 31st March 2024 were ₹162.91 lakh crore. This was an increase of ₹16.79 lakh crore over the course of the year (₹146.12 lakh crore at the beginning of FY 2023-24).

2.5 Cash Management

The Government began FY 2023-24 with cash balance of ₹4,879 crore and ended the financial year with a cash balance of ₹4,506 crore. There was an investment surplus of ₹1,72,172 crore at the end of FY 2023-24 compared to the end FY 2022-23 when the Government had borrowed from the RBI under Ways & Means advance, an amount of ₹48,677 crore.

4. Conclusion

At the commencement of FY 2023-24, the fiscal policy stance of the government was to make the domestic economy more resilient to exogenous shocks and to mitigate the risks of global economic downturn. The Government has steered the economy in that direction and has continued on the path of fiscal consolidation by taking measures to rationalize expenditure as well as improve the quality of expenditure through higher allocation for capital expenditure.

The Fiscal Deficit in FY 2023-24 (Provisional) at 5.6 per cent of GDP indicates fiscal consolidation of 0.8 percentage points compared to Fiscal Deficit of 6.4 percent in FY 2022-23. Further, the fiscal consolidation was also well aligned with better quality of expenditure as the Revenue Deficit declined by 1.4 percentage points from 4.0 percent in FY 2022-23 to 2.6 percent in FY 2023-24 (provisional).

The fiscal consolidation achieved in FY 2023-24 was on account of buoyant revenue collection and prioritization of expenditure. The Gross Tax Revenue stood at 11.7 per cent of GDP in FY 2023-24 as compared to 11.3 and 11.5 per cent of GDP in FY 2022-23 and FY 2021-22, respectively. On other hand, total Expenditure in FY 2023-24 (Provisional) was at 15.0 per cent of GDP as compared to 15.6 per cent in FY 2022-23. In the process of managing the total expenditure, Government also ensured improvement in the quality of expenditure to boost economic growth through enhancement in effective capital expenditure as proportion to total expenditure.
