



**KAMARAJ IAS ACADEMY**  
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# Government meets fiscal deficit target of 4.5% for FY25

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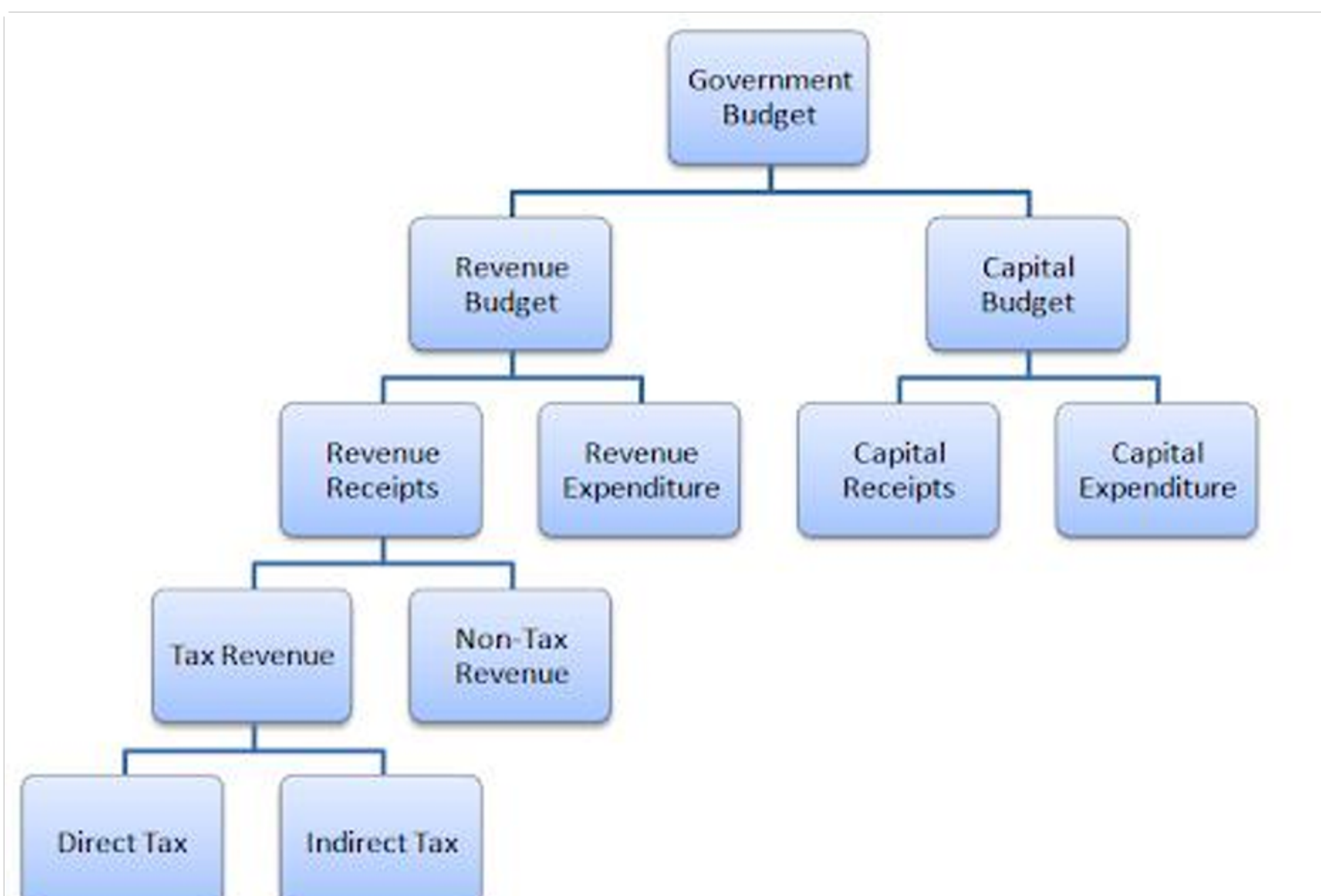
## Context

- 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**.

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	Fiscal Policy	Monetary Policy
<b>Definition</b>	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.
<b>Institutional Control</b>	Controlled by the Government	Controlled by the Central Bank
<b>Prime Objective</b>	To influence the economic condition	To influence the money supply and interest rates.
<b>Major Tools</b>	Public Expenditure, Taxation, Public Borrowing etc	Bank Rate, Cash Reserve Ratio, Statutory Liquidity Ratio etc.