

Ministry of Finance releases Quarterly Report on Public Debt Management, January-March, 2024

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 Q4 of the fiscal year 2023-24, viz., January-March FY 2023-24.

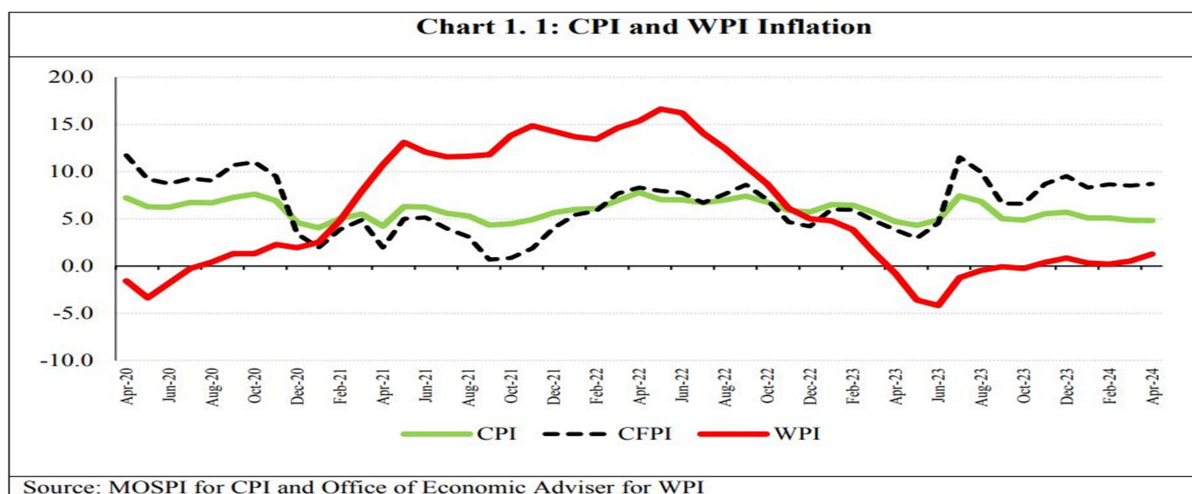
Global economy has remained resilient with a stable outlook as inflation risk decreases after math the supply-chain disruptions, Russia- Ukraine conflict, commodity price rise, globally synchronized tightening of monetary policy. However, despite earlier indications of economic resilience in 2023 and advancements in curbing headline inflation, economic activity continued to generally lag behind pre-pandemic (January 2020) forecasts, particularly in emerging markets and developing economies. Given the backdrop, growth in India has remained strong for FY 2023-24 with real GDP at 8.2 % relative to 7.0 % in FY 2022-23 on the back of significant growth in the construction sector and manufacturing sector.

The recent release on India's GDP, estimates real GDP at 7.8 % during the last quarter of 2023-24 which is stronger than 6.2% in the corresponding quarter of the previous financial year. Factors such as stronger growth in manufacturing, construction, public administration, defense and other services, continued to support the growth. In value terms, real GDP reached ₹173.8 lakh crore in FY 2023-24 as against the first revised estimates of ₹ 160.7 lakh crore during the corresponding period of previous year. Components of GDP indicate gross fixed capital formation (GFCF), government consumption expenditure, and private consumption have remained as a major contributor to GDP growth. Gross fixed capital formation grew by 9.0 % with the share of GFCF in GDP (at current prices) reaching 30.8 % in FY 2023-24. GDP at current prices in FY 2023-24 is estimated at ₹295.4 lakh crore, as against ₹269.5 lakh crore in first estimates of FY 2022- 23, showing a growth of 9.6 % as compared to 14.2% in 2022-23.

Retail inflation measured by Headline Consumer Price Index (CPI) after peaking at 5.7% (year-on-year basis) in December 2023, softened to 4.9% in March 2024. The decline in headline inflation was witnessed across categories including food inflation, clothing, housing, fuel and lighting. The Consumer Food Price Index (CFPI), softened to 8.5% in March 2024 after a growth of 9.5 % in December 2023. The cooling off inflation continued in the month of April 2024 with CPI reaching to 4.8 % marking the lowest level since May 2023. In line with the trend in CPI, the Wholesale Price Index (WPI) also reflects a decline in inflation from 0.9% in December 2023 to 0.5 % in March 2024. However, with a surge in wholesale price inflation across categories WPI surged to 1.3 % in April 2024 compared to 0.5 % in March 2024. The sharpest surge was in

food articles, though other categories also registered elevation in prices.

India's industrial output, as measured by Index of Industrial Production (IIP), continued to expand and reached 4.9% in March 2024 relative to 4.4% in December 2023. However, in momentum terms compared to growth of 5.6 % in February 2024, March IIP showed some deceleration. For the entire FY 2023-24, IIP accelerated by 5.8%. Steady production growth in mining, manufacturing sectors pulled the production growth up. Within the use-based goods, strong growth in the infrastructure, intermediate, and consumer goods sectors supported growth. In terms of numbers, the infrastructure goods sector witnessed robust growth of 9.6 % in FY 2023-24, relative to 8.4 % in FY 2022-23.



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

As per provisional estimates of the Controller General of Accounts (CGA), Central Government gross fiscal deficit during FY 2023-24 stood at ₹16.5 lakh crore, which is 95.3 % of revised estimate of ₹17.3 lakh crore. During the year, both revenue deficit and primary deficit were lower than the levels projected at revised estimates in the recent interim budget.

Fiscal Outcome for 2023-24

(Amount in ₹ crore)

Items	Revised Estimates 2023-24	Provisional 2023-24	Percentage of Actual to Revised Estimates	
			Current	2022-23 (CoppY)**
Revenue Receipts	2699713	2728412	101.1%	101.5%
Tax Revenue (Net)	2323918	2326524	100.1%	100.5%
Non-Tax Revenue	375795	401888	106.9%	109.0%
Non-Debt Capital Receipts	56000	60460	108.0%	86.5%
Total Expenditure	4490486	4442542	98.9%	100.1%
Revenue Expenditure	3540239	3494036	98.7%	99.8%
Capital Expenditure	950246	948506	99.9%	101.6%
Revenue Deficit	840527	765624	91.0%	96.3%
Primary Deficit	679346	589799	86.8%	99.3%
Fiscal Deficit	1734773	1653670	95.3%	99.0%

Note- COPPY: Corresponding Period of the Previous Year.
 Figures for FY 2023-24 are unaudited and provisional.

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 FY 2023-24. Actual gross and net market borrowing during FY 2022-23 and Q4 FY 2023-24 & Q4 FY 2022-23.

Issuance of Dated Securities

(Amount in ₹ crore)

Item	2023-24 RE	Q4 2023-24	2022-23	Q4 2022-23	Q4 As % of	
					2023-24 (RE)	2022-23
Gross Amount	1543000	270000	1421000	274000	17.5%	19.3%
Repayments	362544*	59533	312740	0	16.4%	0.0%
Switches:						
Borrowing	100000	25136	103066	29053	25.1%	28.2%
Repayment	100000	26084	105490	30585	26.1%	29.0%
Net	0	-948	-2424	-1532		
Buyback	0	0	0	0		
Net Issuance	1180456	209519	1105836	272468	17.7%	24.6%

*Repayment is net of recovery from GST Compensation Fund.

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

Total gross liabilities of the Government, as per provisional data, increased marginally to ₹1,71,78,050 crore at end-March 2024 from ₹1,66,14,150 crore at end-December 2023. This represented a quarter-on-quarter increase of 3.4 % in Q4 2023-24. Public debt accounted for 90.2 % of total gross liabilities during the quarter.

Total Liabilities of Central Government

(Amount in Rs crore)

Components	End March 2024- Provisional	End December 2023- Provisional	Variation Mar 2024 over Dec 2023 (%)
A. Public Debt (A1+A2)	15494625	14986139	3.4
A1. Internal Debt (a+b)	14698547	14198312	3.5
a. Marketable Securities (i+ii+iii)	11137602	10905574	2.1
(i) Dated Securities	10265940	10056423	2.1
(ii) Treasury Bills	871662	849151	2.7
(iii) Cash Management Bills	0	0	
b. Non-marketable Securities (i to vii)	3560945	3292738	8.1
(i) 14 Day Intermediate T-Bills	267517	192792	38.8
(ii) Compensation & Other Bonds \$	143422	138211	3.8
(iii) Securities issued to Intl. Fin. Institutions	106987	99178	7.9
(iv) Securities against small savings	2731179	2550716	7.1
(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)	796078	787827	1.0
B. Public Account - Other Liabilities (a to d)	1721609	1843125	-6.6
(a) National Small Savings Fund	416511	486000	-14.3
(b) State Provident Fund	267284	257961	3.6
(c) Other Accounts	387149	396917	-2.5
(d) Reserve Funds and Deposit (i+ii)	650665	702247	-7.3
(i) Bearing Interest	298992	279349	7.0
(ii) Not bearing interest	351673	422898	-16.8

Components	End March 2024- Provisional	End December 2023- Provisional	Variation Mar 2024 over Dec 2023 (%)
C. Pakistan pre-partition debt (approx)	300	300	-
D. Total (net) Liabilities as reported in the Union Budget (A1+B-C+E)	16975336	16577238	2.4
E. External Debt -Historical Rate of Exchange (HR)	555479	536101	3.6
F. Extra-Budgetary Resources (EBRs)	139287	139287	0.0
G. Cash Balance	177172	354102	-50.0
H. Gross Liabilities as per FRBM Act (A+B-C+F-G)	17178050	16614150	3.4
Memo Items			
<i>I. Securities issued by States to NSSF</i>	317924	333265	-4.6
<i>II NSSF Loans to other Public Agencies</i>	85000	85000	0.0
<i>III. Post Office Insurance Funds with Fund Managers</i>	132024	126837	4.1
I. Net Adjusted Liabilities (H-I-II-III)	16643103	16069048	3.6

#: The numbers are provisional. Net Adjusted Liabilities includes External Debt at Current Exchange Rate

S: Includes Gold Monetisation Scheme and Sovereign Gold Bond

Note: EBR - Liabilities on account of Govt. Fully Serviced Bonds

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

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Warm Regards,

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