

Fiscal deficit hits 62.3% of full-yr Budget target in Nov

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The government's fiscal deficit for April-November of 2025-26 widened to ₹9.77 trillion, or 62.3 per cent of the budget estimates (BE), with capital expenditure increasing by 28 per cent year-on-year (Y-o-Y) for the same period, latest data of the Controller General of Accounts showed.

"Fiscal deficit numbers signal that while overall spending in particular has been in line with what it was last year, revenue collection has lagged... The government will now be in a better position to manage the budgetary numbers with the level of uncertainty on account of the tariff impact now being absorbed fully by the system," said Madan Sabnavis, chief economist, Bank of Baroda.

The gross tax revenue increased by 3.3 per cent in April-November compared to the corresponding period last year. Net tax revenue contracted by 3.4 per cent in the same period reaching 49.1 per cent of the BE of FY26 compared to 56 per cent in April-November FY25.

Non-tax revenue expanded by 20.8 per cent at 88.6 per cent of FY26 BE compared to 78 per cent in the same period last year. "Interestingly, integrated goods and services tax (IGST) settlement between the Centre

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Numbers talk

	BE FY26 (₹ trn)	Apr-Nov FY26 (₹ trn)	% of BE FY26
Revenue receipts	34.2	19.1	55.9
Revenue expenditure	39.44	22.67	57.5
Capital expenditure	11.21	6.58	58.7
Fiscal deficit	15.68	9.76	62.3
Non-debt capital receipts	0.76	0.38	51.2

Source: CGA

and states over the recent months appears to have damped the gross tax revenues of the government in the first eight months of FY26. We now anticipate a shortfall of ₹1.5 trillion in gross tax revenues in the current financial year," said Aditi Nayar, chief economist, Icra.

Capital expenditure for the first eight months was ₹6.58 trillion, which was 59 per cent of FY26 BE against 49 per cent in April-November of last

financial year.

The government's revenue expenditure was 57.5 per cent of BE in April-November against 60 per cent last year.

Experts feel that there would be some reversal on the direct taxation front in December. This is when advance tax payments are made, especially by corporates, even though lower GST collections are getting reflected in the monthly numbers.