

Ministry of Finance releases Quarterly Report on Public Debt Management, July - September FY 2023-24

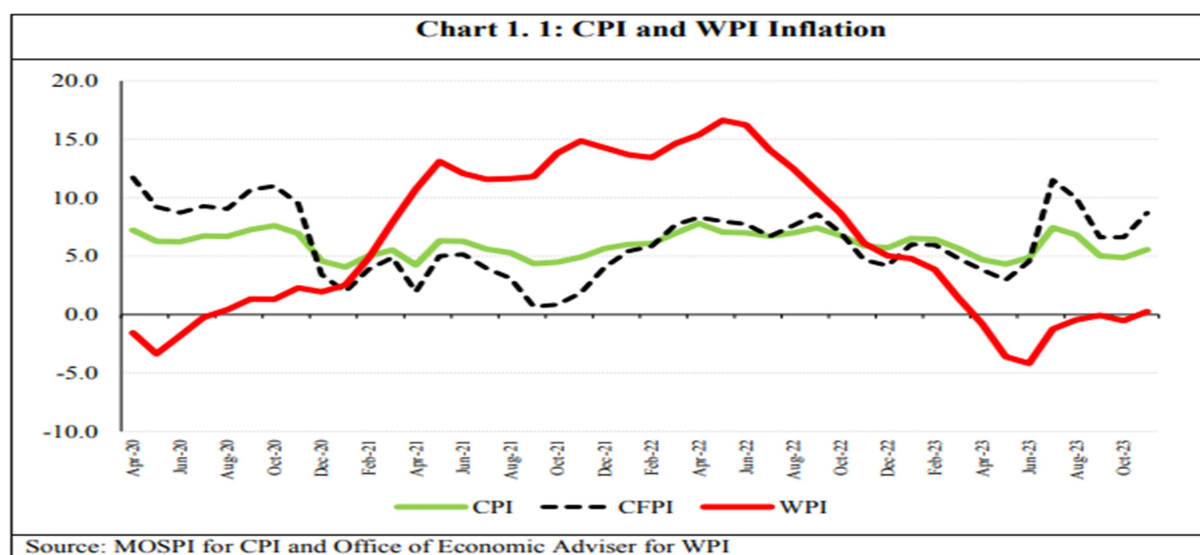
Since April-June (Q1) 2010-11, the Public Debt Management Cell (PDMC), Budget Division, Department of Economic Affairs (DEA), and Ministry of Finance (MoF) have been bringing out a quarterly report on public debt management regularly. This report pertains to the Q2 of the fiscal year 2023-24, viz., July - September FY 2023-24.

Uncertainty about global growth has surged amid the intensification of geopolitical strife and a rise in commodity prices. On the backdrop of the global economy signaling slowing down with vast cross-country variation, India's real GDP (constant prices) marked the second highest growth in the last five quarters by witnessing an impressive growth of 7.6 percent year-on-year in Q2: 2023-24. The GDP growth is significantly higher than the 6.2 percent growth in the same quarter of the preceding financial year. However, in terms of momentum, real GDP growth moderated in comparison to the 7.8 percent growth registered in Q1: 2023-24. In value terms, real GDP reached Rs. 41.7 lakh crore in Q2: 2023-24 as against Rs. 38.8 lakh crore during the corresponding period of the previous year. Components of GDP indicate that investment has been a major driver that fuelled the GDP growth during the quarter. GDP at current prices in Q2 2023-24 is estimated at Rs.71.66 lakh crore, as against Rs.65.67 lakh crore in Q2 2022-23, showing a growth of 9.1 percent as compared to 17.2 percent in Q2 2022-23.

Retail inflation measured by Headline Consumer Price Index (CPI) moderated to 5.0 percent (year-on-year basis) in September 2023 relative to 4.9 percent in June 2023. On a momentum basis, inflation softened by 180 bps in September 2023 compared to August 2023 mirroring waning food and beverages prices and fuel prices on a month-to-month basis. The Consumer Food Price Index (CFPI), which increased to as high as 11.5 percent in July 2023 before it declined to 6.6 percent in September 2023, remains higher than the 4.5 percent recorded in June 2023. However, the decline in inflation continued in October but increased in November. On the other hand, the Wholesale Price Index (WPI) continued the deflationary trend during Q2: 2023-24. Price deflation in the wholesale market intensified to 0.52 percent in October, compared to 0.26 percent in September. However, compared to June 2023 prices increased in September 2023. In November, WPI inflation moved to positive territory after 7 months. Prices of mineral oil, non-food, and electricity remained in contraction mode during Q2: 2023-24 which pulled the WPI down.

The index of industrial production (IIP) registered growth and improved to 6.2 percent in

September 2023 as compared to 4.0 percent in June 2023. Steady production growth in all three sub-sectors, i.e., mining, manufacturing, and electricity pulled the production growth up. The manufacturing sector grew by 4.9 percent in September 2023 compared to 3.5 percent in June 2023. Electricity registered a growth of 9.9 percent in September 2023 compared to 4.2 percent in June 2023. Relative to June 2023, within the use-based goods, all categories registered growth in September 2023. However, during Q2: 2023-24 the growth rate varied with IIP registered growth of as high as 10.3 per cent in August 2023.



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

The government gross fiscal deficit till September 2023 was 39.3 percent of the full year's budgetary estimate. In absolute terms, the actual deficit up to September 2023 stood at Rs. 7.0 lakh crore as against the budgeted estimate of Rs. 17.9 lakh crore for the financial year.

Fiscal Outcome for 2023-24

Items	Budget Estimates 2023-24	Actual Upto September 2023	(Amount in ₹ crore)	
			Percentage of Actual to Budget Estimates	
			Current	2022-23 (CoppY)
Revenue Receipts	2632281	1397112	53.1%	53.1%
Tax Revenue (Net)	2330631	1160340	49.8%	52.3%
Non-Tax Revenue	301650	236772	78.5%	58.4%
Non-Debt Capital Receipts	84000	20166	24.0%	43.1%
Total Expenditure	4503097	2119139	47.1%	46.2%
Revenue Expenditure	3502724	1628511	46.5%	46.3%
Capital Expenditure	1000373	490628	49.0%	45.7%
Revenue Deficit	870443	231399	26.6%	31.4%
Primary Deficit	706845	217532	30.8%	25.4%
Fiscal Deficit	1786816	701861	39.3%	37.3%

Note- COPPY: Corresponding Period of the Previous Year

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

Gross and net market borrowings have been budgeted at ₹15,43,000 crore and ₹11,80,911 crore (including switch auctions), respectively for 2023-24. Actual gross and net market borrowing during 2022-23 and Q2 2023-24 & Q2 2022-23 are tabled below.

Issuance of Dated Securities

(Amount in ₹ crore)

Item	2023-24 BE	During Q2 2023-24	2022-23	During Q2 2022-23	Q2 As % of	
					2023-24 (BE)	2022- 23
Gross Amount	1543000	480000	1421000	406000	31.1%	28.6%
Repayments	362089	0	312817	92371	0.0%	29.5%
Switches:						
Borrowing	100000	24215	103066	32290	24.2%	31.3%
Repayment	100000	24726	105490	32902	24.7%	31.2%
Net	0	-511	-2424	-612		
Buyback	0		0	0		
Net Issuance	1180911	479489	1105759	313017	40.6%	28.3%

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.1,63,33,136 crore at end-September 2023 from Rs. 1,59,53,703 crore at end-June 2023). This represented a quarter-on-quarter increase of 2.4 percent in Q2 2023-24. Public debt accounted for 90.0 percent of total gross liabilities during the quarter.

Total Liabilities of Central Government

(Amount in Rs crore)

Components	End September 2023- Provisional	End June 2023- Revised	Variation Sep 2023 over Jun 2023 (%)
A. Public Debt (A1+A2)	14703021	14273383	3.0
A1. Internal Debt (a+b)	13952957	13533852	3.1
a. Marketable Securities (i+ii+iii)	10819061	10426539	3.8
(i) Dated Securities	9893743	9414238	5.1
(ii) Treasury Bills	925317	1012301	-8.6
(iii) Cash Management Bills	0	0	
b. Non-marketable Securities (i to vii)	3133896	3107313	0.9
(i) 14 Day Intermediate T-Bills	108617	172687	-37.1
(ii) Compensation & Other Bonds \$	135764	133830	1.4
(iii) Securities issued to Intl. Fin. Institutions	97388	97973	-0.6
(iv) Securities against small savings	2480286	2390983	3.7
(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	0	-
A2. External Debt (Current Rate of Exchange - CR)	750064	739531	1.4
B. Public Account - Other Liabilities (a to d)	1799363	1735594	3.7
(a) National Small Savings Fund	479023	461807	3.7
(b) State Provident Fund	258067	262771	-1.8
(c) Other Accounts	408765	409771	-0.2
(d) Reserve Funds and Deposit (i+ii)	653507	601245	8.7
(i) Bearing Interest	276615	270153	2.4
(ii) Not bearing interest	376892	331092	13.8
C. Pakistan pre-partition debt (approx)	300	300	-

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://dea.gov.in/sites/default/files/Quarterly%20Report%20on%20Public%20Debt%20Management%20for%20the%20Quarter%20July-Sep%202023.pdf>

Please contact, for any query related to this mail, Dr. Mansi Vinaik, Economist|Deputy Secretary, at mansi.vinaik@phdcci.in, and Ms. Mansi Nautiyal, Research Assistant at mansi.nautiyal@phdcci.in, with a cc to Dr S P Sharma, Chief Economist| DSG at spsharma@phdcci.in, PHD Chamber of Commerce & Industry.

Warm Regards,

Dr S P Sharma

Chief Economist | DSG

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: spsharma@phdcci.in

Website: www.phdcci.in

Follow us on



"Voice of Industry & Trade"



PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801-04, 49545454, 49545400
Fax : +91-11-2685 5450, 49545451 • E-mail : phdcci@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP001947

Connect with us:

