Government of India
Ministry of Finance
Department of Economic Affairs

RAJYA SABHA
UNSTARRED QUESTION NO. 1836
TUESDAY, AUGUST 05, 2025/ 14 SRAVANA, 1947 (SAKA)

FISCAL DEFICIT AND OVERSIGHT MECHANISM

1836. **Dr. Ashok Kumar Mittal**

Will the Minister of FINANCE be pleased to state:
(a)   the reasons for expanded fiscal deficits in an inflationary environment and the safeguards available against debt sustainability risks;
(b)   whether there are expiration clauses or performance reviews in place to assess if this spending delivers stated outcomes like growth and job creation, if so, the details thereof, and if not, the reasons therefor;
(c)   how the increased budget support will be transparently monitored, vetted, and audited to prevent misuse or leakage; and
(d)   whether Government is considering to devise a Parliamentary oversight mechanism for large-scale stimulus packages, if so, the details thereof, if not, the reasons therefor?

A N S W E R

MINISTER OF STATE FOR FINANCE (SHRI PANKAJ CHAUDHARY)

(a)   The fiscal deficit of the Government of India has reduced and not expanded as a per cent of GDP. It reduced from 9.2 per cent in FY 2020-21 to FY 4.4 per cent in FY 2025-26 (BE). The main safeguard available against debt sustainability risks is the low percent of external debt in overall debt of the Government.

(b)   The schemes of Government have a sun-set date and are subject to an outcome review to assess their performance as per the stated objectives of each scheme.

(c)   Monthly and Annual accounts compiled by the Controller General of Accounts, audit by Comptroller & Auditor General of India and increased use of technology include steps that help the Government transparently monitor, vet and audit the budget support with a view to prevent misuse and leakages.

(d)   Large scale stimulus packages forming part of budgetary allocations are subject to existing oversight mechanism set up by the Parliament, such as Public Account Committee, Department related Standing committees etc.

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