

Fiscal Gap Till Aug Hits 27% of FY25 Target

Our Bureau

New Delhi: The central government's fiscal deficit in the first five months of the current financial year hit 27% of the annual target, lower than the 36% a year before, despite the fiscal gap galloping in August on the back of a post-election spurt in revenue spending and a moderation in the net tax mop-up.

Experts said the government remains on track to meet its renewed target of containing the fiscal deficit at 4.9% of gross domestic product (GDP) in 2024-25.

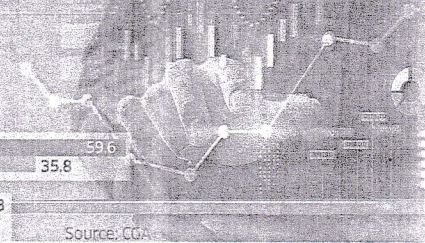
The Centre aims to reduce the gap further to less than 4.5% of GDP in 2025-26.

In absolute terms, the fiscal deficit between April and August touched ₹4.35 lakh crore, down from ₹6.43 lakh crore a year before, thanks to lower gap earlier in the year when resource mop-up had re-

Capex	19.5	17.1
Revenue spending	4.1	6.2
Total spending	-1.2	8.5
Net tax revenue	8.7	11.1
Non-tax revenue	59.6	35.8
Total receipts (non-debt)	18.3	10.4

State of finances

% growth y-o-y



mained strong while government spending was constrained by the general elections, showed the official data released on Monday.

The deficit in August, however, jumped four times to ₹1.58 lakh crore from ₹37,233 crore a year earlier, as the revenue spending pattern returned to normalcy in the first month after the July Budget. Revenue expenditure in the first

five months of this fiscal grew 4.1% from a year earlier to ₹13.51 lakh crore, propelled mainly by a 33.3% jump in August.

Such spending rose in August after three straight months of decline.

However, capital spending moderated 17.5% between April and August to ₹3 lakh crore; it faltered again in August by 30%.