Government of India
Ministry of Finance
Department of Economic Affairs

RAJYA SABHA
UNSTARRED QUESTION NO. 2643
TUESDAY, AUGUST 12, 2025/ 21 SRAVANA, 1947 (SAKA)

FISCAL MANAGEMENT AND ECONOMIC OUTLOOK

2643 Dr. Sasmit Patra:

Will the Minister of FINANCE be pleased to state:

(a) what is the projected fiscal deficit for financial year 2025-26, and how it compares with the FRBM targets;
(b) what measures are being undertaken to increase non-tax revenues and disinvestment proceeds;
(c) how Government is supporting States through GST compensation and capital expenditure assistance; and
(d) the current status of inflation and its management through fiscal instruments?

A N S W E R

MINISTER OF STATE FOR FINANCE (SHRI PANKAJ CHAUDHARY)

(a) and (b) The projected fiscal deficit for FY 2025-26 is 4.4 per cent of GDP and was achieved by following a fiscal glide path since 2021-22. The Fiscal Responsibility and Budget Management Act, 2003 targets fiscal deficit to GDP of 3 per cent by FY 2020-21. Revision of user charges and focus on monetization of assets are a few of the measures undertaken to increase non-tax revenues and disinvestment proceeds.

(c) Government is supporting the States by making budgetary provision in FY 2025-26 for Special Assistance as Loan to States for Capital Expenditure (SASCI) scheme and GST compensation cess.

(d) Retail inflation measured by Consumer Price Index (CPI) was 2.1 % in June, 2025 and has been managed by a calibrated fiscal consolidation path since 2021-22.

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