INDIAN ECONOMY 30 September 2026

Centre's Fiscal Deficit Reaches 41.9% of Target by August 2026

The Centre's fiscal deficit reached 41.9% of its 2026-27 target by August 2026, driven by increased subsidy spending.

Fiscal deficit is the difference between the government's total expenditure and its total revenue, excluding borrowings, indicating the government's borrowing needs.

KEY EXAM POINTS

- The Centre's **fiscal deficit** stood at **41.9%** of its **2026-27** budget target by the end of **August 2026**.
- This increase was primarily due to higher **subsidy spends**, particularly on **fertilisers**.
- The deficit was **38.1%** of the target at the same point in the previous fiscal year (**August 2025**).
- **Total expenditure** reached **38.9%** of the budget estimates as of **August 2026**.
- This compares to **37.1%** in the corresponding period of **2025-26**.
- The Centre's **total revenue** stood at **₹13.7 lakh crore** in the **April-August 2026** period.
- The data was released by the **Controller General of Accounts** (**CGA**) on **September 30, 2026**.

DID YOU KNOW..!?

Fiscal deficit is the excess of **total government expenditure** over **total government receipts** (excluding borrowings) during a fiscal year.

The **Fiscal Responsibility and Budget Management (FRBM) Act** was enacted in **2003** to ensure **fiscal discipline** in India.

The **Controller General of Accounts (CGA)** is the principal accounting adviser to the **Government of India**.

Major **subsidies** in India include **food**, **fertiliser**, and **petroleum subsidies**.

The **Union Budget** is presented annually by the **Finance Minister** in the Parliament on **February 1**.

Primary deficit is calculated by subtracting **interest payments** from the **fiscal deficit**.

Revenue deficit occurs when the government's **revenue expenditure** exceeds its **revenue receipts**.

REVISION FLASHCARD

Centre's fiscal deficit hit 41.9% of 2026-27 target by August 2026 due to higher subsidies.

Syllabus Relevance: High

Daily Current Affairs
Read the most important daily exam-relevant news summaries easily on Essaar.
Read Online: essaaracademy.in/ca