

At ₹9.8 lakh crore, fiscal deficit during April-January hits 63% of FY26 target

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Fiscal deficit for the first 10 months (April-January) of the current fiscal stood at ₹9.8 lakh crore or 63 per cent of the annual Budget Estimates, the Controller General of Accounts (CGA) said on Wednesday. It was 74.5 per cent during the corresponding period of the last fiscal.

The Centre estimates the fiscal deficit (the gap between expenditure and revenue) during 2025-26 at 4.4 per cent of GDP, or ₹15.58 lakh crore.

CENTRE'S SHARE

According to monthly accounts released by the CGA, the Centre received ₹27.08 lakh crore (79.5 per cent of corresponding Revised Estimates 2025-26 of total receipts) up to January 2026. It comprised ₹20.94 lakh crore of tax revenue (net to Centre), ₹5.57 lakh crore of non-tax revenue and ₹57,129 crore of non-debt capital re-

Fiscal deficit			
(April-January / Amount in ₹ crore)			
Head	2025-26	2024-25	% Change
Revenue receipts	26,51,525	23,71,188	11.82
Tax revenue (Net)	20,94,218	19,03,558	10.02
Non-tax revenue	5,57,307	4,67,630	19.18
Non-debt capital receipts	57,129	29,224	95.49
Total receipts	27,08,654	24,00,412	12.84
Revenue expenditure	28,47,780	28,12,595	1.25
Capital expenditure	8,42,281	7,57,359	11.21
Total expenditure	36,90,061	35,69,954	3.36
Fiscal deficit	9,81,407	11,69,542	-16.09

Source: CGA

ceipts. The CGA data showed that ₹11.39 lakh crore has been transferred to State governments as devolution of share of taxes by government, which is ₹65,588 crore higher than the previous year. Further, total expenditure incurred by government is ₹36.9 lakh crore (74.3 per cent of corresponding RE 2025-26), out of which ₹28.47 lakh crore was on revenue account and ₹8.42 lakh crore on capital account.

Of the total revenue expenditure, ₹9.88 lakh crore was on account of interest payments and ₹3.54 lakh

crore on account of major subsidies.

With the base revision, experts expect fiscal deficit to be revised. In the Union Budget for FY2027, the Centre pegged the fiscal deficit at 4.3 per cent of GDP for the fiscal, amid reasonable assumptions around revenues and spending. "With the revision in the GDP data set owing to the updated base (to 2022-23 from 2011-12), we estimate the nominal GDP to print at ₹380 lakh crore, 3.3 per cent lower than the ₹393 lakh crore assumed in the budget. Accordingly, we estimate the fiscal deficit

in FY2027 BE to be closer to 4.46 per cent of GDP," said Aditi Nayar, Chief Economist with ICRA.

BORROWING PLAN

Revision is also likely to impact the borrowing plan. The Centre had indicated gross market borrowings (GMBs) to surge to a higher-than-expected ₹17.2 lakh crore in FY2027 BE from ₹14.6 lakh crore in FY2026 RE, owing to 67 per cent increase in redemptions.

However, it has conducted switches/conversions of G-secs that were due to mature in FY2027 amounting to ₹0.9 lakh crore in February 2026 and has scheduled another round amounting to ₹0.25 lakh crore in early-March 2026.

"This would bring down the redemptions for FY2027 drastically from the budgeted amount of ₹5.5 lakh crore, implying a significant reduction in GMBs to ₹16 lakh crore, offering the bond market some respite," said Nayar.