

LOK SABHA
UNSTARRED QUESTION NO. 5856
MONDAY, MARCH 30, 2026/ Chaitra 09, 1948 (SAKA)

FISCAL DEFICIT

5856. Shri Adhikari Soumendu:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has achieved the target of narrowing down the fiscal deficit over the years;
- (b) if so, the details thereof indicating the fiscal deficit of the Government in terms of amount and as percentage of Gross Domestic Product (GDP) during each of the last five years and is proposed for next three years financial years; and
- (c) the steps taken/proposed to be taken by the Union Government to decrease the fiscal consolidation path to bring the deficit below 4.5 per cent of GDP and reach a Debt-to-GDP ratio of 50±1 per cent by 2035 from present 56.1 percent thereof?

ANSWER

MINISTER OF STATE FOR FINANCE (SHRI PANKAJ CHAUDHARY)

(a) & (b): Government's fiscal deficit has narrowed from 9.2% of GDP in 2020-21 to 4.8 % of GDP in 2024-25. The details of the fiscal deficit (FD), in terms of amount and as a percentage of GDP during the last five years is given in the table below:

Financial Year	Fiscal Deficit (in ₹ crore)	FD as % of GDP
2020-21	18,18,291	9.2
2021-22	15,84,521	6.7
2022-23	17,37,755	6.5
2023-24	16,54,643	5.5
2024-25	15,74,431	4.8

The fiscal deficit in RE 2025-26 and BE 2026-27 has been kept at ₹15,58,492 crore (4.4 per cent of GDP) and ₹16,95,768 crore (4.3 per cent of GDP) respectively.

(c) The steps taken by Government to adhere to the fiscal deficit and debt consolidation paths that were announced in the previous budgets, while keeping in mind the potential growth trends and emergent development needs, include a focus on Effective Capital Expenditure to spur economic growth. For example, in BE 2026-27 the borrowings of the Government (₹16.96 lakh crore) will be utilised for meeting the Effective Capital Expenditure of ₹17.15 lakh crore.
