



PHD Research Bureau
PHD Chamber of Commerce and Industry



Ministry of Finance releases Quarterly Report on Public Debt Management, April-June FY 2023-24

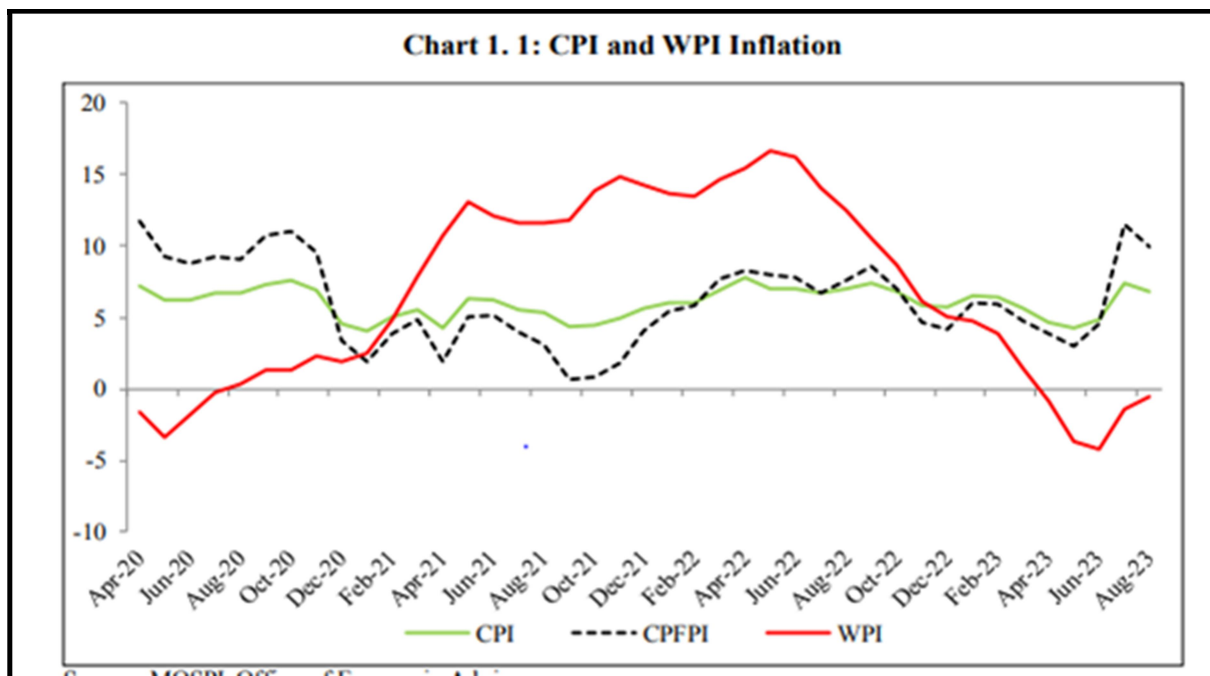
Since April-June (Q1) 2010-11, the Public Debt Management Cell (PDMC), Budget Division, Department of Economic Affairs (DEA), Ministry of Finance (MoF) has been bringing out a quarterly report on public debt management on a regular basis. This report pertains to the Q1 of the fiscal year 2023-24, viz., April-June FY 2023-24.

On the backdrop of global growth signaling stressed environment with weakness in trade and industrial activity, India's real GDP (constant prices) mirrored resilience and grew at 7.8 per cent in Q1 2023-24 reaching to Rs. 40.4 lakh crore as against Rs. 37.4 lakh crore during the corresponding period of previous year. The real GDP growth at constant prices during Q1 2022-23 was 13.1 per cent. Agriculture, forestry and fishing GVA grew 3.5 per cent between April and June, with manufacturing GVA growing for the second quarter in a row, after half a year of contraction, with the pace of growth picking up slightly to 4.7 per cent in Q1 2023-24. However, the sharpest surge was registered in services sectors which pulled the estimates for the first quarter of 2023-24. GDP at current prices in Q1 2023-24 is estimated at Rs. 70.7 lakh crore, as against Rs. 65.4 lakh crore in Q1 2022-23, showing a growth of 8.0 per cent as compared to 27.7 per cent in Q1 2022-23.

Retail inflation mirrored in terms of Headline Consumer Price Index (CPI) declined during Q1 2023-24 with Headline CPI reaching at 4.8 per cent (year-on-year basis) in June 2023 relative to 5.7 per cent in March 2023. Waning of supply shocks and monetary policy changes pulled inflation below 5 per cent in Q1 2023-24. Commodity composition reflects that the easing of inflation was reflected primarily in prices for fuel & lighting, clothing & footwear, housing and food and beverages during the first quarter of 2023-24. The Consumer Food Price Index (CFPI) moderated to 4.5 per cent in June 2023 compared to 4.8 per cent in March 2023. However, the decline in inflation which was below 5 per cent during Q1 2023-24 reversed its trend in July 2023 with CPI shooting to 7.4 per cent. However, headline inflation decreased to 6.8 per cent in August 2023. Wholesale Price Index (WPI) remained in contraction mode in the first quarter of 2023-24 with inflation declining to as low as (-) 4.2 per cent in June 2023. The decline in the rate of inflation in June 2023 was primarily due to fall in prices of mineral oils, food products, basic metals, crude petroleum & natural gas and textiles. However, a surge in the prices of

primary articles by 7.6 per cent slowed the contraction of WPI to (-) 1.4 per cent in July 2023 with the food index witnessing a growth of 7.7 per cent. Further, WPI headline inflation rate recorded at (-) 0.52 per cent in Aug 2023.

The index of industrial production (IIP) registered a growth and improved to 3.8 per cent in June 2023 as compared to 1.9 per cent in March 2023. Steady production growth in all the three sub sectors mining, manufacturing sector and electricity pulled the production growth up. Manufacturing sector grew by 3.1 per cent in June compared to 1.5 per cent in March 2023. Electricity registered a growth of 4.2 per cent in June 2023 compared to contraction of 1.6 per cent in March 2023. Within the use-based goods, all categories registered growth except the consumer goods segment which continues to be on a declining trajectory. Strong production growth of construction/infrastructure goods, intermediate goods and primary goods supported the industrial production index in Q1 of 2023-24.



Source: PHD Research Bureau, PHD Chamber, compiled from the Ministry of Finance.

Government gross fiscal deficit in Q1:2023-24 was 25.3 per cent of the full year's budgetary estimate. In absolute terms, actual deficit upto June 2023 stood at Rs. 4.5 trillion as against the budgeted estimate of Rs. 17.9 trillion for the financial year.

Fiscal Outcome for 2023-24

(Amount in Rs crore)

Items	Budget Estimates 2023-24	Actual Upto June 2023	Percentage of Actual to Budget Estimates	
			Current	2022-23 (CoppY)**
Revenue Receipts	2632281	588588	22.4%	25.8%
Tax Revenue (Net)	2330631	433620	18.6%	26.1%
Non-Tax Revenue	301650	154968	51.4%	23.1%
Non-Debt Capital Receipts	84000	10703	12.7%	35.3%
Total Expenditure	4503097	1050661	23.3%	24.0%
Revenue Expenditure	3502724	772181	22.0%	24.2%
Capital Expenditure	1000373	278480	27.8%	23.4%
Revenue Deficit	870443	183593	21.1%	20.7%
Primary Deficit	706845	207665	29.4%	17.1%
Fiscal Deficit	1786816	451370	25.3%	21.2%
Financing of GFD				
Market Borrowings including T-Bills	1230911	403159	33.0%	41.0%
External Assistance	22118	3906	18.0%	54.0%
Securities against Small Savings	471317	-57893	-12.0%	8.0%
State Provident Funds	20000	422	2.0%	20.0%
National Small Saving Fund	0	194448	0.0%	0.0%
Special Deposits	0	-589	0.0%	0.0%
Others	54258	145855	269.0%	190.0%
Cash Balance: Decrease(+)/Increase(-)	-11787	4899	-42.0%	664.0%
Investment (-) / Disinvestment (+) of Surplus Cash	0	-194160	0.0%	0.0%
Total	1786817	451370	25.0%	21.0%

Source: PHD Research Bureau, PHD Chamber, compiled from Ministry of Finance

**COPPY: Corresponding Period of the Previous Year

Gross and net market borrowings have been budgeted at Rs.15,43,000 crore and Rs.11,80,911 crore (including switch auctions), respectively for 2023-24. Actual gross and net market borrowing during 2022-23 and Q1 2023-24 & Q1 2022-23 are tabled below.

Issuance of Dated Securities

(Amount in Rs crore)

Item	2023-24 BE	Q1 2023-24	2022-23	Q1 2022-23	Q1 As % of	
					2023-24 (BE)	2022-23
Gross Amount	1543000	408000	1421000	390000	26.4%	27.4%
Repayments	362089	135764	312817	158764	9.9%	50.8%
Switches:						
Borrowing	100000	26051	103066	23394	26.1%	22.7%
Repayment	100000	26872	105490	23201	26.9%	22.0%
Net	0	-821	-2424	193		
Buyback	0	0	0	0		
Net Issuance	1180911	271415	1105759	231430	31.4%	20.9%

Source: PHD Research Bureau, PHD Chamber, compiled from Ministry of Finance

Total gross liabilities of the Government, as per provisional data, increased marginally to Rs. 1,59,53,703 crore at end-June 2023 from Rs.1,56,08,634 crore at end-March 2023. This represented a quarter-on-quarter increase of 2.2 per cent in Q1 2023-24. Public debt accounted for 89.5 per cent of total gross liabilities during the quarter.

Total Liabilities of Central Government

(Amount in Rs crore)

Components	End June 2023- Provisional	End March 2023- Provisional	Variation Jun 2023 over Mar 2023 (%)
A. Public Debt (A1+A2)	14273383	13822657	3.3
A1. Internal Debt (a+b)	13533852	13073732	3.5
a. Marketable Securities (i+ii)	10426539	9989233	4.4
(i) Dated Securities	9414238	9165921	2.7
(ii) Treasury Bills	1012301	823313	23.0
(iii) Cash Management Bills	0	0	
b. Non-marketable Securities (i to vii)	3107313	3084498	0.7
(i) 14 Day Intermediate T-Bills	172687	213984	-19.3
(ii) Compensation & Other Bonds \$	133830	133591	0.2
(iii) Securities issued to Intl. Fin. Institutions	97973	96625	1.4
(iv) Securities against small savings	2390983	2279780	4.9
(v) Special Sec. against POLIF	20894	20894	0.0
(vi) Special Securities issued to PSB/ EXIM Bank/ IDBI Bank/ IIFCL	290948	290948	
(vii) Ways & Means Advances	0	48677	-100.0
A2. External Debt (Current Rate of Exchange - CR)	739531	748925	-1.3
B. Public Account - Other Liabilities (a to d)	1735594	1651991	5.1
(a) National Small Savings Fund	461807	446232	3.5
(b) State Provident Fund	262771	262349	0.2
(c) Other Accounts	409771	410080	-0.1
(d) Reserve Funds and Deposit (i+ii)	601245	533330	12.7
(i) Bearing Interest	270153	263762	2.4
(ii) Not bearing interest	331092	269567	22.8
C. Pakistan pre-partition debt (approx)	300	300	0.0
D. Total (net) Liabilities in line with reporting in the Union Budget (A1+B-C+E)	15764413	15212345	3.6
E. External Debt -Historical Rate of Exchange (HR)	495267	486922	1.7
F. Extra-Budgetary Resources (EBRs)	139287	139287	0.0
G. Cash Balance	194261	5001	3784.4
H. Gross Liabilities as per FRBM Act (A+B-C+F-G)	15953703	15608634	2.2
Memo Items			
I. Securities issued by States to NSSF	347153	353834	-1.9
II NSSF Loans to other Public Agencies	85350	85350	0.0
III. Post Office Insurance Funds with Fund Managers and Cash in hand	116809	90271	29.4
I. Net Adjusted Liabilities (D+F-G-I-II-III)	15160127	14817177	2.3

Source: PHD Research Bureau, PHD Chamber, compiled from Ministry of Finance

Please find the link to access Quarterly Report on Public Debt Management, April-June FY 2023-24, for your kind reference.

<https://pib.gov.in/PressReleasePage.aspx?PRID=1962144>

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Warm Regards,

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