

# Government of India Finances

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**Fiscal deficit amounted to 53% of target in 7M FY2026; material fiscal slippage unlikely, despite shortfall in tax revenues**

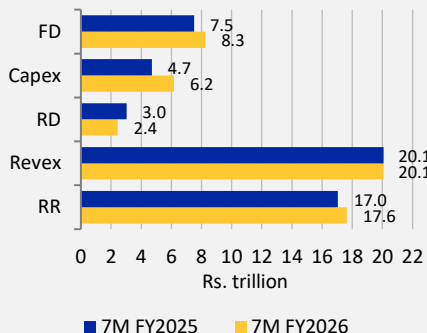
**DECEMBER 2025**





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### EXHIBIT: Trends in key fiscal metrics in 7M FY2025-2026



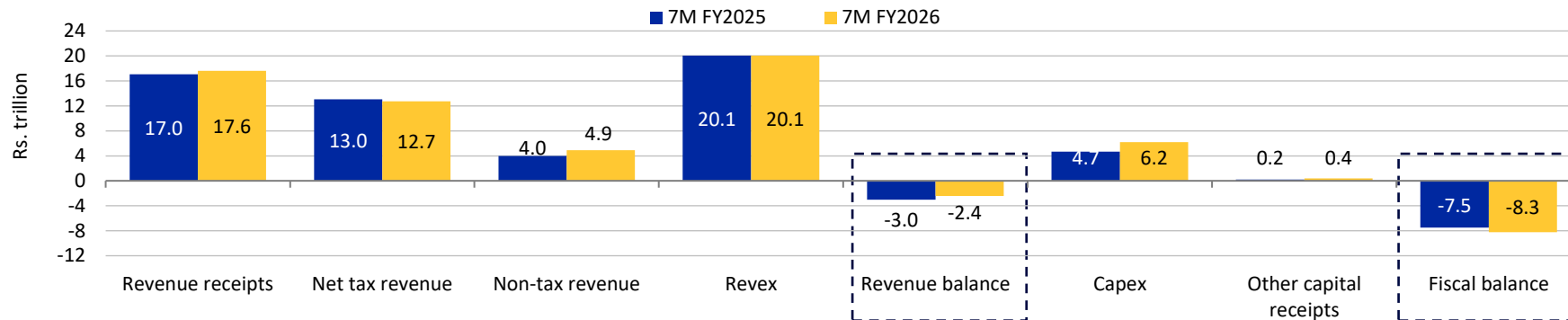
RR: Revenue receipts, Revex/Capex: Revenue/Capital expenditure; RD/FD: Revenue/Fiscal Deficit; Source: Union Budget, CGA, ICRA Research

The Government of India's (GoI's) fiscal deficit rose to Rs. 8.3 trillion during April-October or 7M FY2026 from Rs. 7.5 trillion in 7M FY2025, reaching ~53% of the budget estimate (BE) of Rs. 15.7 trillion. This stemmed from a strong 32% expansion in its capital expenditure, even as the revenue deficit narrowed on a year-on-year (YoY) basis. On the taxes front, the growth in gross tax revenues (GTR) was subdued at 4% in 7M FY2026, reflecting a modest rise in both direct and indirect taxes. Given the steep required growth of ~22% in November-March FY2026, GTR is expected to undershoot the BE by ~Rs. 1.2-1.5 trillion. However, this would be offset by an upside of ~Rs. 0.5 trillion on non-tax revenues and expenditure savings of Ministries garnered typically in a fiscal, even as additional allocation may be announced on some accounts, including fertiliser subsidy. At present, ICRA does not expect a material fiscal slippage over the budgeted 4.4% of GDP.

- GTR to undershoot target by Rs. 1.2-1.5 trillion in FY2026:** GTR rose by a tepid 4.0% YoY in 7M FY2026, amid a 6.1% growth in direct tax collections. Besides, the rise in indirect tax collections was quite weak at just 2.6% in 7M FY2026, owing to a 2.5% contraction in customs duties and a 6-8% growth in Central GST (CGST) and excise duty collections. Meeting the FY2026 BE requires a steep YoY expansion of 22% in gross tax revenues in November-March FY2026. Given this, ICRA is apprehensive that gross tax revenues will undershoot the budgeted target of Rs. 42.7 trillion by ~Rs. 1.2-1.5 trillion, amid a likely sizeable miss in income tax and CGST collections.
- Capex increased by ~32% YoY, while revex was at par with year ago levels in 7M FY2026:** The YoY expansion in GoI's capex stemmed from Department of Food and Public Administration (DFPD) that reflects the ways means and advance (WMA) loans temporarily provided to the Food Corporation of India (FCI) by the GoI. Besides, the capital outlay on defence services and capex by MoRTH expanded by ~68% and ~21% YoY, respectively, in 7M FY2026. Aggregate capex will have to contract by ~14% in November-March FY2026 to remain within the target of FY2026 (Rs. 11.2 trillion). However, the required 28% growth in non-interest non-subsidy revex in remainder of the fiscal is unlikely to materialise and could lead to savings, a portion of which could be reallocated to capex instead.
- Material fiscal slippage over the budgeted 4.4% of GDP unlikely:** Higher-than-budgeted non-tax revenues are likely to absorb a part of the shortfall on the taxes front. On the expenditure side, while there could be some additional allocation towards the fertiliser subsidy (to the tune of ~Rs. 250-300 billion) and supplementary demand for grants, if announced, this would be offset by the expenditure savings of various ministries, in line with the typical trend seen during a fiscal. Consequently, ICRA does not expect a material fiscal slippage from the BE of 4.4% of GDP at the current juncture.

# Gol's fiscal deficit reached 53% of the target in 7M FY2026, amid strong growth in capex, even as revenue deficit narrowed vs. year ago levels

EXHIBIT: Fiscal trends in April-October or 7M FY2025 and 7M FY2026

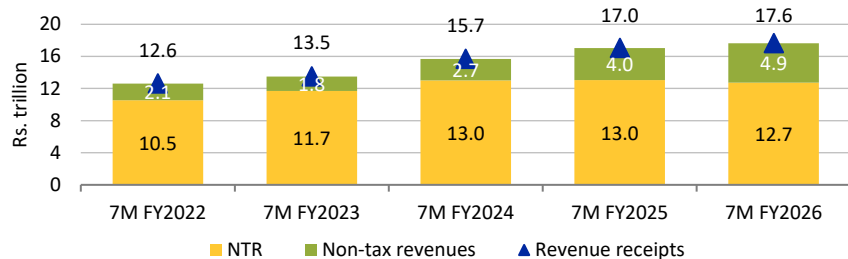


Source: CGA, Ministry of Finance, Gol; ICRA Research

- As per the provisional data released by the CGA, the Gol's revenue deficit narrowed to Rs. 2.4 trillion during April-October or 7M FY2026 (46.7% of FY2026 BE) from Rs. 3.0 trillion seen in the corresponding period of FY2025 (53.4% of FY2025 PA), owing to the flattish level of revenue expenditure on a YoY basis, even as revenue receipts grew by just 3.5% during this period.
- The Gol's capex rose substantially to Rs. 6.2 trillion in 7M FY2026 (55.1% of FY2026 BE) from Rs. 4.7 trillion in 7M FY2025 (44.3% of FY2025 PA). Consequently, the Gol's fiscal deficit enlarged to Rs. 8.3 trillion in 7M FY2026 (52.6% of FY2026 BE) from Rs. 7.5 trillion in 7M FY2025 (47.6% of FY2025 PA), notwithstanding the healthy YoY increase in non-debt capital receipts (to Rs. 371 billion from Rs. 188 billion).

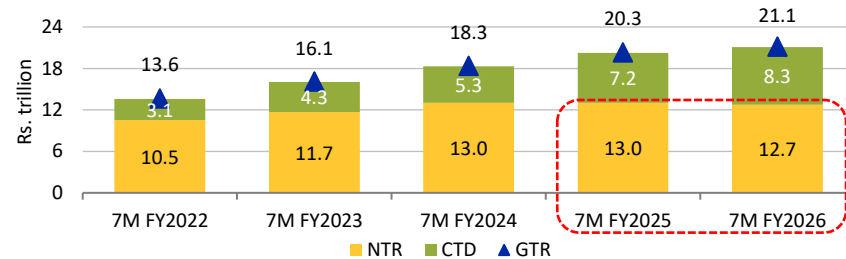
# GTR rose by just 4.0% YoY in 7M FY2026 amid sluggish growth in GST inflows, direct taxes

**EXHIBIT: The Gol's revenue receipts rose by a meagre 3.5% YoY in 7M FY2026, amid a drag on account of net tax revenues (-2.4%) even as non-tax revenues (+22.5%) expanded robustly during this period**



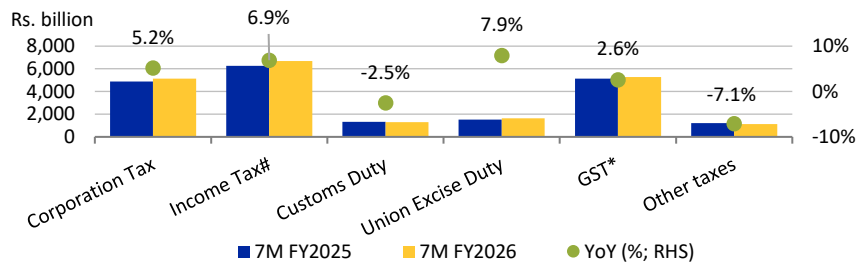
NTR: Net tax revenues; Source: CGA, Ministry of Finance, Gol, ICRA Research

**EXHIBIT: Tax devolution to states, which is typically linked to the BE and not actual collections in the first three quarters, surged by 15.5% in 7M FY2026; consequently, net tax revenues contracted by 2.4% during this period**



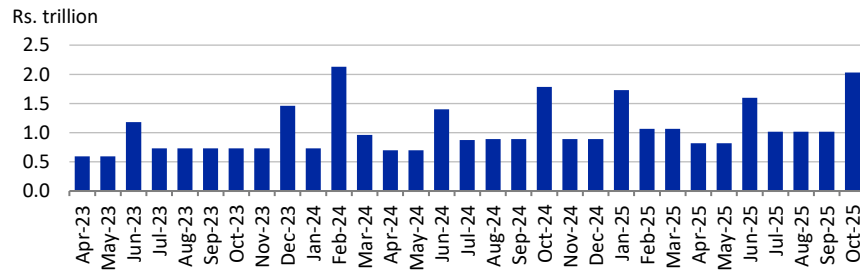
CTD: Central tax devolution; Source: CGA, Ministry of Finance, Gol; ICRA Research

**EXHIBIT: Sluggish growth in GST inflows (+2.6%) and direct tax collections (+6.1%) along with the decline in customs duty (-2.5%) collections limited the growth in GTR during 7M FY2026**



#excluding Security transaction tax (STT); \*Includes Central Goods and Services Tax (CGST), Integrated GST (IGST), Union territory GST (UT-GST); Source: CGA, Ministry of Finance, Gol; ICRA Research

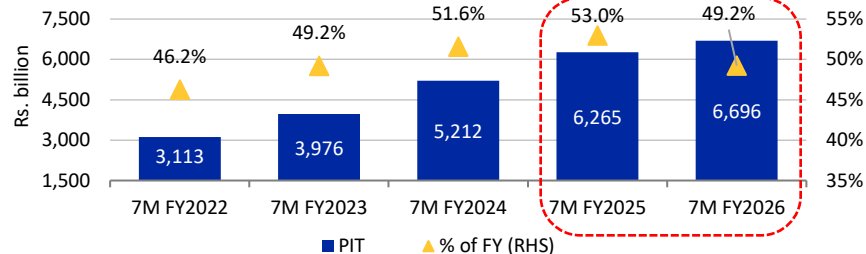
**EXHIBIT: With the Gol transferring two tranches of CTD to states in Oct 2025, Rs. 8.3 trillion has been devolved in 7M FY2026 (+15.5% YoY); Rs. 5.9 trillion is left to be shared in Nov-Mar FY2026 (+4% YoY) based on the BE (which may be undershot)**



Source: CGA, Ministry of Finance, Gol; ICRA Research

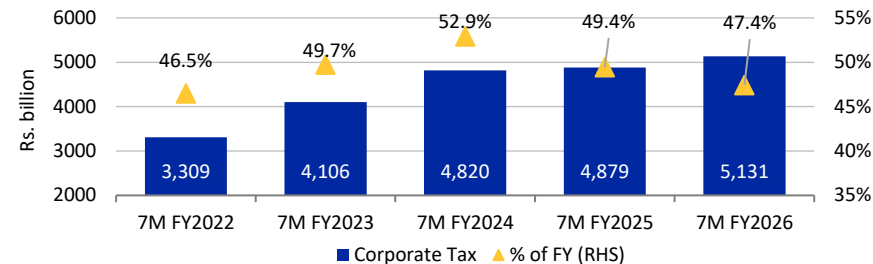
# Direct tax collections were up by ~6% YoY in 7M FY2026; large shortfall likely in PIT collections compared to FY2026 target

**EXHIBIT: PIT collections rose by 6.9% YoY during 7M FY2026 to Rs. 6.7 trillion, amounting to 49.2% of FY2026 BE (vs. average of 51.2% during this period over the last three years); the growth has trailed the budget target of 15.0%**



PIT: Personal income tax; Source: CGA, Ministry of Finance, Gol; ICRA Research

**EXHIBIT: Aided by the surge in October 2025, corporate tax collections have risen by 5.2% YoY (growth target: +9.7%) to Rs. 5.1 trillion in 7M FY2026; such inflows amounted to 47.4% of FY2026 BE, lower than year-ago level (49.4% of FY2025 PA)**



Source: CGA, Ministry of Finance, Gol; ICRA Research

**EXHIBIT: As per the IT dept. data, a sharp fall in refunds pushed the growth in net (of refunds) PIT collections to ~9% YoY as on November 10, 2025; net CT collections were up by ~6%**

| Rs. trillion               | Gross        | Refunds       | Net          |
|----------------------------|--------------|---------------|--------------|
| FY2025 (Up to November 10) |              |               |              |
| Corporation Tax (CT)       | 6.60         | 1.52          | 5.07         |
| Non-Corporation Tax (PIT)  | 8.03         | 1.42          | 6.61         |
| FY2026 (Up to November 10) |              |               |              |
| Corporation Tax (CT)       | 6.91 (+4.6%) | 1.53 (+0.9%)  | 5.37 (+5.7%) |
| Non-Corporation Tax (PIT)  | 8.08 (+0.5%) | 0.88 (-37.7%) | 7.19 (+8.7%) |

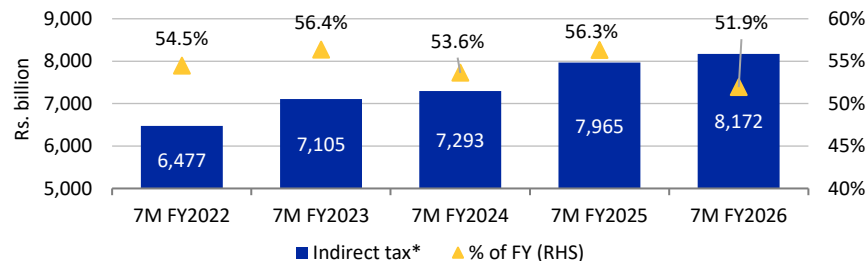
Figures in parenthesis depict YoY change; Source: [Income tax department](#), Gol; ICRA Research

- As per the latest [data](#) released by the IT department, the gross direct tax collections have risen by just 2.2% YoY to Rs. 15.4 trillion in FY2026 so far (up to November 10, 2025). While CT saw a moderate growth of 4.6% in this period, the YoY performance of PIT (+0.5%) and security transaction tax (-0.7%) collections was weak.
- After adjusting for refunds, net direct tax inflows were up by 7.0% YoY up to November 10, 2025, led by a sharp decline in refunds (-17.7%). While net CT collections were 5.7% higher than last year, net PIT collections saw a steeper 8.7% expansion, given the sizeable drop in refunds to taxpayers (-37.7% YoY).
- With refunds expected to increase in the coming months after the extended deadline to file taxes, the growth in the net PIT collections may be constrained in the near term.

Source: Ministry of Finance, Gol; ICRA Research

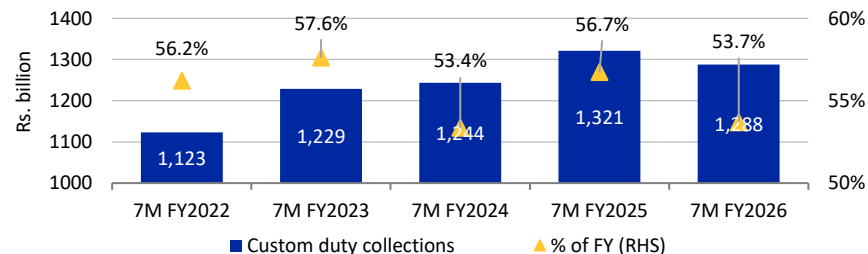
# Growth in indirect taxes was quite tepid at 2.6% in 7M FY2026, led by GST and customs duty collections

**EXHIBIT: Indirect tax revenue rose by a meagre 2.6% in 7M FY2026 (against the target of 11.3%), amid sluggish growth in GST collections and the YoY dip in customs duty revenues**



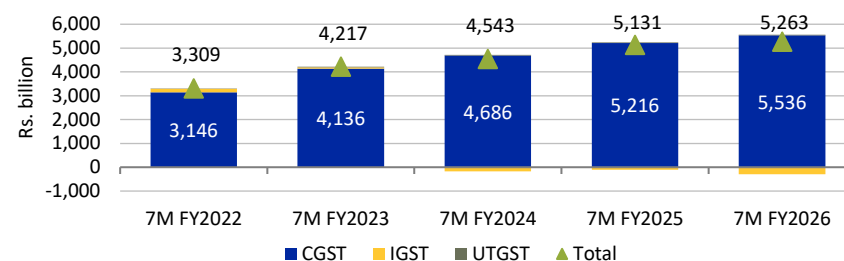
\*Computed as CGST+UTGST+IGST+ Customs duty + Excise duty + Services tax; Source: CGA, Ministry of Finance, GoI; ICRA Research

**EXHIBIT: Aided by healthy inflows in Sep-Oct 2025, the contraction in customs duty collections was contained at 2.5% in 7M FY2026 (vs. +3.1% budgeted); inflows in 7M amounted to ~54% of BE, lower than ~57% in 7M FY2025**



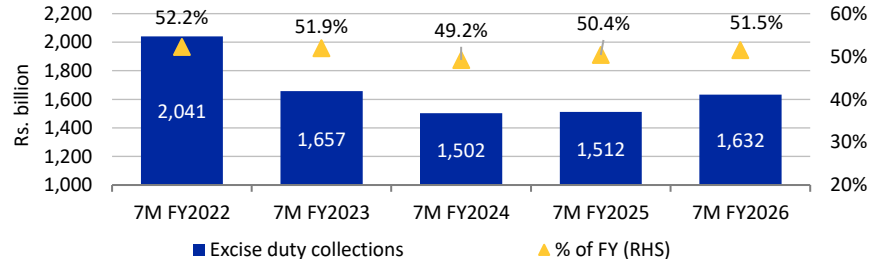
Source: CGA, Ministry of Finance, GoI; ICRA Research

**EXHIBIT: GST collections rose by just 2.6% YoY in 7M FY2026, amid a modest growth in CGST (+6.1% vs. target +11.2%), and larger amount of IGST settlement flows compared to 7M FY2025**



Source: CGA, Ministry of Finance, GoI; ICRA Research

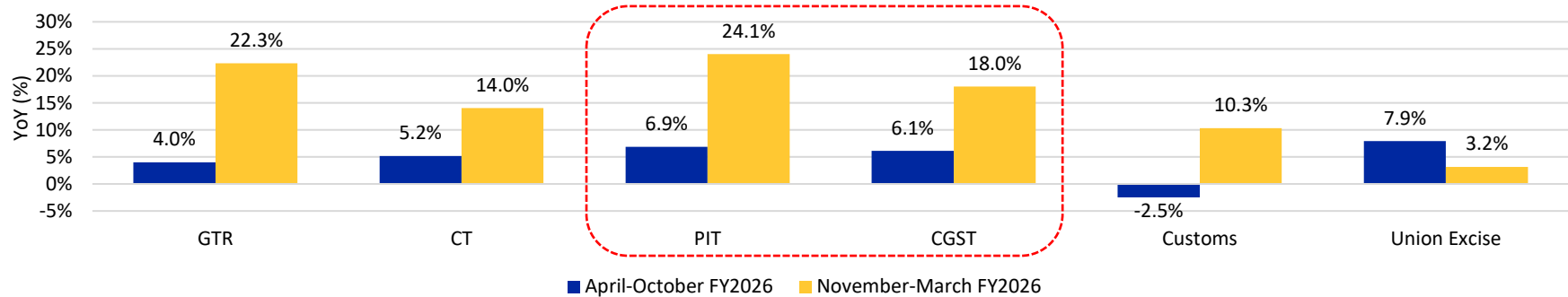
**EXHIBIT: Excise duty collections rose by 7.9% in 7M FY2026, trending above budgeted growth target of 5.6%; such inflows amounted to ~52% of FY2026 BE, higher than 50.4% in the year ago period**



Source: CGA, Ministry of Finance, GoI; ICRA Research

# Gross tax revenues likely to miss FY2026 target by ~Rs. 1.2-1.5 trillion, amid steep ~22% YoY growth required in November-March FY2026

**EXHIBIT: Provisional actual growth in key tax heads in 7M FY2026 and required growth in November-March FY2026 to meet the respective budgeted targets**

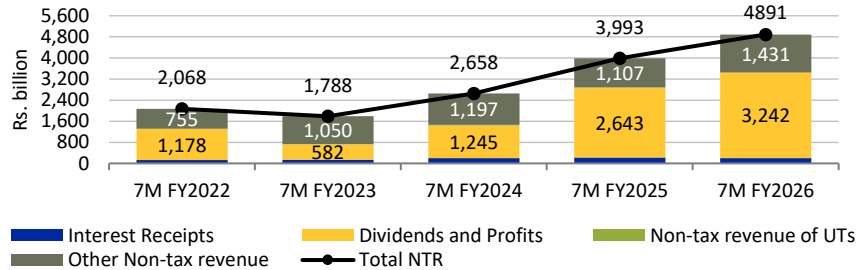


Source: Union Budget, CGA, Ministry of Finance, Gol; ICRA Research

- Based on the FY2026 BE and the provisional 7M trends, the Gol's GTR needs to expand by over ~22% YoY during November-March FY2026. This requires most tax heads to grow at a much faster pace than they did in 7M, except for union excise duty, that entails a lower growth in November-March vs. 7M.
- Meeting the FY2026 BE requires a YoY expansion of ~14% in corporate tax collections in November-March FY2026. However, the growth required in PIT collections is implicitly estimated at a much steeper 24.1% in the rest of the fiscal, suggesting that a large miss on this front is a given.
- Within indirect taxes, the CGST collections need to rise by a sharp 18.0% during November-March FY2026 to meet the target of Rs. 10.1 trillion, which suggests a miss on this account, given the modest ~6% growth seen in 7M FY2026. Similarly, the required growth of 10.3% seems quite high for customs duty collections in the remainder of the fiscal, amid a contraction in 7M.
- Overall, given the steep asking rate of 22.3% during November-March FY2026 to meet the FY2026 target of Rs. 42.7 trillion, ICRA is apprehensive that gross tax revenues will undershoot the budgeted target of Rs. 42.7 trillion by ~Rs. 1.2-1.5 trillion.**

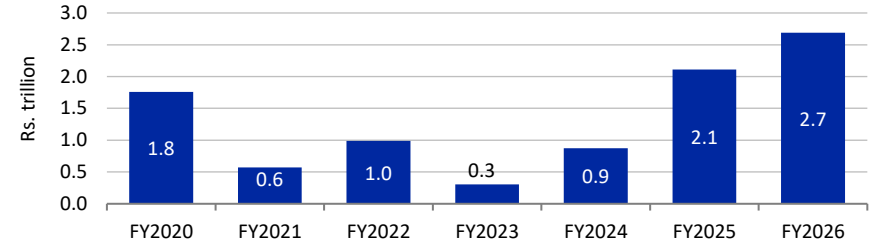
# Overshooting in non-tax receipts would partly cushion the miss on taxes

**EXHIBIT: Non-tax revenues stood at Rs. 4.9 trillion in 7M FY2026 (~84% of FY2026 BE vs. 74.3% in the year ago period), 22.5% higher on a YoY basis, driven by higher dividends and profits (+22.7%) and other non-tax revenues (+29.3%)**



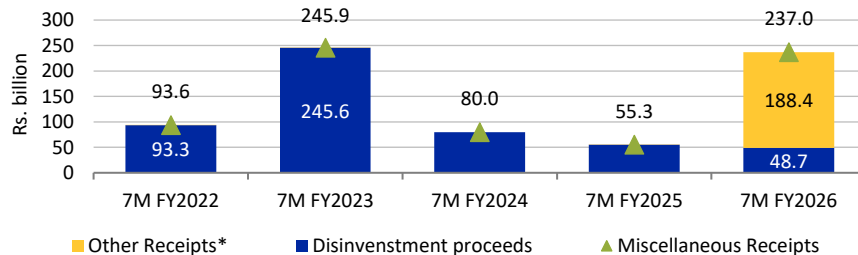
Source: CGA, Ministry of Finance, GoI; ICRA Research

**EXHIBIT: The RBI surplus transfer to the GoI was higher by ~Rs. 0.4-0.5 trillion than the amount assumed in the FY2026 Union Budget, implying an upside to non-tax revenues**



Source: RBI; ICRA Research

**EXHIBIT: Miscellaneous receipts surged to Rs. 237 billion in 7M FY2026 from Rs. 55.3 billion in the year ago period; this amounted to 50.4% of FY2026 target vs. ~32% in 7M FY2025**

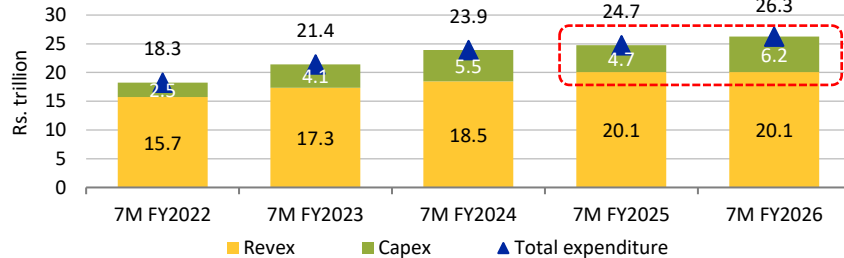


\*Includes monetisation and other receipts; Source: CGA, Ministry of Finance, GoI; ICRA Research

- The RBI surplus transfer to the GoI was ~Rs. 0.4-0.5 trillion higher vs. the amount assumed in the BE, implying an upside to non-tax revenues. Even if dividends and profits print at ~Rs. 400 billion in Nov-Mar FY2026, in line with the average seen in similar period of FY2023-2025 (Rs. 441 billion), aggregate inflows on this account would amount to ~Rs. 3.6 trillion in FY2026, well above the BE of Rs. 3.25 trillion.
- In aggregate, the GoI's non-tax receipts are estimated to exceed the FY2026 BE of Rs. 5.8 trillion by ~Rs. 0.5 trillion, which would partly offset the shortfall in the net tax revenues.
- Additionally, the target for miscellaneous receipts seems unlikely to be missed in FY2026, in contrast to the trend seen across years. On the disinvestment front, the financial bids for the strategic disinvestment of IDBI Bank are yet to be invited. This is expected to fetch Rs. 500 billion to the GoI and the LIC. If this materialises, the GoI's fiscal math would become more favourable for FY2026.

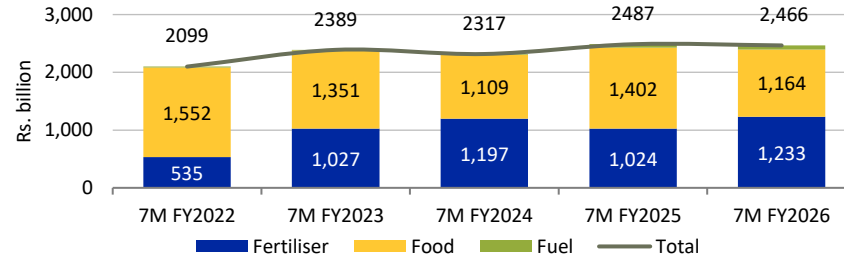
# Growth in Gol's expenditure limited to 6% in 7M FY2026 owing to flat revex

**EXHIBIT: The Gol's total expenditure increased by 6.1% YoY to Rs. 26.3 trillion in 7M FY2026, entirely on account of capex (+32.4%), even as revex remained flat compared to the year ago levels**



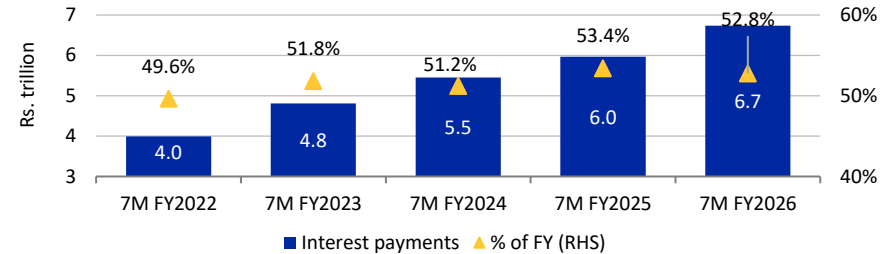
Source: CGA, Ministry of Finance, Gol; ICRA Research

**EXHIBIT: The subsidy outgo declined by 0.8% YoY to Rs. 2.5 trillion in 7M FY2026 (64.3% of FY2026 BE), led by a sharp dip in food subsidy (-17%); ICRA expects the fertiliser subsidy to exceed the FY2026 BE by ~Rs. 250 billion**



Source: CGA, Ministry of Finance, Gol; ICRA Research

**EXHIBIT: The Gol's interest expenditure rose by 13.0% to Rs. 6.7 trillion in 7M FY2026, amounting to 52.8% of the FY2026 BE, in line with the average of 52.2% seen during this period over the last three years**



Source: CGA, Ministry of Finance, Gol; ICRA Research

**EXHIBIT: The Gol's non-interest non-subsidy revex fell by 6.4% in 7M FY2026, pushing up the required growth in the last five months of the fiscal to an elevated ~28%, which is unlikely to materialise**

| (% YoY)                        | Apr-Oct FY2026 | Nov-Mar FY2026* | FY2026 BE |
|--------------------------------|----------------|-----------------|-----------|
| Revenue expenditure            | +0.0%          | +21.3%          | +9.5%     |
| Interest Payments              | +13.0%         | +15.9%          | +14.3%    |
| Subsidies                      | -0.8%          | -1.8%           | -1.2%     |
| Non-interest non-subsidy revex | -6.4%          | +27.8%          | +8.8%     |

PADOS: Public administration, defence and other services; \*Required growth rate based on FY2026 BE and April-October FY2026 data; Source: CGA, Ministry of Finance, Gol; ICRA Research

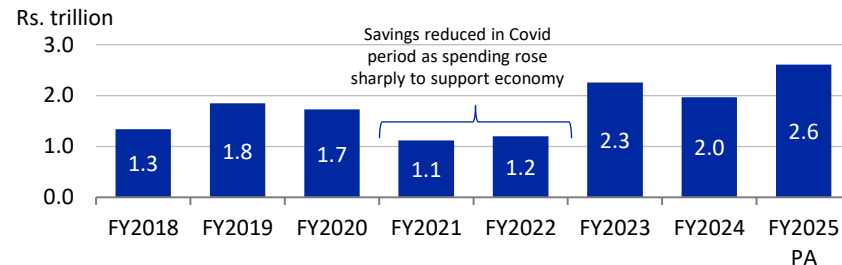
# Asking rate for growth in revex in last five months of fiscal quite high; sizeable expenditure savings expected in FY2026

**EXHIBIT: Ministry-wise revex during April-October FY2026 and required amount during November-March FY2026**

|                                      | Rs. Billion   |                |                 | % YoY       |                |                 |
|--------------------------------------|---------------|----------------|-----------------|-------------|----------------|-----------------|
|                                      | FY2026 BE     | Apr-Oct FY2026 | Nov-Mar FY2026* | FY2026 BE   | Apr-Oct FY2026 | Nov-Mar FY2026* |
| <b>Revex excl. interest payments</b> | <b>26,679</b> | <b>13,342</b>  | <b>13,338</b>   | <b>7.3%</b> | <b>-5.4%</b>   | <b>23.9%</b>    |
| Finance excl. interest payments      | 4,411         | 1,376          | 3,035           | -7.5%       | -37.1%         | 17.7%           |
| Defence                              | 4,888         | 3,035          | 1,853           | 5.1%        | 7.3%           | 1.6%            |
| Consumer affairs                     | 2,157         | 1,222          | 935             | 0.4%        | -19.3%         | 47.5%           |
| Rural development                    | 1,904         | 851            | 1,053           | 6.2%        | -9.9%          | 24.1%           |
| Chemicals & fertilisers              | 1,619         | 1,156          | 464             | -13.0%      | 12.9%          | -44.7%          |
| Home affairs                         | 1,487         | 981            | 506             | 5.4%        | 14.6%          | -8.8%           |
| Agriculture                          | 1,377         | 636            | 741             | -1.4%       | -16.0%         | 15.8%           |
| Human resource development           | 1,286         | 546            | 740             | 16.2%       | 4.3%           | 26.9%           |
| Health & family welfare              | 962           | 547            | 415             | 8.2%        | 2.3%           | 0.0%            |
| Housing & urban affairs              | 592           | 83             | 508             | 173.4%      | -33.9%         | 462.4%          |
| Communications                       | 554           | 421            | 132             | -23.9%      | 9.3%           | -61.4%          |
| Others                               | 5,442         | 2,488          | 2,954           | 39.5%       | 2.5%           | 100.7%          |

\*Required growth rate based on FY2026 BE and April-October FY2026 data; Source: CGA, Ministry of Finance, Gol; ICRA Research

**EXHIBIT: Estimated Expenditure Savings (BE + NSDG – Actual; Rs. trillion)**

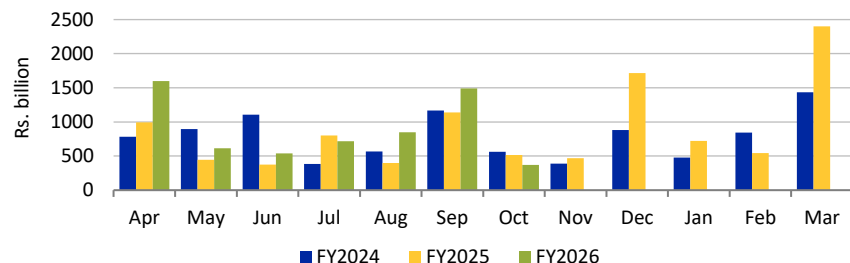


Aggregate expenditure savings of the Gol are computed by adding net cash outgo under the SDG to the budgeted total expenditure and subtracting actual spending incurred in each fiscal; Data for FY2025 is based on provisional actuals; Source: Union Budget; CGA; ICRA Research

- ICRA estimates that expenditure savings have typically amounted to over Rs. 1.0 trillion every year during the last 7-8 years owing to expenditure compression across Ministries/Departments. A similar scenario is likely to play out in FY2026, given that the Gol's non-interest non-subsidy revex needs to expand by an elevated ~28% in the last five months of the fiscal. A Rs. 1.0 trillion expenditure cut on this account would peg the growth at 17%, which would still be quite high.
- While there could be an upside to the allocation towards fertiliser subsidy by ~Rs. 250-300 billion, the net cash outgo that may be announced in supplementary demand for grants for FY2026 is likely to be modest, amid limited risks. This would be comfortably offset by the expenditure savings on account of the non-interest non-subsidy revenue spending. Overall, ICRA expects the Gol's revex to print lower than the FY2026 BE, amid expenditure savings across ministries.

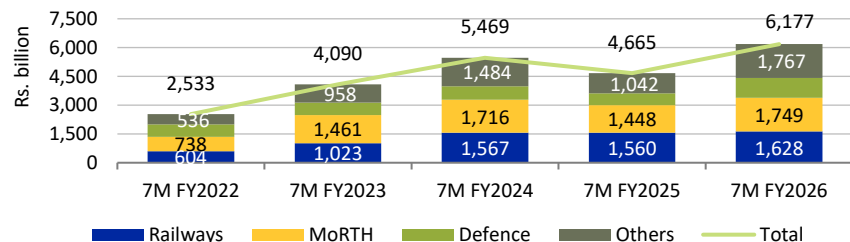
# Capex slumped in October 2025, although FYTD growth remained high at ~32%; implicit contraction pegged at ~14% in remainder of fiscal

**EXHIBIT: The Gol's capex contracted by 28% YoY in October 2025, after rising by 31% in Q2 FY2026, possibly on account of the festive holidays**



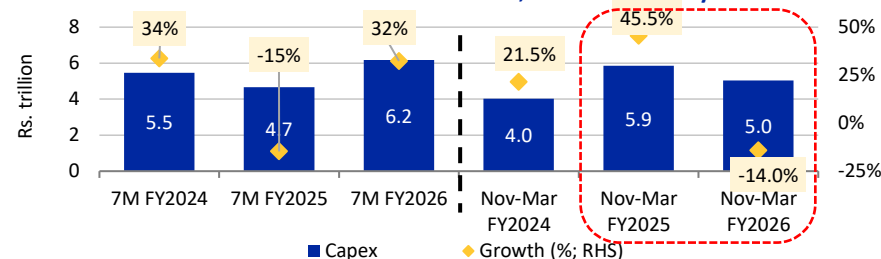
Source: CGA, Ministry of Finance, Gol; ICRA Research

**EXHIBIT: Around 48% of the YoY increase in capex in 7M FY2026 stemmed from other segments (DFPD and capital transfers to the states); YoY growth in capex by defence (+68%) and MoRTH (+21%) was also quite high during this period**



MoRTH: Ministry of Railways, Road Transport and Highways; DFPD: Department of Food and Public Distribution; Source: CGA, Ministry of Finance, Gol; CEIC; ICRA Research

**EXHIBIT: Capex has surged by 32% YoY to Rs. 6.2 trillion in Apr-Oct FY2026 (~55% of FY2026 BE vs. ~44% in 7M FY2025); it needs to contract by ~14% YoY during Nov-Mar FY2026 to remain within the FY2026 BE, unless the outlay is enhanced**



\*Headroom available in Nov-Mar FY2025 and Nov-Mar FY2026 is based on FY2025 PE and FY2026 BE, resp.; Source: Union Budget; CGA; Ministry of Finance, Gol; ICRA Research

- The YoY surge of 32.4% or Rs. 1.5 trillion in the Gol's capex in 7M FY2026 was largely attributed to the other component, which includes the Department of Food and Public Distribution (to Rs. 500 billion in 7M FY2026 from Rs. 13.5 billion in 7M FY2025). This reflects the ways means and advance (WMA) loans provided to the Food Corporation of India (FCI) by the Gol; this amount was not included in the Budget and is likely to be reversed before the end of the fiscal. Excluding this, total capex rose by a shallower 22% in 7M FY2026.
- Besides, capital transfers to states rose to Rs. 0.6 trillion from Rs. 0.5 trillion, respectively, reflecting the 50Y capex loan amount transferred to states.
- Additionally, the capital outlay on defence services surged by Rs. 418 billion on a YoY basis to Rs. 1.0 trillion in 7M FY2026, while MoRTH's capex witnessed a YoY increase of Rs. 300 billion to Rs. 1.7 trillion in this period.

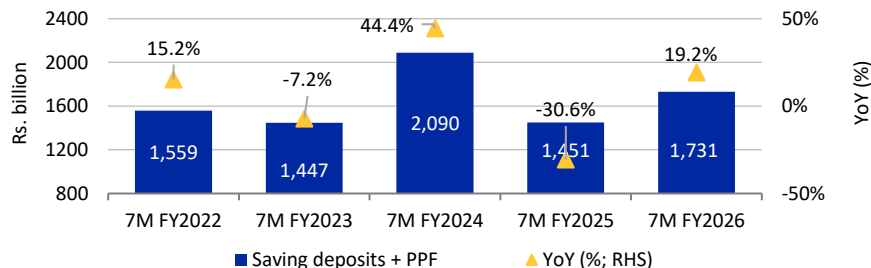
# GoI's borrowings unlikely to exceed the announced amount in FY2026

**EXHIBIT:** In FY2026 so far (up to Nov 28), the GoI's gross borrowings stood at Rs. 10.3 trillion (~70% of FY2026 BE), 3.5% higher on a YoY basis; with a ~13% dip in redemptions so far, net market issuances were ~12% higher on a YoY basis

| Rs. trillion                              | FY2025     | FY2026     | Growth       |
|---|------------|------------|--------------|
| Gross Borrowings - Planned                | 14.0       | 14.7       | 5.1%         |
| Gross Borrowings Completed by Nov 28      | 9.9        | 10.3       | 3.5%         |
| % of Gross Borrowings completed           | 70.9%      | 69.8%      |              |
| Devolvement by Nov 28                     | 0.03       | 0.00       |              |
| Cancellations by Nov 28                   | 0.10       | 0.16       | 55.3%        |
| Redemptions                               | 2.4        | 3.28       | 38.0%        |
| Redemptions by Nov 28                     | 3.5        | 3.0        | -12.7%       |
| Net Borrowings                            | 11.63      | 11.44      | -1.7%        |
| <b>Net Borrowings Completed by Nov 28</b> | <b>6.4</b> | <b>7.2</b> | <b>12.2%</b> |
| % of Net Borrowings completed             | 55.4%      | 63.2%      |              |

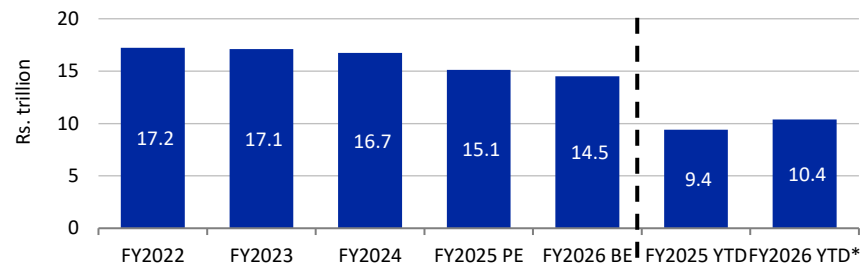
Source: RBI, ICRA Research

**EXHIBIT:** Inflows under savings deposit and certificates, and PPF surged by ~19% to Rs. 1.7 trillion in 7M FY2026 (57% of FY2026 BE vs. 43% in 7M FY2025); given these trends and stable interest rates, an upside is likely on this account over FY2026 BE



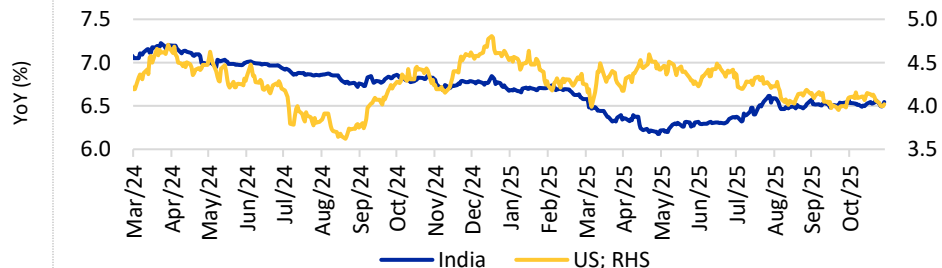
Source: CGA, Ministry of Finance, GoI; ICRA Research

**EXHIBIT:** The GoI frontloaded its T-bill issuances (up +10.2% YoY; 72% of FY2026 BE until Nov 26, 2025), led by the 91-day segment (+17% YoY; constituting 55% of issuances); issuances can dip by ~27% YoY in rest of the fiscal to meet the BE



\*FY2026/2025 YTD is till Nov 26, 2025/ Nov 27, 2024; Source: RBI; ICRA Research

**EXHIBIT:** India's 10Y G-sec yield (6.33 GS 2035) inched up to 6.55% as on November 28, 2025 from 6.53% on October 31, 2025; notably, in November 2025, it remained within a narrow range of 6.49-6.57



Source: Refinitiv; ICRA Research

**Table A.1: Trends in Tax Revenue Receipts**

|                                       | FY2025 PE       |                 | FY2026 BE    |                 | April-October FY2026 |             | November-March FY2026 <sup>^</sup> |
|---------------------------------------|-----------------|-----------------|--------------|-----------------|----------------------|-------------|------------------------------------|
|                                       | Rs. billion     | Rs. billion     | Growth %     | Rs. billion     | % of BE              | Growth % ~  | Implicit Growth %                  |
| <b>Gross Tax Revenues<sup>^</sup></b> | <b>37,952.3</b> | <b>42,702.3</b> | <b>12.5%</b> | <b>21,143.9</b> | <b>49.5%</b>         | <b>4.0%</b> | <b>22.3%</b>                       |
| <b>Direct Taxes</b>                   | <b>21,697.3</b> | <b>24,420.0</b> | <b>12.5%</b> | <b>11,827.7</b> | <b>48.4%</b>         | <b>6.1%</b> | <b>19.3%</b>                       |
| Corporation Tax                       | 9,867.7         | 10,820.0        | 9.7%         | 5,131.4         | 47.4%                | 5.2%        | 14.0%                              |
| Income Tax <sup>*</sup>               | 11,829.6        | 13,600.0        | 15.0%        | 6,696.3         | 49.2%                | 6.9%        | 24.1%                              |
| <b>Indirect Taxes</b>                 | <b>14,142.1</b> | <b>15,733.5</b> | <b>11.3%</b> | <b>8,172.3</b>  | <b>51.9%</b>         | <b>2.6%</b> | <b>22.4%</b>                       |
| Central GST (CGST)                    | 9,089.8         | 10,108.9        | 11.2%        | 5,536.1         | 54.8%                | 6.1%        | 18.0%                              |
| Union Territory GST (UTGST)           | 50.9            | 53.6            | 5.1%         | 25.4            | 47.4%                | 30.4%       | -10.5%                             |
| IGST                                  | -330.0          | 0.0             | --           | -298.1          | --                   | --          | --                                 |
| Customs Duty                          | 2,329.0         | 2,400.0         | 3.1%         | 1,288           | 53.7%                | -2.5%       | 10.3%                              |
| Excise Duty                           | 3,002.5         | 3,170.0         | 5.6%         | 1,632.1         | 51.5%                | 7.9%        | 3.2%                               |
| GST Compensation Cess                 | 1,505.1         | 1,671.1         | 11.0%        | 805.0           | 48.2%                | -6.9%       | <b>35.3%</b>                       |

<sup>^</sup>Net of Refunds, Gross of States' share in Central Taxes; <sup>\*</sup>excluding security transaction tax; <sup>~</sup>Relative to FY2025 PE; <sup>^</sup>Based on FY2026 BE, FY2025 PE and the data for 7M FY2025/FY2026;  
Source: CGA, Ministry of Finance, Gol; Union Budget; ICRA Research

**Table A.2: Trends in key fiscal metrics**

|                                  | FY2025 PE        | FY2026 BE        |        | April-October FY2026 |              | November-March FY2026^ |                   |
|----------------------------------|------------------|------------------|--------|----------------------|--------------|------------------------|-------------------|
|                                  | Rs. billion      | Rs. billion      | Growth | Rs. billion          | % of BE      | Growth~                | Implicit Growth % |
| Revenue Receipts                 | 30,364.3         | 34,204.1         | 12.6%  | 17,633.8             | 51.6%        | 3.5%                   | 24.4%             |
| Tax Revenues\$                   | 24,988.9         | 28,374.1         | 13.5%  | 12,743.0             | 44.9%        | -2.4%                  | 30.9%             |
| Non-Tax Revenues                 | 5,375.4          | 5,830.0          | 8.5%   | 4,890.8              | 83.9%        | 22.5%                  | -32.1%            |
| Revenue Expenditure              | 36,035.1         | 39,442.6         | 9.5%   | 20,078.8             | 50.9%        | 0.0%                   | 21.3%             |
| <b>Revenue Balance</b>           | <b>-5,670.8</b>  | <b>-5,238.5</b>  |        | <b>-2,445.0</b>      | <b>46.7%</b> |                        |                   |
| Capital Receipts                 | 172.0            | 470.0            | 173.2% | 237.0                | 50.4%        | 328.5%                 | 99.6%             |
| Capital Expenditure, Net Lending | 10,273.9         | 10,920.9         | 6.3%   | 6,043.5              | 55.3%        | 33.3%                  | -15.0%            |
| <b>Fiscal Balance</b>            | <b>-15,772.7</b> | <b>-15,689.4</b> |        | <b>-8,251.4</b>      | <b>52.6%</b> |                        |                   |

\$Net of Refunds, Net of States' share in Central Taxes; ~Relative to FY2025 PE; ^Based on FY2026 BE, FY2025 PE and the data for 7M FY2025/FY2026; Source: CGA, Ministry of Finance, GoI; Union Budget; ICRA Research



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