
India's April-November budget deficit shrinks to 46% of full-year target

According to official data released on Friday, the center's budget deficit at the end of November was 46.2% of the 2010 budget estimate against the backdrop of strong revenues.

The deficit for this fiscal year up to November looks much better than the previous fiscal year, which surged to an estimated 135.1%, primarily due to a surge in spending to deal with the COVID-19 pandemic.

In fact, the deficit at the end of November 2021 was 6.95 rupees compared to the annual estimated 15.06 rupees, according to data released by the Accounting Director (CGA).

In the current fiscal year, the government expects a deficit of 6.8% of GDP or 15.06 rupees.

According to experts, this was the lowest percentage of the budget deficit for the whole year since 1998. They split on the issue of the government achieving its 2010 goals.

M Govinda Rao, Chief Economic Advisor at Brickwork Ratings, said:

Given the burden of additional demand for subsidies, he said, the government cannot rule out the possibility of failing to meet its budget deficit target. "We expect the budget deficit to just exceed the GDP budget of 6.8% and reach 7% of GDP in the current fiscal year," Rao said.

Other experts said, "The budget deficit by November 2021 was only 46% of the full-year budget estimate (BE), but the diminished expectation that the investment reduction target will be achieved is 16.5 to 17.0 rupees. It's a sign of a deficit." In 2022, it exceeded the budget target by 1 trillion (16.5 to 17 lacquer)."

However, India's rating expects the government to exceed its target.

DK Pant, Chief Economist for Ratings and Research in India, said:

According to the data, the total government revenue at the end of November was 13.78 rupees, 69.8% of the budget estimate (BE). So far, net tax revenue has been 73.5% cents for BE from 2021 to 2010. The total central government spending at the end of November was 20.74 rupees or 59.6% of BE.

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