

**PRESS RELEASE**

**OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**

**New Delhi**

**18th August, 2025**

**CAG Report on Compliance of the Fiscal Responsibility and Budget Management  
presented in Parliament**

Comptroller and Auditor General of India Report No.19 of 2025 on Compliance of the Fiscal Responsibility and Budget Management (FRBM) Act, 2003 for the year 2023-24 was tabled in the Parliament here today. The FRBM Act, 2003 was enforced in July 2004 to ensure inter-generational equity in fiscal management and ensure long-term macroeconomic stability. Rule 8 of the FRBM Act, 2003 prescribes an annual review of the Act's compliance by the CAG, and the present report discusses the findings for the year 2023-24.

The FRBM framework, applicable at present, mandates that the Central Government limits the fiscal deficit up to three *per cent* of Gross Domestic Product (GDP) by 31 March 2021 and endeavours to limit the General Government Debt to 60 *per cent* of GDP and the Central Government Debt to 40 *per cent* of GDP by the end of FY 2024-25. The Government, through the Budget Speech for FY 2021-22 has committed to pursue a broad path of fiscal consolidation to attain a level of Fiscal Deficit lower than 4.5 *per cent* of GDP by FY 2025-26, a commitment which was reiterated in Medium-Term Fiscal Policy (MTFP) Statements for FY 2023-24 and FY 2024-25 as well. The Government stated in MTFP 2025-26 that the country is well on track to attain a fiscal deficit to GDP ratio below 4.5 *per cent* in FY 2025-26. (Para 1.1)

Analysis over a five-year period 2019-2024 showed that Central Government debt as a percentage of GDP was 61.38 *per cent* in FY 2020-21 and consistently declined thereafter reaching to 57.00 *per cent* of the GDP by the end of March 2024. The increase in Central Government debt in absolute terms, by ₹15.58 lakh crore or 9.98 *per cent* over FY 2022-23, was mainly on account of an increase of ₹16.24 lakh crore in internal debt, coupled with an increase of ₹0.48 lakh crore in the current value of external debt, and an increase of ₹0.57 lakh crore in the public account liability during 2023-24.

The trend in Central Government Debt and the Gross Domestic Product during FY 2019-20 to FY 2023-24, revealed that the pace of accumulation of Central Government Debt between FY 2020-21 to FY 2023-24 was less than the GDP expansion.

(Para 2.1.1)

Debt sustainability, as measured by the debt stabilization indicator, was positive in 2023-24 which is a positive indicator towards stability. Interest payments to revenue receipts ratio is an important indicator of the Government's fiscal health. It is a measure of how much of the Government's revenue is used to pay interest on its debt. The ratio reached its peak at 38.66 *per cent* in FY 2020-21, declined to 33.99 *per cent* in FY 2021-22, but increased to 35.35 *per cent* in FY 2022-23 and 35.72 *per cent* in FY 2023-24.

(Para 2.2)

The FRBM framework also provides that Central Government shall not give additional guarantees with respect to any loan on security of the Consolidated Fund of India (CFI) in excess of one-half *per cent* of GDP, in any financial year. Additional guarantees in FY 2023-24 have remained within the prescribed target of one-half *per cent* of the GDP.

(Para 2.3)

The figures in Budget at a Glance (BAG) 2025-26 for the Fiscal Deficit (₹16.55 lakh crore) were at variance from the figures (₹16.02 lakh crore) calculated as per FRBM Act, 2003 from the UGFA 2023-24.

(Para 2.5)

The report also revealed that at the end of FY 2023-24, an amount of ₹31.11 lakh crore was raised as taxes but was yet to be realised (Statement D1: Tax Revenue raised but not realised). This unrealised amount registered an increase of ₹9.81 lakh crore over the previous year, of which ₹6.63 lakh crore was not under dispute. Some transparency issues were noticed in D2 Statement (Arrears of Interest), where the figures varied from those in the Union Government Finance Accounts. Also, the amount of financial assets (Loans to Foreign Government and States & Union Territory) disclosed in D4 Statement, varied within the Receipt Budget. Finally, Budget Estimate figures of various fiscal parameters used in Half Yearly Statement (H1, H2), and Medium-Term Fiscal Policy Statement varied from those in the Annual Financial Statement 2023-24.

(Para 3.1.1;3.1.2;3.2)