

RAJYA SABHA
UNSTARRED QUESTION NO. 2791
TUESDAY, MARCH 25, 2025/ 4 CHAITRA, 1947 (SAKA)

FISCAL DEFICIT MANAGEMENT

2791. Shri Haris Beeran:

Shri Akhilesh Prasad Singh:

Shri Neeraj Dangi:

Smt. Ranjeet Ranjan:

Will the Minister of FINANCE be pleased to state:

- (a) the projected fiscal deficit for Financial Year 2025 and how it compares with the targets set under the FRBM Act;
- (b) the steps being taken to manage fiscal deficit levels while ensuring adequate public investment; and
- (c) whether Government has conducted any impact assessments on debt sustainability, and if so, the findings thereof?

A N S W E R

MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) The projected fiscal deficit to GDP is 4.8 percent and 4.4 percent for RE 2024-25 and BE 2025-26, respectively. The Fiscal Responsibility and Budget Management Act, 2003 targets fiscal deficit to GDP of 3 percent by FY 2020-21.

(b) to (c)

From a high fiscal deficit to GDP of 9.2 percent in FY 2020-21, the fiscal deficit to GDP is reduced to 4.4 percent as projected in the budget estimates of FY 2025-26. During the same period, the effective capital expenditure (sum of capital expenditure and Grants-in-Aid for creation of capital assets) increased from ₹6.57 lakh crore (actuals of FY 2020-21) to ₹15.48 lakh crore (BE 2025-26), through, inter-alia, better targeting of expenditure, greater focus on productive capital expenditure, etc. Further, the Union Government has laid Statements of Fiscal Policy (February, 2025) as required under the Fiscal Responsibility and Budget Management Act, 2003, in the Parliament which inter-alia covers the impact assessment of debt sustainability. This document can also be accessed at India Budget website (<https://www.indiabudget.gov.in/doc/frbm1.pdf>).
