

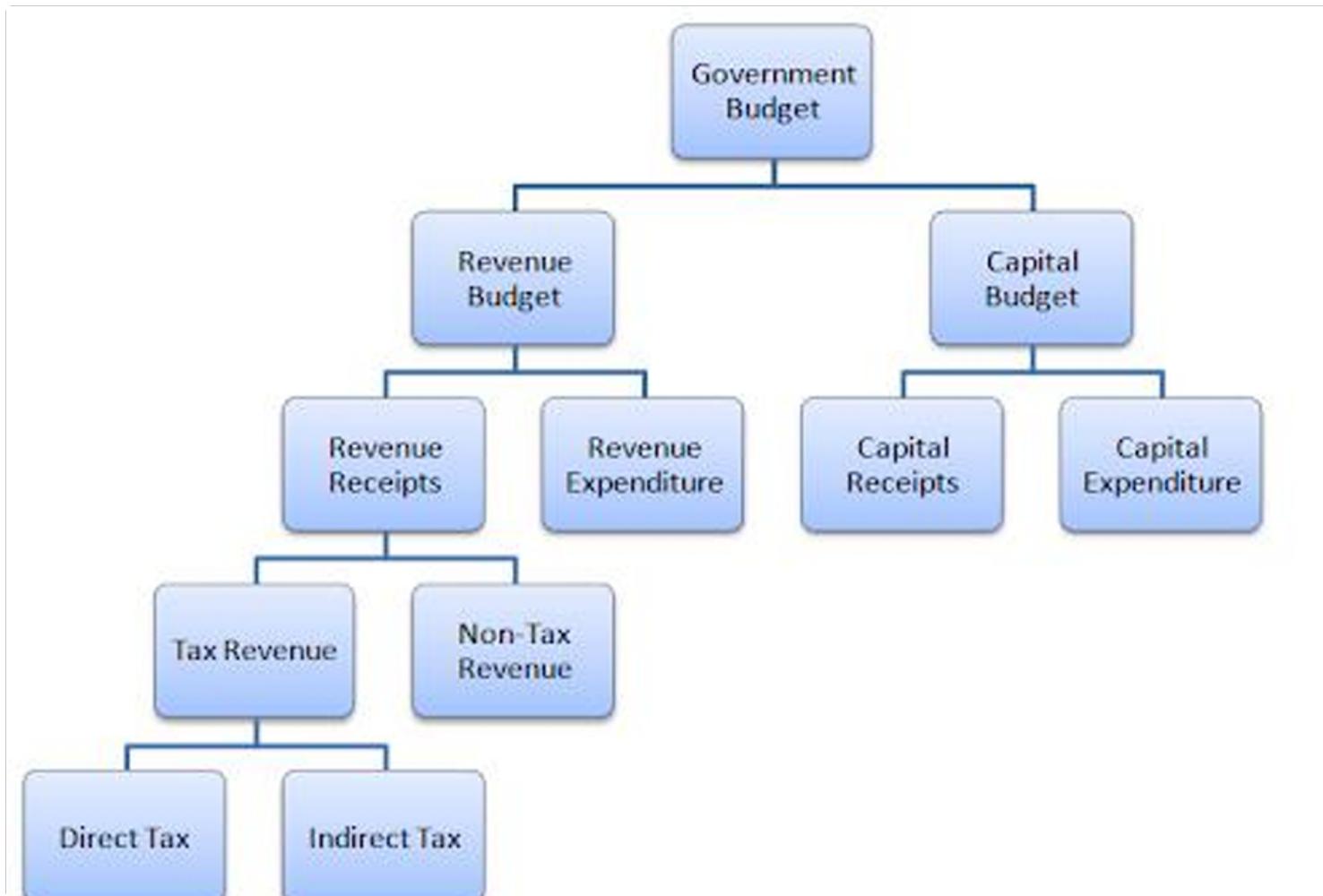


Government meets fiscal deficit target of 4.5% for FY25

Published On: 31-05-2025

Context

- The Government of India has **met its fiscal deficit target of 4.8% of GDP in 2024-25** though total receipts came in slightly lower than expected, as per data released by the Controller General of Accounts.
- The Centre's total revenue — counting tax, non-tax and capital receipts — came in at ₹30.78 lakh crore in 2024-25 or 97.8% of its revised estimates for the year. Total expenditure stood at ₹46.55 lakh crore, also 97.8% of the estimates.
- The **fiscal deficit, the difference between total expenditure and total revenue**, at ₹15.77 lakh crore, stood at 4.8% of GDP based on the latest provisional estimates for the year.
- As part of the **Centre's fiscal consolidation glide path**, Finance Minister Nirmala Sitharaman had, in Budget speech in February, **targeted fiscal deficit of 4.4% of GDP for FY26**.



	Fiscal Policy	Monetary Policy
Definition	It is a macro-economic policy used by the government to adjust its spending levels and tax rates to monitor and a nation's economy	It is a macro-economic policy used by the Central Bank to influence money supply and interest rates.
Institutional Control	Controlled by the Government	Controlled by the Central Bank
Prime Objective	To influence the economic condition	To influence the money supply and interest rates.
Major Tools	Public Expenditure, Taxation, Public Borrowing etc	Bank Rate, Cash Reserve Ratio, Statutory Liquidity Ratio etc.