

## **Ministry of Finance releases Quarterly Report on Public Debt Management, October-December 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) has been bringing out a quarterly report on public debt management on a regular basis. This report pertains to the Q3 of the fiscal year 2023-24, viz., October-December FY 2023-24.

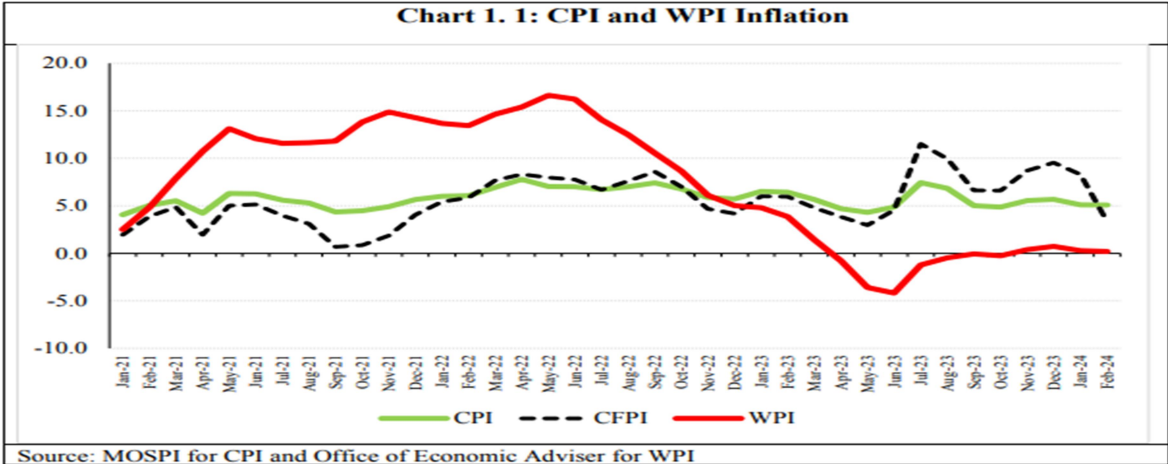
Risk to global growth standing balanced with concerns on rising uncertainty on the part of ongoing wars, disruption in Red Sea along with signals of some relief on global inflation front which is moving closer to the target and growth holding up better than expected in major advanced and emerging market economies. Given the backdrop, growth in case of India has remained strong for Q3 2023-24 as the growth numbers have been higher-than-anticipated which is combination of several factors including narrowing of trade deficit, sustained momentum in investments and a pick-up in domestic demand in the quarter.

The recent release on India's GDP, estimates real GDP at 8.4 per cent during the third quarter of 2023-24 which is stronger than 4.3 per cent in the corresponding quarter of the previous financial year. The GDP growth rates for the first two quarters of 2023-24 were also revised upwards by 40 basis points and 50 basis points respectively, with GDP growth in the June and September quarters of the current fiscal now standing at 8.2 per cent and 8.1 percent respectively. In value terms, real GDP reached to ₹ 43.7 lakh crore in Q3: 2023-24 as against ₹ 40.4 lakh crore during the corresponding period of previous year. Components of GDP indicates gross fixed capital formation (GFCF) has remained as a major contributor to GDP growth, which grew by a solid 10.6 per cent, recording a double-digit growth for the second consecutive quarter. The share of GFCF in GDP, or the investment rate, soared to 32.4 per cent in the Q3:2023-24, from 31.8 per cent in the corresponding year-ago quarter. GDP at current prices in Q3: 2023-24 is estimated at ₹75.5 lakh crore, as against ₹68.6 lakh crore in Q3: 2022-23, showing a growth of 10.1 percent as compared to 9.4 percent in Q3: 2022-23.

Retail inflation measured by Headline Consumer Price Index (CPI) after moderating to 4.9 per cent in October 2023 surged to 5.7 per cent (year-on-year basis) in December 2023. The surge in headline inflation was primarily on the back of an increase in food inflation particularly vegetables along with fruits, pulses and sugar. The Consumer Food Price Index (CFPI), which increased to 9.5 per cent in December 2023 after it remained to 6.6 per cent in October 2023.

However, with receding food inflation, headline inflation reached four months low at 5.09 per cent in February 2024. On the other hand, the Wholesale Price Index (WPI) which continued the deflationary trend during Q2 of 2023-24 turned positive in November 2023. Wholesale price inflation increased to 0.9 per cent in December, compared to (-) 0.3 per cent in October. The surge in wholesale price inflation was on the back of elevated food prices during November and December 2023. However, in February 2024, WPI decreased to 0.2 per cent driven by easing prices of primary articles and a deepening deflationary trend in manufactured products and fuel & power group.

India’s industrial output, as measured by Index of Industrial Production (IIP), recorded a subdued y-o-y growth of 4.2 per cent in December 2023 relative to 6.4 per cent in September 2023 and 11.9 per cent in October. However, in momentum terms compared to growth of 2.4 percent in November 2023, December IIP showed some improvement. High base effect along with a disappointing industrial production in November, can be partially attributed to the subdued growth in December 2023. Manufacturing, which has the heaviest weight in IIP, recorded a muted 4.5 per cent y-o-y growth in December. Additionally, slowdown in output of mining & quarrying and electricity generation also contributed to the fall in IIP. Steady production growth in all the three sub sectors, i.e., mining, manufacturing and electricity pulled the production growth up. Manufacturing sector grew by 4.5 per cent in December 2023 relative to 5.1 per cent in September 2023. Electricity registered a growth of 1.2 per cent in December 2023 compared to 9.9 per cent in September 2023. Relative to September 2023, within the use-based goods, all categories registered subdued growth in December 2023 except consumer goods which registered a growth of 3.85 per cent in December 2023 relative to 1.97 per cent in September 2023.



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

The government gross fiscal deficit till December 2023 was 55.0% of the full year's budgetary estimate. In absolute terms, the actual deficit upto December, 2023 stood at ₹ 9.8 lakh crore as against the budgeted estimate of ₹ 17.9 lakh crore for the financial year.

## Fiscal Outcome for 2023-24

(Amount in ₹ crore)

Items	Budget Estimates 2023-24	Actual Upto December 2023	Percentage of Actual to Budget Estimates	
			Current	2022-23 (Copp)
<b>Revenue Receipts</b>	2632281	2042289	77.6%	80.3%
Tax Revenue (Net)	2330631	1729931	74.2%	80.4%
Non-Tax Revenue	301650	312358	103.5%	79.5%
<b>Non-Debt Capital Receipts</b>	84000	29650	35.3%	69.5%
<b>Total Expenditure</b>	4503097	3054217	67.8%	71.4%
Revenue Expenditure	3502136	2380587	68.0%	72.9%
Capital Expenditure	1000961	673630	67.3%	65.4%
Revenue Deficit	869855	338298	38.9%	56.3%
Primary Deficit	706845	234071	33.1%	43.3%
Fiscal Deficit	1786816	982278	55.0%	59.8%

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 ₹11,80,456 crore (including switch auctions), respectively for 2023-24. Actual gross and net market borrowing during 2022-23 and Q3 2023-24 & Q3 2022-23 are tabled below

### Issuance of Dated Securities

(Amount in ₹ crore)

Item	2023-24 RE	Q3 2023-24	2022-23	Q3 2022-23	Q3 As % of	
					2023-24 (RE)	2022-23
Gross Amount	1543000	385000	1421000	351000	25.0%	24.7%
Repayments	362544*	166792*	312740	85378	46.0%	27.3%
Switches:						
Borrowing	100000	24888	103066	18329	24.9%	17.8%
Repayment	100000	25312	105490	18802	25.3%	17.8%
Net	0	-424	-2424	-473		
Buyback	0	0	0	0		
<b>Net Issuance</b>	<b>1180456</b>	<b>217784</b>	<b>1105836</b>	<b>265149</b>	<b>18.4%</b>	<b>24.0%</b>

\*Net of recovery of ₹78,104 crore during 2023-24 from GST compensation fund. (₹55,104 crore netted in Q3 2023-24 repayment of ₹2,21,896 crore.)

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

Total gross liabilities of the Government, as per provisional data, increased marginally to ₹1,60,69,048 crore at end-December 2023 from ₹1,57,84,927 crore at end-September, 2023. This represented a quarter-on-quarter increase of 1.8 per cent in Q3 2023-24. Public debt accounted for 90.0 per cent of total gross liabilities during the quarter.

### Total Liabilities of Central Government

(Amount in Rs crore)

Components	End December 2023- Provisional	End September 2023- Provisional	Variation Dec 2023 over Sep 2023 (%)
<b>A. Public Debt (A1+A2)</b>	<b>14986139</b>	<b>14703021</b>	1.9
<b>A1. Internal Debt (a+b)</b>	<b>14198312</b>	<b>13952957</b>	1.8
a. Marketable Securities (i+ii+iii)	10905574	10819061	0.8
(i) Dated Securities	10056423	9893743	1.6
(ii) Treasury Bills	849151	925317	-8.2
(iii) Cash Management Bills	0	0	
b. Non-marketable Securities (i to vii)	<b>3292738</b>	<b>3133896</b>	5.1
(i) 14 Day Intermediate T-Bills	192792	108617	77.5
(ii) Compensation & Other Bonds \$	138211	135764	1.8
(iii) Securities issued to Intl. Fin. Institutions	99178	97388	1.8
(iv) Securities against small savings	2550716	2480286	2.8
(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	-
<b>A2. External Debt (Current Rate of Exchange - CR)</b>	<b>787827</b>	<b>750064</b>	5.0
<b>B. Public Account - Other Liabilities (a to d)</b>	<b>1843125</b>	<b>1799363</b>	2.4
(a) National Small Savings Fund	486000	479023	1.5
(b) State Provident Fund	257961	258067	0.0
(c) Other Accounts	396917	408765	-2.9
(d) Reserve Funds and Deposit (i+ii)	702247	653507	7.5
(i) Bearing Interest	279349	276615	1.0
(ii) Not bearing interest	422898	376892	12.2
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 the Quarterly Report on Public Debt Management, October-December FY 2023-24, for your kind reference.

<https://dea.gov.in/sites/default/files/Quarterly%20Report%20on%20Public%20Debt%20Management%20for%20the%20quarter%20October%20-%20December%202023.pdf>

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Warm Regards,

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