

# Fiscal deficit worry

OUR SPECIAL  
CORRESPONDENT

**New Delhi:** The government's fiscal deficit has touched Rs 4.32 lakh crore on June 30, which is 61.4 per cent of the budget estimate of Rs 7.03 lakh crore for the 2019-20 fiscal, according to data released by the Controller General of Accounts (CGA) on Wednesday.

The deficit was 68.7 per cent of the 2018-19 budget estimate in the year-ago period. The government aims to restrict the fiscal deficit to 3.3 per cent of GDP in the current fiscal, against 3.4 per cent a year ago.

"The realisation of the target for direct taxes and GST collections, and dividends and surplus from the RBI, nationalised banks and financial institutions and PSEs, will be

## KEEP A TAB

- Fiscal deficit till June: Rs 4.32 lakh crore
- Target for year: Rs 7.03 lakh cr
- Deficit reaches 61.4% of target by June
- Revenue till June: Rs 2.84 lakh crore

crucial to prevent a revenue slippage in 2019-20," Ica principal economist Aditi Nayar said. The speed with which the disinvestment programme kicks off, as well as the interest shown by potential buyers in the PSUs being offered for strategic disinvestment would be critical.

"At present, we can't rule out that expenditure cuts may

be required to prevent a fiscal slippage, if the revenue targets are missed," she said.

Nayar said the size and timing of the sovereign bond issuance would impart a disproportionate effect on the G-sec yields. Ica expects the 10-year G-sec yield to trade in a range of 6.2-6.6 per cent in the second half of the fiscal. The RBI board is likely to discuss the bonds at its board meet on Wednesday.

The CGA data showed that revenue receipts of the government during April-June, 2019-20 was 14.4 per cent of the budget estimate (BE). It was 15.5 per cent of BE in the year-ago period.

Revenue receipts stood at Rs 2.84 lakh crore at June-end 2019. During the entire year, the revenue receipts has been pegged at Rs 19.77 lakh crore.