

Fiscal deficit at 46% of Budget Estimates till Oct

INDIVJAL DHASMANA

New Delhi, 30 November

The Centre's fiscal deficit touched 45.6 per cent of the Budget target in the first seven months of the current financial year, higher than 36.3 per cent in the corresponding period of the last year. With the GDP numbers out, the deficit stood at 4.7 per cent of GDP in the first six months of FY23.

Experts are certain that the deficit — a gap between the government's expenditure and revenues — will overshoot the Budget Estimates in the current financial year by up to ₹1 trillion. However, according to per cent of GDP, it may not surpass the Budget Estimates of 6.4 per cent or show only slight slippage as the nominal GDP may overshoot the Budget assumption by up to ₹22 trillion.

“Given that GDP in nominal terms would be about ₹272-280 trillion as against the assumed ₹258 trillion in the Budget, we do believe

IN NUMBERS

■ Budget Estimates of 2022-23

■ Apr-Oct (₹ tm)

		Apr-Oct as % of Budget Estimates of 2022-23
Total receipts	22.8	60.7
	13.8	
Total expenditure	39.4	54.3
	21.4	
Fiscal deficit	16.6	45.6
	7.6	

Note: Receipts don't include market borrowings

Source: Controller General of Accounts

that under ceteris paribus conditions, an additional ₹1 trillion deficit would be absorbed quite seamlessly at the targeted ratio of 6.4 per cent,” Bank of Baroda chief economist Madan Sabnavis said. There may not be a slippage in the worst case of more than 0.2-0.3 per cent though there are very good chances of the budgeted amount being achieved, he said.