

We have been a lot more prudent in managing fiscal deficit, says FM

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Finance Minister Nirmala Sitharaman (*pictured*) on Wednesday told the Lok Sabha that the government has been very prudent in managing the fiscal deficit to keep it a notch below than expected for the current and the next financial year.

“We have been a lot more prudent and managed it efficiently, therefore we were able to reach 5.8 instead of 5.9 per cent this year itself. And instead of reaching 5.2 per cent next year, as per the glide path, we have made sure that we will be one notch down at 5.1 per cent,” Sitharaman said.

The fiscal glidepath announced by the government has

set the fiscal deficit target at 5.8 per cent of Gross Domestic Product (GDP) for financial year 2023-24 (FY24) and at 5.1 per cent of GDP for financial

year 2025 (FY25). The FM in her address also highlighted that there had been no reduction in allocations for major flagship schemes, important heads, and capital formation



in the Budget of FY25. “Nowhere has there been a reduction, on the contrary, it is only an increase compared to Budget estimates,” the FM said.

She said that the allocation this year for various heads such as health and family welfare, school education and literacy, minority affairs, ministry of women and child welfare is higher for FY25 compared to FY24.