The Assam Fiscal Responsibility and Budget Management Act, 2005

Act 27 of 2005

Keyword(s):
Annual Budget, Financial Year, Fiscal Deficit, Plan Outlay, Fiscal Indicators, Revenue Deficit, Revenue Surplus, Sanctioned Post, Finance Department, Total Liabilities

THE ASSAM GAZETTE, EXTRAORDINARY, MAY 17, 2005

ASSAM ACT NO. XXVII OF 2005

(Received the assent of the Governor on 13th May, 2005)

THE ASSAM FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT ACT, 2005

AN ACT

to provide for the responsibility of the State Government to ensure fiscal stability, sustainability, improve efficiency and transparency in management of the public finances of the State, enhance the availability of resources by achieving sufficient revenue surplus, reduce fiscal deficit and remove the impediments to effective conduct of fiscal policy and prudent debt management for improving the social and physical infrastructure and human development in the State.

Be it enacted by Assam Legislative Assembly in the Fifty sixth Year of the Republic of India as follows:-

1. Short title, extent and commencement-

   (1) This Act may be called The Assam Fiscal Responsibility and Budget Management Act, 2005.

   (2) It extends to the whole of Assam.

   (3) It shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint.

2. Definitions.- In this Act, unless the context otherwise requires-

   (a) "Administrative Approval" means authority to create liability and / or incur expenditure;

   (b) "Annual budget" means the annual financial statement laid before the State Legislature under article 202 of the Constitution;

   (c) "Appointing Authorities" means officers of the State Government exercising the delegated authority of appointing persons to the posts under the State Government;

   (d) "Current Year" means the year preceding the year for which the budget and the Five Year Fiscal Plan (FYFP) are being presented;

   (e) "Financial Year" means the year beginning on the 1st April and ending on the 31st day of March of the following calendar year;

   (f) "Fiscal Deficit" means the excess of aggregate disbursements (net of debt repayments) from the Consolidated Fund of the State over revenue receipts, recovery of loans and non-debt capital receipts during a financial year;

Explanations: For the purpose of calculation of Fiscal Deficit, borrowings by the Public Sector Undertakings and Special Purpose Vehicles and other equivalent instruments where liability for repayment is on the State Government, are to be treated as the borrowings of the State Government;

   (g) "Plan Outlay" means the annual aggregate plan for the State for a financial year as approved by the Planning Commission of the Government of India;
(h) "Fiscal Indicators" means such figures, proportions, percentages as may be prescribed, for evaluation of the fiscal position of the State Government.

(i) "Prescribed" means as prescribed by the rules made under this Act.

(j) "Previous Year" means the year preceding the current year.

(k) "Revenue Deficit" means the excess of the revenue expenditure over the revenue receipts in a financial year.

Explanation: For the purpose of this clause, interest payment by the State Government towards the borrowings by the Public Sector Undertakings, Special Purpose Vehicles or any other equivalent instruments where the liability for repayment is on the Government, shall be treated as revenue expenditure.

(1) "Revenue Surplus" means the excess of revenue receipts over the revenue expenditure;

(m) "Sanctioned Post" means the posts which were created by a sanction of the State Government and has not been subsequently abolished or kept in abeyance by an order of the State Government;

(n) "State Government" means the Government of Assam;

(o) "Finance Department" means the Finance Department of the Government of Assam;

(p) "Total Liabilities" means liabilities upon the Consolidated Fund of the State and Public Account of the State.

3. The Five Year Fiscal Plan to be laid before the Legislature.-- (1) The State Government shall in each financial year, lay before the State Legislature a Five Year Fiscal Plan along with the Annual Budget.

(2) The Five Year Fiscal Plan shall set forth a five year rolling target for the prescribed fiscal indicators with specifications of underlying assumptions.

(3) In particular and without prejudice to the provisions contained in sub-section (2), the Five Year Fiscal Plan shall include an assessment of sustainability relating to:

(i) balance of revenue receipt and revenue expenditure;

(ii) the use of capital receipts including borrowings for creating productive assets.

(4) The Five year Fiscal Plan shall, inter alia, contain:

(a) the Medium Term Fiscal Objectives of the State Government;

(b) an evaluation of the fiscal indicators in the previous year vis-a-vis the target set out earlier and the likely performance in the current year, as per revised estimates;

(c) a statement on recent economic trends and future prospects for growth and development affecting the fiscal position of the State Government;

(d) the strategic priorities of the State Government in the fiscal area for the ensuing financial year;

(e) policies of the State Government for the ensuing Financial year relating to tax and non-tax revenue, expenditure, subsidies (including grants to Public Sector
4. Fiscal Management Principles. — (1) The State Government will be guided by following fiscal management principles:

(a) manage expenditures consistent with the revenue generated;
(b) maintain Government debt at prudent level;
(c) manage guarantees and other contingent liabilities prudently with particular reference to the quality and level of such liabilities;
(d) ensure that the policy decisions of the Government have due regard to the financial implications on the future generations;
(e) ensure that the borrowings are used for productive assets and accumulation of capital assets and are not applied to finance revenue expenditures;
(f) ensure a reasonable degree of stability and predictability in the level of tax burden;
(g) maintain the integrity of the tax system by minimizing special incentives, concessions and exemptions;
(h) pursue tax policies with due regard to economic efficiency and compliance costs;
(i) pursue non-tax policies with due regard to cost recovery and equity;
(j) pursue expenditure policies that would provide impetus to economic growth, poverty reduction and improvement in human welfare;
(k) build up a revenue surplus for use in capital formation and productive expenditure;
(l) ensure maintenance of the physical assets of the Government;
(m) maintain transparency by disclosing sufficient information to allow public to scrutinize the state of the public finances.

(2) The State Government shall take appropriate measures to eliminate revenue deficit and contain fiscal deficit at a sustainable level and build up adequate revenue surplus.

(3) In particular and without prejudice to the generality of the foregoing provisions, the State Government shall:
(i) eliminate revenue deficit within five financial years beginning on the 1st day of April 2005 and ending on the 31st day of March 2010;

(ii) reduce the revenue deficit as a percentage of Gross State Domestic Product (GSDP) in each of the financial years beginning 1st day of April 2005, in a manner consistent with the target set out in clause (i) above:

Explanation: For the purpose of calculation of the revenue deficit vis-à-vis the target set for any year, due adjustments will be made to cover the shortfall in the current transfers from the Centre, including devolution of the State's share of Central taxes, with reference to the budgetary provision of the year.

(iii) by the year 2010 the expenditure on account of salary and wages of the employees of the State Government will be contained within 60% of the total tax and non-tax revenue of the State Government, including devolutions from the Government of India but excluding grants under the Annual Plan from the Planning Commission and other developmental grants;

(iv) restrict the revenue expenditure under Annual state plan to one third of the Plan outlay in a financial year with a view to making more fund available for capital and developmental expenditures:

Explanation: For the purpose of computation of revenue expenditure, any grant given for capital expenditure will be excluded but any loan given for revenue expenditure will be included.

(v) reduce fiscal deficit to 3% of the estimated Gross State Domestic Product within a period of five financial years beginning on the 1st day of April 2005 and ending on 31st day of March 2010;

(vi) reduce fiscal deficit as a percentage of the estimated Gross State Domestic Product in each of the financial year beginning on 1st day of April 2005, in a manner consistent with the goal set out in clause (v) above;

(vii) restrict the total debt stock of the State Government including the Government Guarantee to 45% of the GSDP of the previous year at current prices within a period of five years beginning on the 1st day of April, 2005;

(viii) State Government Guarantee for the loans contracted by Public Sector Undertakings, Boards, Companies, Corporations, Cooperative societies or Autonomous organizations under the State Government shall be restricted at any point of time to fifty percent of State's own tax and non-tax revenue of the previous year or five percent of the GSDP of previous year at current prices, whichever is lower:

Provided that revenue deficit and fiscal deficit may exceed the limits specified under this sub-section on the ground or grounds of unforeseen demands on the finances of the State Government arising out of internal disturbance or natural calamity or such other exceptional grounds as the State Government may specify.

(2) The State Government shall take measures to improve the timing of the Annual Financial Statement.

(3) The State Government shall at the time of presentation of the Annual Budget disclose in a statement in the form as may be prescribed:

(a) the key fiscal indicators including those mentioned in Section 4 (3);
(b) the significant changes in the accounting standards, policies and practices likely to affect the computation of the fiscal indicators;
(c) as far as practicable and consistent with the public interest, the contingent liabilities of State Government created by way of guarantee, actual liabilities arising out of borrowings giving the outstanding amounts of principal, interest and also the outstanding liabilities to respect of loans and supplies under each Department.

(4) The State Government shall codify, where place the existing rules and procedures for issue of administrative approval, financial sanction, procurement of goods and services, award of work and contract in government transactions and, if necessary, bring about such amendments therein, to ensure greater transparency in such transactions.

6. Measures to enforce compliance. (1) The Annual Budget and the policies announced at the time of presentation of the budget shall be consistent with the objectives and target set in the Five Year Fiscal Plan.

(2) The Finance Minister shall be responsible for preparation of the Annual Financial Statement which is to be laid before the State Legislature under Article 207 of the Constitution of India after due consideration of and consultation with the Ministry on the proposals received for the purpose.

(3) Proposals for Supplementary or Additional demands for grants placed before the State Legislature shall be accompanied with a statement of their impact on the fiscal indicators as disclosed at the time of presentation of the Annual Financial Statement under Section 5 (3) of this Act.

(4) The Department of Finance shall review every year the trends in receipts and expenditure including the fiscal indicators targets set for the current financial year and place before the State Legislature a statement containing the outcome of such reviews.

(5) The statement, inter alia, shall contain...
(a) any deviation in meeting the obligation and target cast on the State Government;
(b) whether such deviations in substantial or relates to actual or potential budgetary outcomes and how much of the deviation can be attributed to the general economic scenario;
(c) any remedial measures the State Government proposes to take.

7. Measures to ensure Fiscal Discipline.-(1) With a view to ensuring timely discharge of current liabilities, especially payment of salaries to the employees,

(a) the State Government or the appointing authorities under it shall give appointments only against a sanctioned post which is vacant and in accordance with the laid down Rules, procedures and orders,

Explanation: The appointing authorities under this clause shall include the appointing authorities of the autonomous bodies including Public Sector Undertakings, Companies, Statutory Bodies, Trusts, Societies and Cooperatives Societies under the State Government.

(b) notwithstanding any other provision contained in any Act or Rules, no new post shall be created in any department of the State Government or in Autonomous Bodies including Public Sector Undertakings, Companies, Statutory Bodies, Trusts, Societies and Cooperatives Societies which are under the State Government, without the prior concurrence of the Finance Department.

(c) no appointment shall be made by the State Government or the appointing authorities under it in the vacancies arising out of transfer and leave of the incumbents in these posts,

(d) no appointment shall be made by the State Government or the appointing authorities under it, in a post in anticipation of it’s falling vacant in future;

(e) the State Government or the appointing authorities under it shall not make more than one appointment against one vacant post,

(f) any letter of appointment to any vacant sanctioned post shall clearly indicate the identity of the post in the manner as may be prescribed,

(g) notwithstanding any other provision contained in any Act or Rules, the select list prepared for the fresh appointments to vacant sanctioned posts shall contain names equal to the number of vacant posts notified at the time of calling for applications for filling up the posts,

(2) Before awarding any work or starting a construction work or awarding an order of supply of goods and services which create liability on the Consolidated Fund of the State, the State Government or the authorities exercising delegated financial powers shall first issue administrative approval or financial sanction, for the work or the order of supply as the case may be, in compliance with the existing Rules, procedures and guidelines and further Rules, procedures and guidelines that may be prescribed from time to time.
7. Measures to ensure Fiscal Discipline: (1) With a view to ensuring timely discharge of current liabilities, especially payment of salaries to the employees, 

(a) the State Government or the appointing authorities under it shall give appointments only against a sanctioned post which is vacant and in accordance with the laid down Rules, procedures and orders.

Explanation: The appointing authorities under this clause shall include the appointing authorities of the autonomous bodies including Public Sector Undertakings, Companies, Statutory Bodies, Trusts, Societies and Cooperatives/Societies under the State Government.

(b) notwithstanding any other provision contained in any Act or Rules, no new post shall be created in any department of the State Government or in Autonomous bodies including Public Sector Undertakings, Companies, Statutory Bodies, Trusts, Societies and Cooperatives/Societies which are under the State Government, without the prior concurrence of the Finance Department.

(c) no appointment shall be made by the State Government or the appointing authorities under it in the vacancies arising out of transfer and leave of the incumbents in these posts:

(d) no appointment shall be made by the State Government or the appointing authorities under it in a post in anticipation of its falling vacant in future;

(e) the State Government or the appointing authorities under it shall not make more than one appointment against one vacant post;

(f) any letter of appointment to any vacant sanctioned post shall clearly indicate the identity of the post in the manner as may be prescribed;

(g) notwithstanding any other provision contained in any Act or Rules, the select list prepared for the fresh appointments to vacant sanctioned posts shall contain names equal to the number of vacant posts notified at the time of calling for applications for filling up the posts.

(2) Before awarding any work or starting a construction work or awarding an order of supply of goods and services which create liability on the Consolidated Fund of the State, the State Government or the authorities exercising delegated financial powers shall first issue administrative approval or financial sanction for the work or the order of supply as the case may be, in compliance with the existing Rules, procedures and guidelines and further Rules, procedures and guidelines that may be prescribed from time to time.
10. Protection of action taken in good faith. - No suit, prosecution or other legal proceedings shall lie against the State Government or any officer of the State Government for anything which is done or intended to be done in good faith under this Act or Rules made thereunder.

11. Application of other laws not barred. - The provisions of this Act shall be in addition to and not in derogation of the provisions of any law for the time being in force.

12. Power to remove difficulties. - (1) If any difficulty arises in giving effect to the provisions of this Act, the State Government may by orders published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act, as may appear to it to be necessary or expedient for removing the difficulty.

Provided that no such order shall be made after the expiry of a period of two years from the date of commencement of this Act.

(2) Every order made under this section shall be laid as soon as may be after it is made before the State Legislature.

MOHD. A. HAQUE,
Secretary to the Govt. of Assam,
Legislative Department, Dispur.
(3) Each Department shall maintain a register of works and order of supplies of goods and services, liabilities incurred against these works and orders of supplies, liabilities cleared and liabilities awaiting clearance, in a format as may be prescribed.

Provided that the Government may make Rules not to sanction new work if the outstanding liabilities in a Department exceed a limit as may be prescribed.

8. Offences and Penalties:— (1) Whoever violates any one or more of the provisions of section 7 shall commit an offence which shall be punishable with rigorous imprisonment for a term which may extend to three years.

(2) Whoever causes financial loss to the State Government, willfully and with malafide intention, by under assessment and/or under realization of revenue due to the State Government and/or by incurring unauthorized expenditure shall commit an offence which shall be punishable with rigorous imprisonment for a term which may extend to three years and/or recovery of the amount of financial loss caused to the State Government with interest.

(3) A person who abets any of the offences as aforesaid shall be liable for the same punishment as provided for the offence.

(4) Notwithstanding anything contained in Code of Criminal Procedure, 1973 the offences committed under this Act shall be treated as cognizable offences.

(5) Offences under this Act shall be triable by a Magistrate not lower in rank than of a Judicial Magistrate of 1st class.


(2) In particular and without prejudice to the generality of the foregoing provision such rules may provide for all or any of the following matters, namely:

(i) The fiscal indicators to be prescribed for the purpose of sub-section (2) of section 3 and clause (a) of sub section (3) of section 5,

(ii) The format of Five Year Fiscal Plan as referred to in sub section (5) of section 3 and sub section (3), of section 5,

(iii) Any other matter which is required to be, or may be, prescribed,

(3) All rules made by the State Government under this Act shall, as soon as may be after they are made, be laid before the State Legislature, while it is in session for a total period of not less than fourteen days, which may be comprised in one session or two or more successive sessions, and shall unless some later date is appointed, take effect from the date of their publication in the Official Gazette subject to such modifications or annulments as the Legislature may, during the said period agree to make; so, however, that any such modification or annulment shall without prejudice to the validity of anything previously done thereunder.
THE ASSAM GAZETTE

GOVERNMENT OF ASSAM
ORDERS BY THE GOVERNOR

LEGISLATIVE DEPARTMENT :: LEGISLATIVE BRANCH

NOTIFICATION

The 28th August, 2007

No. LGL. 59/2005/42. -- The following Act of the Assam Legislative Assembly which received the assent of the Governor is hereby published for general information.

ASSAM ACT NO. XVII OF 2007

(Received the assent of the Governor on 24th August, 2007)

THE ASSAM FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT (AMENDMENT) ACT, 2007

AN

ACT
further to amend the Assam Fiscal Responsibility and Budget Management Act, 2005.

Preamble

Whereas it is expedient further to amend the Assam Fiscal Responsibility and Budget Management Act, 2005, hereinafter referred to as the principal Act, in the manner hereinafter appearing;

It is hereby enacted in the Fifty-eighth Year of the Republic of India as follows:

1. (1) This Act may be called the Assam Fiscal Responsibility and Budget Management (Amendment) Act, 2007.

(2) It shall have the like extent as the principal Act.

(3) It shall be deemed to have come into force on the first day of September, 2005, the day on which the principal Act came into force, save and except clause (iv) of section 2 of this Act which shall come into force at once.

Amendment of Section 4

In the principal Act, in section 4, in sub-section (3), -(i) for the existing clause (ii), the following shall be substituted, namely:

"(ii) reduce revenue deficit annually at an average annual reduction rate consistent with the goal set out in clause (i).";

(ii) for the existing clause (vi), the following shall be substituted, namely:

"(vi) reduce fiscal deficit annually as a percentage of Gross State Domestic Product at an average reduction rate consistent with the goal set out in clause (v).";

(iii) for the existing clause (viii), the following shall be substituted, namely:

"(viii) State Government guarantee for the loans contracted by Public Sector Undertakings, Boards, Companies, Corporations, Cooperative Societies or Autonomous organizations under the State Government, shall be restricted at any point of time to fifty percent of State’s own tax and non-tax revenue of the second preceding year, as reflected in the books of accounts as maintained by the Accountant General;";

(iv) after the existing proviso of clause - (viii), the following shall be inserted as clause (ix), namely:

"(ix) ensure to bring out special statement along with the annual budget giving in detail, number of employees in Government, Public Sector and Aided institutions and related salary."

MOHD. A. HAQUE,
Secretary to the Government of Assam,
Legislative Department.
GOVERNMENT OF ASSAM
ORDERS BY THE GOVERNOR

LEGISLATIVE DEPARTMENT :: LEGISLATIVE BRANCH

NOTIFICATION

The 28th August, 2009

No.LGL.59/2005/52 :- The following Act of the Assam Legislative Assembly which
did not receive the assent of the Governor is hereby published for general information.

ASSAM ACT NO. XVIII OF 2009

(Received the assent of Governor on 26th August, 2009)

THE ASSAM FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT
(AMENDMENT) ACT, 2009
AN

ACT

further to amend the Assam Fiscal Responsibility and Budget Management Act, 2005.

Preamble

Whereas it is expedient further to amend the Assam Fiscal Responsibility and Budget Management Act, 2005, hereinafter referred to as the principal Act, in the manner hereinafter appearing;

It is hereby enacted in the Sixtieth Year of the Republic of India as follows:

1. (1) This Act may be called the Assam Fiscal Responsibility and Budget Management (Amendment) Act, 2009.

(2) It shall have the like extent as the principal Act.

(3) It shall be deemed to have come into force on the first day of September, 2005, the day on which the principal Act came into force.

2. In the principal Act, in section 4, in sub-section (3), -

(i) for the existing clause (v), the following shall be substituted, namely:

“(v) reduce fiscal deficit to 3.5% of the estimated Gross State Domestic Product within a period of five financial years beginning on the 1st day of April, 2005 and ending on the 31st day of March, 2010;”;

(ii) for the existing clause (viii), the following shall be substituted, namely:

“(viii) State Government guarantee for the loans contracted by Public Sector Undertakings, Boards, Companies, Corporations, Cooperative Societies or Autonomous organizations under the State Government, shall be restricted at any point of time to fifty percent of State’s own tax and non-tax revenue of the second preceding year, as reflected in the books of accounts as maintained by the Accountant General and this limit is fixed as per Article 293 (1) of the Constitution of India;”.

MOHD. A. HAQUE,
Secretary to the Government of Assam, Legislative Department, Dispur.
GOVERNMENT OF ASSAM
ORDERS BY THE GOVERNOR

LEGISLATIVE DEPARTMENT::: LEGISLATIVE BRANCH

NOTIFICATION

The 19th October, 2020

No. LGL.59/2005/85.—The following Act of the Assam Legislative Assembly which received the assent of the Governor on 12th October, 2020 is hereby published for general information.

ASSAM ACT NO. XII OF 2020
(Received the assent of the Governor on 12th October, 2020)

THE ASSAM FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT (AMENDMENT) ACT, 2020
AN ACT

further to amend the Assam Fiscal Responsibility and Budget Management Act, 2005

Preamble

Whereas it is expedient further to amend the Assam Fiscal Responsibility and Budget Management Act, 2005, hereinafter referred to as the principal Act, in the manner hereinafter appearing;

It is hereby enacted in the Seventy – first Year of the Republic of India as follows:-

Assam Act No. XXVII of 2005

Short title, extent and commencement.

1. (1) This Act may be called the Assam Fiscal Responsibility Budget Management (Amendment) Act, 2020

(2) It shall have the like extent as the principal Act.

(3) It shall come into force at once.

Amendment of Section 4.

2. In the principal Act, in section 4, in subsection (3), in clause (v), in the Explanation, after paragraph (c), the following paragraphs (d) and (e) shall be inserted, namely :-

“(d) In view of reduction in devolution of share of central taxes for the year 2019-20, the State Government is eligible for additional borrowing upto Rs. 2000 crore.

(e) In view of COVID -19 Pandemic leading to highly stressed fiscal situation, the State Govt. shall be eligible for additional borrowing upto 2.5% of GSDP for year 2020 – 21.”

S. M. BUZAR BARUAH,
Commissioner & Secretary to the Government of Assam,
Legislative Department, Dispur, Guwahati-6.
No. LGL.59/2005/75.– The following Act of the Assam Legislative Assembly which received the assent of the Governor on 30th March, 2017 is hereby published for general information.

ASSAM ACT NO. XVII OF 2017

(Received the assent of the Governor on 30th March, 2017)

THE ASSAM FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT (AMENDMENT) ACT, 2017
AN ACT

further to amend the Assam Fiscal Responsibility and Budget Management Act, 2005.

Preamble

Whereas it is expedient further to amend the Assam Fiscal Responsibility and Budget Management Act, 2005, hereinafter referred to as the principal Act, in the manner hereinafter appearing;

It is hereby enacted in the sixty-eighth Year of the Republic of India as follows:-

Assam Act No. XXVII of 2005.

Short title, extent and commencement.

1. (1) This Act may be called the Assam Fiscal Responsibility and Budget Management (Amendment) Act, 2017.

(2) It shall have the like extent as the principal Act.

(3) It shall come into force at once.

Amendment of section 4.

2. In the principal Act, in section 4, in sub-section (3), for the existing clause (v), the following shall be substituted, namely:-

“(v) Anchor fiscal deficit of the State to an annual limit of 3 percent of Gross State Domestic Product (GSDP) in any financial year;

Explanation: (a) For the purpose of this clause, the State Government shall be,-

(i) eligible for flexibility of 0.25 percent over the borrowing limit for any given year for which the borrowing limits are to be fixed, if their debt-GSDP ratio is less than or equal to 25 percent in the preceding year;

(ii) eligible for an additional borrowing limit of 0.25 percent of GSDP in a given year for which the borrowing limits are to be fixed, if the interest payments are less than or equal to 10 percent of the revenue receipt in the preceding year;

(b) The two options of flexibility provisions as mentioned in Explanation (a) above can be availed of by the State Government either separately if any of the above criteria is fulfilled or simultaneously if both the above criteria are fulfilled, to attain a maximum fiscal deficit-GSDP limit of 3.5 per cent in any given year;

(c) The flexibility in availing the additional limit under either of the two options or both as mentioned in Explanation (a) above will be available to the State Government only if there is no revenue deficit in the year in which borrowing limits are to be fixed and the immediately preceding year.”

S. M. BUZAR BARUAH,
Commissioner & Secretary to the Government of Assam, Legislative Department, Dispur.

GOVERNMENT OF ASSAM
ORDERS BY THE GOVERNOR
LEGISLATIVE DEPARTMENT :: LEGISLATIVE BRANCH

NOTIFICATION

The 29th September, 2021

No. LGL.74/2021/8.– The following Act of the Assam Legislative Assembly which received the assent of the Governor on 23rd September, 2021 is hereby published for general information.

ASSAM ACT NO. XXXV OF 2021
(Received the assent of the Governor on 23rd September, 2021)

THE ASSAM FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT (AMENDMENT) ACT, 2021
AN ACT

further to amend the Assam Fiscal Responsibility and Budget Management Act, 2005.

Preamble

Whereas it is expedient further to amend the Assam Fiscal Responsibility and Budget Management Act, 2005, hereinafter referred to as the principal Act, in the manner hereinafter appearing;

It is hereby enacted in the Seventy-second year of the Republic of India as follows:-

Short title, extent and commencement

1. (1) This Act may be called the Assam Fiscal Responsibility and Budget Management (Amendment) Act, 2021.

(2) It shall have the like extent as the principal Act.

(3) It shall come into force at once.

Amendment of section 4

2. In the principal Act, in section 4, in sub-section (3), in clause (v), in the Explanation, after paragraph (e), the following paragraphs (f) and (g) shall be inserted, namely: -

"(f) During 2021-22, the State shall be allowed normal Net Borrowing Ceiling (NBC) of 4 percent of projected Gross State Domestic Product (GSDP) for the year 2021-22. In the beginning of the FY: 2021-22, the State shall be allowed borrowing permission based on 3.50 percent of Gross State Domestic Product (GSDP). The remaining borrowing ceiling of 0.50 percent of Gross State Domestic Product (GSDP) is earmarked for incremental Capital Expenditure by the State and shall be allowed on the basis of Capital Expenditure incurred by the State during the year 2021-22".

"(g) Additional borrowing ceiling of 0.50 percent of Gross State Domestic Product (GSDP) over and above aforesaid ceiling of 4 percent of Gross State Domestic Product (GSDP) shall also be allowed to the State based on power sector performance based on guidelines issued by Department of Expenditure, Ministry of Finance, Government of India."

GEETANJALI DAS SAIKIA,
Secretary to the Government of Assam, Legislative Department, Dispur, Guwahati-6.