



सत्यमेव जयते

GOVERNMENT OF INDIA

**Statement on half yearly review of the trends in receipts
and expenditure in relation to the budget at
the end of the financial year 2024-25**

and

**Statement explaining deviation in meeting the obligations
of the Government under the Fiscal Responsibility and
Budget Management Act, 2003**

(As required under Section 7(1) and Section 7(3)(b) of the
Fiscal Responsibility and Budget Management Act, 2003)

Ministry of Finance

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1. Macro-Economic Backdrop

1. India's economic growth, measured by growth in Gross Domestic Product (GDP) at constant (2011-12) prices, has been estimated at 6.9 per cent for the second half (H2) (October-March) of FY25, as compared to 6.1 per cent in H1 (April-September) of FY25 and 8.9 per cent in the H2 of FY24. Growth in the gross value added at constant basic prices for H2 of FY25 has been estimated at 6.6 per cent as against 6.2 per cent in H1 of FY25 and 7.6 per cent in H2 of FY24.
2. In the second half of FY25, the inflation rate based on the Consumer Price Index (Combined) was 4.7 per cent, marking a decline from 5.2 per cent recorded during the same period in FY24, though slightly up from 4.6 per cent in the first half of FY25. Meanwhile, the Wholesale Price Index has shown an inflation rate of 2.4 per cent in H2 of FY25, an increase from 2.1 per cent in H1 of FY25 and 0.3 per cent in H2 of FY24.
3. Merchandise exports at current prices during H2 of FY25 stood at USD 223.9 billion, declining marginally by 0.9 per cent over the level of USD 225.9 billion during the corresponding period of the previous year. During H2 of FY25, merchandise imports at current prices were USD 362.5 billion, registering a growth of 4.2 per cent, as against the level of USD 347.9 billion in H2 of FY24. The merchandise trade deficit for H2 of FY25 stood at USD 138.5 billion, as compared to USD 121.9 billion in H2 of FY24.
4. India's current account deficit declined to 0.6 per cent of GDP (USD 23.3 billion) during FY25 from 0.7 per cent of GDP (USD 26.0 billion) in the previous year, primarily due to higher net invisibles receipts.
5. Direct investment to India stood at USD 13.6 billion during H2 of FY25, vis-à-vis USD 16.4 billion in the corresponding period of the previous year. Net foreign portfolio outflows were USD 18.1 billion in H2 of FY25, as compared to an inflow of USD 23.4 billion in the corresponding period of FY24. Net foreign institutional investment outflows stood at USD 18.3 billion in H2 of FY25 vis-à-vis inflows of USD 23.3 billion in H2 of FY24.
6. India's foreign exchange reserves stood at USD 668.3 billion at the end of March 2025 as compared to USD 646.4 billion at the end of March 2024. The average exchange rate was ₹85.6 per USD during H2 of FY25 as compared to ₹83.1 per USD in the corresponding period of the previous year.

2. Review of Trends in Receipts and Expenditure in FY 2024-25

7. In FY 2024-25, the Fiscal Deficit had initially been budgeted at ₹16.13 lakh crore or 4.9 per cent of GDP. This was 70 basis points lower than the actuals (Provisional) of FY 2023-24 (5.6 per cent of GDP). The BE 2024-25 target for Fiscal deficit was revised to 4.8 per cent of GDP in RE 2024-25. In this regard, a statement of deviation explaining the reasons for the deviation and the path of return to annual prescribed targets, as per the provisions of Section 4(5) of the FRBM Act 2003, **was included in the Medium-Term Fiscal Policy cum Fiscal Policy Strategy Statement (MTFP cum FPSS) that was laid in Parliament along with the Union Budget for FY 2024-25.**
8. Fiscal Deficit in FY 2024-25 (Provisional) stood at ₹15.77 lakh crore, which was in line with RE 2024-25 target of 4.8 per cent of GDP. Total Revenue Receipts (Provisional) were ₹30.36 lakh crore at the end of FY 2024-25 against ₹27.29 lakh crore in FY 2023-24, showing an annual growth of 11.3 per cent. Tax Revenue (Net to Centre) at the end of FY 2024-25 was ₹24.99 lakh crore while Non-Tax Revenue was ₹5.38 lakh crore. Total Expenditure at the end of FY 2024-25 (Provisional) was ₹46.56 lakh crore against the revised estimates of ₹47.16 lakh crore for the year (Table 1).

Table 1: Key Fiscal Indicators, FY 2024-25

S. No.	Particulars	BE	RE	Provisional	Final	% growth in FY
		2024-25	2024-25	2024-25	2023-24	2024-25 (Prov.)
		(₹ in crore)				over 2023-24
		1	2	3	4	5
1.	Revenue Receipts (2+3)	31,29,200	30,87,960	30,36,429	27,29,036	11.3%
2.	Tax Revenue (Net)	25,83,499	25,56,960	24,98,885	23,27,251	7.4%
3.	Non- Tax Revenue	5,45,701	5,31,000	5,37,544	4,01,785	33.8%
4.	Capital Receipts (5+8)	16,91,312	16,28,527	16,19,088	17,14,411	-5.6%
5.	Non- Debt Capital Receipts (6+7)	78,000	59,000	41,818	59,768	-30.0%
6.	Recovery of Loans	28,000	26,000	24,616	26,646	-7.6%
7.	Other Receipts	50,000	33,000	17,202	33,122	-48.1%

S. No.	Particulars	BE	RE	Provisional	Final	% growth in FY
		2024-25	2024-25	2024-25	2023-24	2024-25 (Prov.)
(₹ in crore)						over 2023-24
8.	Borrowings and other liabilities	16,13,312	15,69,527	15,77,270	16,54,643	-4.7%
9.	Total Receipts (1+4)	48,20,512	47,16,487	46,55,517	44,43,447	4.8%
10.	Revenue Expenditure	37,09,401	36,98,058	36,03,510	34,94,252	3.1%
10(i).	- of which Interest Payments	11,62,940	11,37,940	11,16,343	10,63,872	4.9%
10(ii).	- of which Grants for creation of Capital Assets	3,90,778	2,99,891	2,72,775	3,03,916	-10.2%
11.	Capital Expenditure	11,11,111	10,18,429	10,52,007	9,49,195	10.8%
12.	Total Expenditure (10+11)	48,20,512	47,16,487	46,55,517	44,43,447	4.8%
13.	Revenue Deficit (10-1)	5,80,201	6,10,098	5,67,081	7,65,216	-25.9%
14.	Effective Revenue Deficit {(13-10(ii))}	1,89,423	3,10,207	2,94,306	4,61,300	-36.2%
15.	Fiscal Deficit {12-(1+5)}	16,13,312	15,69,527	15,77,270	16,54,643	-4.7%
16.	Primary Deficit {(15-10(i))}	4,50,372	4,31,587	4,60,927	5,90,771	-22.0%

Source: Controller General of Accounts and Budget Documents.

Notes: 1. The Figures are on net basis as in Budget Documents;

2. Actuals for FY 2024-25 are unaudited provisional numbers and are subject to change; and

3. Individual items in the table may not sum up to the totals due to rounding off.

2.1 Receipts

2.1.1 Gross Tax Revenue

- In BE 2024-25, Gross Tax Revenue (GTR) was estimated at ₹38.40 lakh crore. It was revised to ₹38.53 lakh crore in RE 2024-25. GTR for FY 2024-25 (Provisional) was ₹37.95 lakh crore, thereby showing a year-on-year growth of 9.5 per cent over FY 2023-24.

2.1.2 Revenue receipts

10. Revenue receipts of the Centre comprise of Tax Revenue (Net to Centre) and Non-Tax Revenue. In BE 2024-25, total revenue receipts were estimated at ₹31.29 lakh crore and the same was revised to ₹30.88 lakh crore in RE 2024-25. The Revenue Receipts for FY 2024-25 (Provisional) were ₹30.36 lakh crore comprising of Tax Revenue (Net to Center) of ₹24.99 lakh crore and Non-Tax revenue of ₹5.38 lakh crore.

2.1.3 Direct Taxes

11. The main components of Direct Tax receipts are Corporation tax and Taxes on Income. Direct Taxes were estimated to be ₹22.07 lakh crore in BE 2024-25, which was revised to ₹22.37 lakh crore in RE 2024-25. Direct Tax receipts for FY 2024-25 (Provisional) were ₹22.24 lakh crore thereby recording growth of 13.6 per cent over FY 2023-24 (₹19.57 lakh crore).

2.1.3.1 Corporation Tax

12. Corporation Tax receipts in BE 2024-25 were estimated at ₹10.20 lakh crore. This was revised slightly downwards to ₹9.80 lakh crore in RE 2024-25. As per the provisional numbers, Corporation tax collection for FY 2024-25 (Provisional) was ₹9.87 lakh crore thereby recording a growth of 8.3 per cent over FY 2023-24.

2.1.3.2 Taxes on Income

13. Taxes on Income are the other major sub-component of Direct Taxes. In BE 2024-25, Taxes on Income were estimated to be ₹11.87 lakh crore (₹11.50 lakh crore from Taxes on Income other than Corporation Tax and ₹37,000 crore from Securities Transaction Tax). This was revised upward to ₹12.57 lakh crore in RE 2024-25. As per provisional estimates for FY 2024-25, the receipts under this head were ₹12.35 lakh crore, comprising ₹11.83 lakh crore from Taxes on Income other than Corporation Tax and ₹52,197 crore from STT. Thus, the receipts of the Government under this

head registered a growth of 18.2 per cent over actual receipts of FY 2023-24 (₹10.45 lakh crore).

2.1.4 Indirect Taxes

14. Indirect tax collection for FY 2024-25, mainly comprising of Goods and Services Tax (GST), Customs and Union Excise Duties, was estimated at ₹16.33 lakh crore. Against the budgeted target, the actual receipts for FY 2024-25 (Provisional) were ₹15.72 lakh crore. This was 4.2% higher than the actuals for FY 2023-24 (₹15.09 lakh crore).

2.1.4.1 Goods and Services Tax

15. GST for the Central Government comprises of CGST, IGST, UTGST and GST Compensation cess. GST collection was budgeted at ₹10.67 lakh crore for FY 2024-25 and kept at the same level in RE 2024-25. The total collection under GST in FY 2024-25 (Provisional) was ₹10.32 lakh crore. It indicates the growth of 7.2 per cent over the GST collections of ₹9.63 lakh crore in FY 2023-24.

2.1.4.2 Customs

16. The Budget for 2024-25 estimated tax receipts from Customs at ₹2.38 lakh crore. This was revised to ₹2.35 lakh crore in RE 2024-25. The actual (Provisional) receipts from Customs duties stood at ₹2.33 lakh crore for FY 2024-25, which was broadly similar to the actuals for FY 2023-24 (₹2.33 lakh crore).

2.1.4.3 Union Excise Duty

17. Union Budget 2024-25 estimated Union Excise Duty collection at ₹3.19 lakh crore, which was revised to ₹3.05 lakh crore in RE 2024-25. Actual (Provisional) tax receipts under Union Excise Duty were ₹3.00 lakh crore for FY 2024-25. This was 1.7% lower than the actuals for FY 2023-24 (₹3.05 lakh crore).

2.1.5 Non-Tax Revenue

18. Non-Tax Revenues of Centre mainly comprise of interest and dividend receipts of the Government from Public Sector Banks, Public Sector Undertakings, Reserve Bank of India, receipts from services provided by Central Ministries and Departments such as

the supply of Central Police Forces to various agencies, issue of passport and visa, registration of companies, patent and license fees, royalty from off-shore oil fields, various receipts from telecom sector, etc.

19. The Budget Estimate of 2024-25 for Non-Tax Revenue was pegged at ₹5.46 lakh crore. It was revised at the RE stage to ₹5.31 lakh crore and actual (Provisional) receipts of NTR were ₹5.38 lakh crore. This was 33.8% higher than the actuals for FY 2023-24 (₹4.02 lakh crore).

2.1.6 Non-Debt Capital Receipts (NDCR)

20. The main components of Non-Debt Capital Receipts (NDCR) are miscellaneous capital receipts and receipts from the recovery of loans and advances. NDCR of the government were budgeted at ₹78,000 crore in FY 2024-25. Out of this, ₹50,000 crore were from miscellaneous capital receipts and ₹28,000 crore from the recovery of loans and advances. In RE 2024-25, NDCR was revised to ₹59,000 crore. Against this, the actual (Provisional) receipts under NDCR stood at ₹41,818 crore, of which ₹17,202 crore was realized from miscellaneous capital receipts and ₹24,616 crore were from the recovery of loans and advances.

2.2 Expenditure

21. In BE 2024-25, the total expenditure of Union Government was estimated at ₹48.21 lakh crore which was revised to ₹47.16 lakh crore in RE 2024-25. The Actual (Provisional) expenditure in FY 2024-25 was ₹46.56 lakh crore, recording a growth of 4.8 percent over FY 2023-24 (₹44.43 lakh crore).

2.2.1 Revenue Expenditure

22. Revenue expenditure in BE 2024-25 was estimated at ₹37.09 lakh crore. It was revised to ₹36.98 lakh crore in RE 2024-25. Against this, total revenue expenditure (Provisional) in FY 2024-25 was ₹36.04 lakh crore. Revenue expenditure accounted for 77.4 per cent of Total Expenditure in FY 2024-25 as compared to 78.6 per cent in FY 2023-24. Out of ₹36.04 lakh crore of Revenue Expenditure in FY 2024-25, ₹2.73 lakh crore was on account of Grant-in-Aid for creation of capital assets.

23. In FY 2024-25, around ₹26.58 lakh crore was spent on Interest payments, Defence Services, Pension, Major Subsidies and Grants-in-Aids to States/UTs Expenditure (Table-2). This was higher by ₹42,297 crore when compared to FY 2023-24.

Table 2: Major Items of Revenue Expenditure

(₹ in crore)

Items	FY 2023-24	Provisional Actuals FY 2024-25
Interest Payments	10,63,872	11,16,343
Defence Service	2,90,443	2,90,769
Grants in Aid to States & UTs	6,09,677	5,89,239
Major Subsidies	4,13,542	3,88,036
Pension	2,38,328	2,73,772
Total	26,15,862	26,58,159

Source: Controller General of Accounts

2.2.2 Capital Expenditure

24. Capital expenditure (Provisional) recorded a growth of 10.8 per cent and stood at ₹10.52 lakh crore in FY 2024-25. This amounted to 3.2 per cent of GDP which was the same as in FY 2023-24.

Table 3: Composition of Revenue, Capital and Effective Capital Expenditure

(₹ in crore)

Items	2022-23	2023-24	2024-25
1. Revenue Expenditure	34,53,638	34,94,252	36,03,510
1.1 Grant for creation of capital assets	3,06,264	3,03,916	2,72,775
2. Capital Expenditure	7,39,519	9,49,195	10,52,007
3. Effective Capital Expenditure (2+ 1.1)	10,45,783	12,53,111	13,24,782
Total Expenditure (1+2)	41,93,157	44,43,447	46,55,517

Source: Controller General of Accounts

2.3 Deficit

2.3.1 Fiscal Deficit

25. Fiscal deficit (FD) was estimated at ₹16.13 lakh crore (4.9 per cent of GDP) in BE 2024-25. It was revised downwards to ₹15.70 lakh crore (4.8 per cent of GDP) at RE stage. Against the revised target, the actual (Provisional) fiscal deficit for FY 2024-25 was ₹15.77 lakh crore i.e. 4.8 per cent of GDP.

2.3.2 Revenue Deficit

26. Revenue Deficit (RD) for FY 2024-25 was budgeted at ₹5.80 lakh crore (1.8 per cent of GDP). It was revised to ₹6.10 lakh crore (1.9 per cent of GDP) at RE stage. At the end of FY 2024-25, RD (Provisional) was ₹5.67 lakh crore or 1.7 per cent of GDP.

2.3.3 Financing of deficit

27. Fiscal Deficit of ₹15.77 lakh crore (Provisional) in FY 2024-25 was mostly financed by raising internal debt (Table-4).

Table 4: Sources of financing fiscal deficit

	(₹ in crore)			
	2024-25 (Prov.)	2023-24	2022-23	2021-22
Fiscal Deficit	15,77,270	16,54,643	17,37,755	15,84,519
Internal Debt (Net) excluding MSS	10,80,518	16,94,935	16,10,883	13,89,530
External Assistance including Revolving Fund	47,271	55,121	37,124	36,147
Public Account	4,47,945	(-)96,208	91,370	1,56,299
Cash Balance	1,536	794	(-)1,622	2,543

28. The Progressive Internal Debt (Gross) of the Government (excluding WMA and Central securities against Small Savings) grew by ₹7.96 lakh crore from ₹119.67 lakh crore at the beginning of FY 2024-25 to ₹127.63 lakh crore at the end of the financial year. Fresh external loans of ₹1,20,901 crore were contracted and past obligations to the tune of ₹55,438 crore were discharged. The progressive External debt (Gross) at the end of the financial year was ₹6.32 lakh crore. Thus, External Debt (Gross) grew by ₹65,463 crore over the course of the year.

2.4 Liabilities

29. The Government of India had a cumulative Public Debt of ₹162.87 lakh crore, at the end of 31st March 2025. Total cumulative Government liabilities (including that of Public Account) as on 31st March 2025 were ₹176.88 lakh crore. This was an increase of ₹14.73 lakh crore over the course of the year (₹162.15 lakh crore at the beginning of FY 2024-25).

2.5 Cash Management

30. The Government began FY 2024-25 with cash balance of ₹4,506 crore and ended the financial year with a balance of ₹4,593 crore. There was an investment surplus of ₹ 78,442 crore at the end of FY 2024-25.

Statement of deviation prepared as per the provision of Section 7(3)(b) of the Fiscal Responsibility and Budget Management (FRBM) Act, 2003 explaining the reasons for not laying the Medium-term Expenditure Framework (MTEF) Statement, 2025.

31. Section 7(3)(b) of the FRBM Act provides that –

“Where owing to unforeseen circumstances, any deviation is made in meeting the obligation cast on the Central Government under this Act, the Minister-in-Charge of the Ministry of Finance shall make a statement in both Houses of Parliament explaining-

any deviation in meeting the obligations cast on the Central Government under this Act;

whether such deviation is substantial and relates to the actual or the potential budgetary outcomes; and the remedial measures the Central Government proposes to take.”

32. As per Section 3 (1B) of the FRBM Act, 2003, MTEF Statement needs to be laid in the Parliament in the session immediately following the session of Parliament in which the Medium-Term Fiscal Policy Statement (MTFPS), the Fiscal Policy Strategy Statement (FPSS) and the Macro-Economic Framework Statement (MEFS) are laid.

33. The MTEF Statement 2025 is not being laid in Parliament due to the following reasons:
34. The Government while presenting the Union Budget for FY 2025-26 had informed Parliament through the MTFPS and FPSS that rolling targets for FY 2026-27 and FY 2027-28 could not be provided mainly on account of continuing global uncertainty and visible benefits of retaining flexibility in conducting fiscal policy operations.
35. To prepare the MTEF Statement, certain assumptions are made regarding the growth rate of the economy, buoyancy of various taxes, trajectory of non-tax receipts of the Government, etc. These variables are then used to estimate the overall resource position of the Government which in turn is used to make meaningful expenditure projections and rolling targets for the upcoming fiscal years. Since the presentation of the Budget, the World has witnessed trade policy dislocation as well as escalating conflicts across the Middle East. In the presence of these risks to the world economy the required projections cannot be made with any degree of certainty.
36. Considering the above facts, medium-term projections are not feasible. However, the government remains committed to achieving the glide path of fiscal consolidation. Since FY 2021-22, adoption of an operationally flexible fiscal consolidation path has served the country well. India is now set to attain the goal outlined in the Budget for FY 2021-22 and reach fiscal deficit level below 4.5 per cent of GDP in FY 2025-26. As indicated in the Budget Speech 2025-26, a path for fiscal consolidation for FY 2026-27 to 2030-31 has been laid out in the Fiscal Policy Statements presented to Parliament along with the Budget 2025-26.
37. Sans any major macro-economic disruptive exogenous shock(s), and while keeping in mind potential growth trends and emergent development needs, the Government would endeavour to keep fiscal deficit in each year (from FY 2026-27 till FY 2030-31) such that the Central Government debt is on declining path to attain a debt to GDP level of about 50±1 per cent by 31st March 2031 (the last year of the 16th Finance Commission cycle).

5. Conclusion

38. The Government of India, realizing the headwinds that were being faced by the Global economy had decided to continue its flexible fiscal stance in FY 2024-25. The same was required to improve the resilience of the economy as well as to counteract the impacts of a potential global economic downturn. While following a flexible fiscal policy, the Government did not lose sight of the goal of achieving fiscal consolidation through measures such as rationalization of expenditure as well as improving its quality through higher allocation for capital expenditure
39. For FY 2024-25, the Gross Tax Revenue stood at 11.5 per cent of GDP in FY 2024-25 and Total Expenditure in FY 2024-25 (Provisional) at 14.1 per cent of GDP. Quality of expenditure showed an improvement with effective capital expenditure increasing from ₹12.53 lakh crore in FY 2023-24 to ₹13.25 lakh crore in FY 2024-25 (Provisional).
40. The Fiscal Deficit in FY 2024-25 (Provisional) at 4.8 per cent of GDP indicates fiscal consolidation of 0.8 percentage points compared to FY 2023-24 (Fiscal Deficit of 5.6 percent). The reduction in fiscal deficit was also well aligned with better quality of expenditure as the Revenue Deficit declined by 0.9 percentage points from 2.6 percent in FY 2023-24 to 1.7 percent in FY 2024-25 (Provisional) and Primary Deficit from 2.0 per cent of GDP in 2023-24 to 1.4 % of GDP in 2024-25.
