

RAJYA SABHA

UNSTARRED QUESTION NO. 1038

TO BE ANSWERED ON TUESDAY, DECEMBER 12, 2023/ 21 AGRAHAYANA, 1945 (SAKA)

FISCAL DEFICIT TARGETS UNDER FRBM ACT

1038. Dr. V. Sivadasan:

Will the Minister of *Finance* be pleased to state:

- the legal limit of fiscal deficit of Centre and States according to FRBM act;
- whether Government has achieved the fiscal deficit targets, the details of fiscal deficit of Government since 2019, year-wise; and
- the details of the fiscal deficit of the States from 2019, year wise?

A N S W E R

MINISTER OF STATE FOR FINANCE (SHRI PANKAJ CHAUDHARY)

- The FRBM Act, 2003, as amended time to time, prescribes the fiscal deficit limit of 3 per cent of GDP for the Central Government only. The States have also individually enacted their Fiscal Responsibility Legislation which is monitored by the respective State Legislature.
- To mitigate the adverse impact of Covid-19, the Central Government announced stimulus to provide necessary services to people. This led to increase in fiscal deficit beyond the prescribed limits under the FRBM Act, 2003. This was annually informed to Parliament through FRBM documents. Details of year-wise fiscal deficit to GDP is as follows:

Financial Year	Fiscal Deficit (as % of GDP)
2019-20	4.6
2020-21	9.2
2021-22	6.7
2022-23 (Provisional)	6.4

- The fiscal deficit of the States from 2019 is as follows:

Financial Year	Fiscal Deficit (% of GDP)
2019-20	2.6
2020-21	4.1
2021-22 (Revised Estimates)	3.7
2022-23 (Budget Estimates)	3.4

Source: Reserve Bank of India, State Finances: A Study of Budgets.