

Government of India
Ministry of Finance
Department of Economic Affairs

LOK SABHA
UNSTARRED QUESTION NO. 3537
MONDAY, AUGUST 10, 2026/SHRAVANA 19, 1948 (SAKA)

TARGET OF REDUCING THE FISCAL DEFICIT

3537. Shri Adhikari Soumendu:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has achieved the target of reducing the fiscal deficit over the years;
- (b) if so, the details of the Government's fiscal deficit in terms of amount and as percentage of Gross Domestic Product (GDP) during each of the last five years and proposed for the next three 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 from the current 56.1 per cent to 50±1 per cent by 2031?

ANSWER

MINISTER OF STATE FOR FINANCE (SHRI PANKAJ CHAUDHARY)

(a) & (b): Government's fiscal deficit has reduced from 6.7% of GDP in FY 2021-22 to 4.4 % of GDP in 2025-26 (Provisional). 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 (FY)	Fiscal Deficit (in ₹ crore)	FD as % of GDP
2021-22	15,84,521	6.7
2022-23	17,37,755	6.7
2023-24	16,54,643	5.7
2024-25	15,74,431	4.9
2025-26 (Provisional)	15,19,169	4.4

Note: GDP for the FYs 2022-23 onwards is based on new series (base year 2022-23). For FY 2021-22, old series of GDP (base year 2011-12) is taken to arrive at percentages.

Fiscal deficit in BE 2026-27 has been estimated at ₹16,95,768 crore (4.3 per cent of GDP).

(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.
