The Kerala Fiscal Responsibility Act, 2003

Act 29 of 2003

Keyword(s):
Annual Budget, Committee, Current Fiscal Deficit, Fiscal Indicators, Medium Term Fiscal Framework, Previous Revenue Deficit, Total Liabilities, Triggers

Amendments appended: 17 of 2011, 7 of 2018, 39 of 2021, 13 of 2022

THE KERALA FISCAL RESPONSIBILITY ACT, 2003

(ACT 29 OF 2003)

An Act to provide for the responsibility of the Government to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit and sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term fiscal frame work and for matters connected therewith or incidental thereto.

Preamble.- WHEREAS it is expedient to provide for the responsibility of the Government to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit and sustainable debit management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term fiscal frame work and for matters connected therewith or incidental thereto.

BE it enacted in the Fifty-fourth Year of the Republic of India as follows:-

1. *Short title and commencement*.- (1) This Act may be called the Kerala Fiscal Responsibility Act, 2003.

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

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

(a) ‘annual budget’ means the annual financial statement laid before the Legislative Assembly under article 202 of the Constitution of India;

(b) ‘committee’ means public expenditure review committee constituted under sub-section (1) of section 6.

(c) ‘current year’ means the year preceding the year for which the budget and medium term fiscal policy are being presented.

(d) ‘fiscal deficit’ means the excess of total expenditure of the Government over the total receipts and represents the borrowing requirements, and net of repayment of debt of the Government during the year, calculated as prescribed by the Comptroller and Auditor General of India;

(e) ‘fiscal indicators’ means measures such as numerical ceilings and proportions to gross state domestic products as may be prescribed for evaluation of the fiscal position of the State Government;

(f) ‘Government’ means Government of Kerala;

(g) ‘medium term fiscal framework’ means the frame work drawn up by the Government for a five year period from the financial year on which this Act shall come into force with the objective of progressively eliminating the Revenue Deficit;

(h) ‘prescribed’ means prescribed by rules under this Act;

(i) ‘previous year’ means the year preceding the current year;

(j) ‘revenue deficit’ means the difference between revenue expenditure and revenue receipts and implies increase in the liabilities of the State without corresponding increase in the assets of the State calculated as prescribed by the Comptroller and Auditor General of India;

(k) ‘State’ means the State of Kerala;

(l) ‘total liabilities’ means liabilities upon the Consolidated Fund and public account of the State;

(m) ‘triggers’ means the intra year bench marks on deficit.

3. *Fiscal Policy Statement to be laid before the Legislative Assembly*.- (1) The Government shall lay in every financial year before the Legislative assembly along with the annual budget, a medium term fiscal policy statement and a fiscal policy strategy statement.

(2) the medium term fiscal policy statement shall set forth a three year rolling target for fiscal indicators with specification of underlying assumptions.

(3) In particular and without prejudice to the provisions contained in sub-section (2) the medium term fiscal policy statement shall include assessment of sustainability relating to,-

(a) the balance between revenue receipts and revenue expenditure;

(b) use of capital receipts including open market borrowing for generating productive assets.

(4) the fiscal policy strategy statement shall, interalia, contain,-

(a) policies of Government for the ensuing financial year relating to taxation, expenditure, borrowings and other liabilities, lending and investment and such other activities like underwriting and guarantees which have potential budgetary implications;

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

(c) evaluation as to how current policies of the Government are conformity with the fiscal management principles as set out in section 4 and the objectives set out in medium term fiscal policy statement.

4. *Fiscal management Principles*.- (1) The Government shall take appropriate measures to reduce the revenue deficit and build up an adequate revenue surplus by following such principles as may be prescribed.

(2) In particular and without prejudice to the generality of the foregoing provision the Government shall reduce revenue deficit to 'nil' within a period of four years commencing from 1 st April, 2003 and ending on 31 st March 2007 and,-

(a) build up surplus amount of revenue and utilize such amount for discharging liabilities in excess of assets;

(b) reduce fiscal deficit to 2% of the estimated gross state domestic product within a period of four years commencing from 1 st April, 2003 and ending 31 st March 2007.

5. *Measures for Fiscal Transparency*.- (1) The Government shall take suitable measures to ensure greater transparency in its fiscal operations and minimize as far as practicable in public interest official secrecy in the preparation of annual budget:

Provided that the Government shall have the power to reserve any such information which would adversely affect the interest of the State Exchequer.

(2) In particular and without prejudice to the generality of the foregoing provision the Government shall at the time of presentation of annual budget disclose in such manner as may be prescribed,-

(a) the significant changes in the accounting standards, policies and practices affecting or likely to affect the compliance of the prescribed fiscal indicators;

(b) as far as practicable, all outstanding contractual liabilities, revenue demand raised, but not realized, committed liability in respect of major works and supply contracts, losses incurred in providing public goods and services, off budget borrowings and contingent liabilities created by way of guarantees having potential budgetary implications.

6. *Public Expenditure Review Committee*.- (1) As soon as may be after the commencement of the Act, the Government may, by notification in the Gazette appointed a Committee to be called 'Public Expenditure Review Committee.'

(2) The Committee shall consists of not more than five members who are having expertise in the fields of Finance, Economic Management, Planning, Accounts and Audit and Law.

(3) The members of the Committee shall be appointed by the Government on the recommendation of the Selection Committee consisting of Chief Minister, Finance Minister and the Leader of the Opposition.

(4) The terms and conditions of the members in the Committee shall be such as may be prescribed.

7. *Powers and functions of the Committee*.- The Committee shall submit to the Government in such form and at such intervals as may be prescribed a review report giving full account of each item where the deviation from the fiscal target have occurred during the previous year.

8. *Measures to enforce compliance*.- (1) The Government shall specify in the annual budget the contingent measures that it would take to control the increase in deficit beyond certain specified levels during the coming year. Whenever there is either shortfall in revenue or excess of expenditure over specified levels during the course of the year, the Government shall take steps either to make proportionate reduction in the voted expenditure authorised from the Consolidated Fund or to increase the revenue and in case such reduction being made it shall be without affecting the amount charged thereon. Triggers as well as corrective actions that shall be initiated upon activation of triggers shall also be the integral part of the budget.

(2) The Finance Minister of the State shall make a statement in the Legislative Assembly explaining any deviation in meeting the obligation of the Government under this Act and shall further explain whether the deviation is substantial and relates to the actual or the potential budgetary outcome and state the remedial measures that the Government propose to take in this regard.

9. *Power to make rules*.- The Government may, by notification in the Gazette, make rules for the purpose of carrying into effect the provisions of this Act.

(2) Every rules made under this Act shall be laid, as soon as may be after it is made, before the Legislative Assembly while it is in session for a total period of fourteen days which may be comprised in one session or in two successive sessions and if, before the expiry of the session in which it is so laid or the session immediately following, the Legislative Assembly makes any modification in the rule or decides that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no

effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

10. *Protection of action taken in good faith*.- No suit, prosecution or other legal proceeding shall lie against the Government or the Committee or any Officer of the Government or any member of the Committee for anything which in good faith done or intended to be done under this Act or the rules made thereunder.

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

12. *Removal of difficulties*.- (1) If any difficulty arises in giving effect to the provisions of this Act, the Government may, by order, do anything not inconsistent with such provisions to remove such difficulty.

(2) No order under sub-section (1) shall be made after the expiration of a period of two years from the commencement of this Act.

(3) Every order made under this section shall be laid, as soon as may be after it is made before the Legislative Assembly.

[Translation in English of "2011-ലെ കേരള ധനസംബന്ധമായ ഉത്തരവാദിത്ത (ഭേദഗതി) ആക്റ്റ്" published under the authority of the Governor.]

ACT 17 OF 2011

THE KERALA FISCAL RESPONSIBILITY (AMENDMENT) ACT, 2011

An Act to amend the Kerala Fiscal Responsibility Act, 2003.

Preamble.—WHEREAS, it is expedient to amend the Kerala Fiscal Responsibility Act for the purposes hereinafter appearing ;

BE, it enacted in the Sixty-Second Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Kerala Fiscal Responsibility (Amendment) Act, 2011.

(2) It shall be deemed to have come into force on the 1st day of April, 2011.

2. *Amendment of Section 4.*—In section 4 of the Kerala Fiscal Responsibility Act, 2003 (29 of 2003), for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) In particular and without prejudice to the generality of the foregoing provision, the Government shall, by reducing the revenue deficit in the years 2011-12, 2012-13, 2013-14 and 2014-15 in the order of 1.4 per cent, 0.9 per cent, 0.5 per cent and zero per cent, respectively, of the gross state domestic product, reduce the revenue deficit to 'nil' within a period of four years commencing on the 1st April, 2011 and ending with the 31st March, 2015 and shall,—

(a) build up surplus amount of revenue and utilise such amount for discharging liabilities in excess of assets;

(b) reduce the fiscal deficit to 3 per cent of the estimated gross state domestic product within a period of three years commencing on the 1st April, 2011 and ending with the 31st March, 2014 by maintaining the fiscal deficit at a level not exceeding 3.5 per cent of the gross state domestic product in the years 2011-12 and 2012-13 and reducing it to 3 per cent in 2013-14;

(c) reduce the State's total debt liabilities to 29.8 per cent of the estimated gross domestic product within a period of four years commencing on the 1st April, 2011 and ending with the 31st March, 2015 by reducing the total debt liability in the years of 2011-12, 2012-13, 2013-14 and 2014-15 to the order of 32.3 per cent, 31.7 per cent, 30.7 per cent and 29.8 per cent respectively of the gross state domestic product.".

33/4190/11

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Government of Kerala
2018

Regn. No. KERBIL/2012/45073
dated 5-9-2012 with RNI

Reg. No. KL/TV(N)/634/2015-17

കേരള ഗസററ്
KERALA GAZETTE
അസാധാരണം
EXTRAORDINARY
ആധികാരികമായി പ്രസിദ്ധപ്പെടുത്തുന്നത്
PUBLISHED BY AUTHORITY

വാല്യം 7 Vol. VII	തിരുവനന്തപുരം, ശനി Thiruvananthapuram, Saturday	2018 മാർച്ച് 31 31st March 2018 1193 മീനം 17 17th Meenam 1193 1940 ചൈത്രം 10 10th Chaithra 1940	നമ്പർ No. 840

കേരള സർക്കാർ

നിയമ (നിയമനിർമ്മാണ-എ) വകുപ്പ്

വിജ്ഞാപനം

നമ്പർ 5904/ലെഗ്.എ1/2018/നിയമം. *തിരുവനന്തപുരം, 2018 മാർച്ച് 31 / 1193 മീനം 17 / 1940 ചൈത്രം 10.*

കേരള സംസ്ഥാന നിയമസഭയുടെ താഴെപ്പറയുന്ന ആക്റ്റ് പൊതുജനങ്ങളുടെ അറിവിലേക്കായി ഇതിനാൽ പ്രസിദ്ധപ്പെടുത്തുന്നു. നിയമസഭ പാസ്സാക്കിയ പ്രകാരമുള്ള ബില്ലിന് 2018 മാർച്ച് 31-ാം തീയതി ഗവർണ്ണറുടെ അനുമതി ലഭിച്ചു.

ഗവർണ്ണറുടെ ഉത്തരവിൻപ്രകാരം,

ബി. ജി. ഹരീന്ദ്രനാഥ്,
നിയമ സെക്രട്ടറി.

സർക്കാർ പ്രസ്സുകളുടെ സൂപ്രണ്ടിനാൽ തിരുവനന്തപുരം ഗവൺമെന്റ് സെൻട്രൽ പ്രസ്സിൽ അച്ചടിച്ച് പ്രസിദ്ധീകരിച്ചത്, 2018.

33/1221/2018/S-11.

GOVERNMENT OF KERALA

Law (Legislation-A) Department

NOTIFICATION

No. 5904/Leg.A1/2018/Law.

Dated, Thiruvananthapuram, 31st March, 2018
17th Meenam, 1193
10th Chaithra, 1940.

In pursuance of clause (3) of article 348 of the Constitution of India, the Governor of Kerala is pleased to authorise the publication in the Gazette of the following translation in English language of the Kerala Fiscal Responsibility (Amendment) Act, 2018 (7 of 2018).

By order of the Governor,

B. G. HARINDRANATH,
Law Secretary.

[Translation in English of the "2018-ലെ കേരള ധനസംബന്ധമായ ഉത്തരവാദിത്ത (ഭേദഗതി) ആക്റ്റ്" published under the authority of the Governor.]

ACT 7 OF 2018

THE KERALA FISCAL RESPONSIBILITY (AMENDMENT) ACT, 2018

An Act further to amend the Kerala Fiscal Responsibility Act, 2003.

Preamble.—WHEREAS, it is expedient further to amend the Kerala Fiscal Responsibility Act, 2003 for the purposes hereinafter appearing;

BE, it enacted in the Sixty-ninth Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Kerala Fiscal Responsibility (Amendment) Act, 2018.

(2) It shall be deemed to have come into force on the lst day of April, 2017.

2. *Amendment of Section 4.*—In section 4 of the Kerala Fiscal Responsibility Act, 2003 (29 of 2003) (hereinafter referred to as the principal Act), for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) In particular and without prejudice to the generality of the foregoing provision, the Government shall eliminate the revenue deficit completely during the period from 2017-2018 to 2019-2020 and shall,—

(a) build up surplus amount of revenue and utilise such amount for discharging liabilities in excess of assets;

(b) maintain the fiscal deficit to 3 per cent of the Gross State Domestic Product during the period from 2017-2018 to 2019-2020;

Note:—(i) State shall be eligible for additional reduction of 0.25 per cent over and above this, for any given year for which the borrowing limits are to be fixed if the ratio between the Gross State Domestic Product and debt is less than or equal to 25 per cent in the preceding year;

(ii) State may further be eligible for additional borrowing limit of 0.25 per cent of Gross State Domestic Product in a given year for which the borrowing limits are to be fixed if the interest payments are less than or equal to 10 per cent of the revenue receipts in the preceding year;

(iii) If anyone of the above said criteria is fulfilled, the State may utilise the said concessions either separately or if both are fulfilled the said concessions together may be utilized by the State. The maximum ratio between the fiscal deficit and Gross State Domestic Product in a prescribed year may be up to 3.5 per cent to the State accordingly;

(iv) The reductions in availing the additional limit under either of the two options or both will be available to the State only if there is no revenue deficit in the year in which borrowing limits are to be fixed and in the immediately preceding year.

The 'additional fiscal space' availing in such manner shall be utilised for the State share of the Centrally Sponsored Schemes.

(c) reduce the total debt liabilities of the State in the years of 2017-2018, 2018-2019 and 2019-2020 in the order of 30.40 per cent, 30.01 per cent and 29.67 per cent respectively of the Gross State Domestic Product.".

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2021

Regn.No. KERBIL/2012/45073
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Reg No.KL/TV(N)/634/2021-2023

കേരള ഗസറ്റ്
KERALA GAZETTE
അസാധാരണം
EXTRAORDINARY

ആധികാരികമായി പ്രസിദ്ധപ്പെടുത്തുന്നത്
PUBLISHED BY AUTHORITY

വാല്യം 10 Vol. X	**തിരുവനന്തപുരം, തിങ്കൾ** Thiruvananthapuram, Monday	**2021 നവംബർ 15** 15th November 2021 **1197 തുലാം 30** 30th Thulam 1197 **1943 കാർത്തികം 24** 24th Karthika 1943	**നമ്പർ** No.	**3353**

കേരള സർക്കാർ

നിയമ (നിയമനിർമ്മാണ-എ) വകുപ്പ്

വിജ്ഞാപനം

നമ്പർ 10783/ലെഗ്.എ1/2020/നിയമം. *തിരുവനന്തപുരം, 2021 നവംബർ 14*
1197 തുലാം 29
1943 കാർത്തികം 23.

കേരള സംസ്ഥാന നിയമസഭയുടെ താഴെപ്പറയുന്ന ആക്റ്റ് പൊതുജനങ്ങളുടെ അറിവിലേയ്ക്കായി ഇതിനാൽ പ്രസിദ്ധപ്പെടുത്തുന്നു. നിയമസഭ പാസ്സാക്കിയ പ്രകാരമുള്ള ബില്ലിന് 2021 നവംബർ 13-ാം തീയതി ഗവർണ്ണറുടെ അനുമതി ലഭിച്ചു.

ഗവർണ്ണറുടെ ഉത്തരവിൻപ്രകാരം,

വി. ഹരി നായർ,
നിയമ സെക്രട്ടറി.

2021-ലെ 39-ാം ആക്റ്റ്

2021-ലെ കേരള ധനസംബന്ധമായ ഉത്തരവാദിത്ത (ഭേദഗതി) ആക്റ്റ്

2003-ലെ കേരള ധനസംബന്ധമായ ഉത്തരവാദിത്ത ആക്റ്റ് വീണ്ടും ഭേദഗതി ചെയ്യുന്നതിനുള്ള

ഒരു

ആക്റ്റ്

പീഠിക.—2003-ലെ കേരള ധനസംബന്ധമായ ഉത്തരവാദിത്ത ആക്റ്റ് (2003-ലെ 29) ഇതിനുശേഷം കാണുന്ന ആവശ്യങ്ങൾക്കായി വീണ്ടും ഭേദഗതി ചെയ്യുന്നത് യുക്തമായിരിക്കുകയാൽ;

ഭാരത റിപ്പബ്ലിക്കിന്റെ എഴുപത്തിരണ്ടാം സംവത്സരത്തിൽ താഴെപ്പറയും പ്രകാരം നിയമമുണ്ടാക്കുന്നു:—

1.ചുരുക്കപ്പേരും പ്രാരംഭവും.—(1) ഈ ആക്റ്റിന് 2021-ലെ കേരള ധനസംബന്ധമായ ഉത്തരവാദിത്ത (ഭേദഗതി) ആക്റ്റ് എന്ന് പേര് പറയാം.

(2) 2-ാം വകുപ്പിന്റെ (എ) ഖണ്ഡം 2020 ഫെബ്രുവരി 26-ാം തീയതി പ്രാബല്യത്തിൽ വന്നതായി കരുതപ്പെടേണ്ടതും (ബി) ഖണ്ഡം 2020 മേയ് 17-ാം തീയതി പ്രാബല്യത്തിൽ വന്നതായി കരുതപ്പെടേണ്ടതുമാണ്.

2. 4-ാം വകുപ്പിനുള്ള ഭേദഗതി.—2003-ലെ കേരള ധനസംബന്ധമായ ഉത്തരവാദിത്ത ആക്റ്റിലെ (2003-ലെ 29) (ഇതിനുശേഷം പ്രധാന ആക്റ്റ് എന്നാണ് പരാമർശിക്കപ്പെടുക) 4-ാം വകുപ്പിൽ,—

(എ) (2)-ാം ഉപവകുപ്പിലെ (ബി) ഖണ്ഡത്തിന് താഴെപ്പറയുന്ന ക്ലിപ്തനിബന്ധന ചേർക്കേണ്ടതാണ്, അതായത്:—

"എന്നാൽ, 2019-2020 സാമ്പത്തിക വർഷത്തിൽ മൊത്തം സംസ്ഥാന ആഭ്യന്തര ഉത്പാദനത്തിന്റെ 3 ശതമാനം ധനകമ്മിയ്ക്ക് പുറമെ ഒറ്റത്തവണയായി 1471 കോടി രൂപ അധിക വായ്പ എടുക്കുന്നതിന് സംസ്ഥാനത്തിന് അർഹതയുണ്ടായിരിക്കുന്നതും പ്രസ്തുത ഒറ്റത്തവണ അധിക വായ്പ 2019-2020 സാമ്പത്തിക വർഷത്തിൽ തന്നെ വിനിയോഗിക്കേണ്ടതുമാണ് .";

(ബി) (2)-ാം ഉപവകുപ്പിലെ (ബി) ഖണ്ഡത്തിന് ശേഷം താഴെപ്പറയുന്ന ഖണ്ഡം ചേർക്കേണ്ടതാണ്, അതായത്:—

"(ബിഎ) സംസ്ഥാനം 2020-21 സാമ്പത്തിക വർഷത്തിൽ ധനക്കമ്മി മൊത്തം സംസ്ഥാന ആഭ്യന്തര ഉത്പാദനത്തിന്റെ 3 ശതമാനം ആയി നിലനിർത്തേണ്ടതാണ്. 2020-21 സാമ്പത്തിക വർഷത്തിൽ മൊത്തം സംസ്ഥാന ആഭ്യന്തര ഉല്പാദനത്തിന്റെ 3 ശതമാനം ധനക്കമ്മിക്ക് പുറമെ ഒരു രാജ്യം ഒരു റേഷൻ കാർഡ് സംവിധാനം നടപ്പിലാക്കൽ, വ്യാപാരം ചെയ്യുന്നതിനുള്ള നടപടിക്രമങ്ങൾ ലഘൂകരിക്കുന്നതിനുള്ള പരിഷ്കാരങ്ങൾ, അർബൻ തദ്ദേശ സ്വയംഭരണ സ്ഥാപനങ്ങളെ ശക്തിപ്പെടുത്തുന്നതിനുള്ള പരിഷ്കാരങ്ങൾ, ഊർജ്ജ മേഖലയിലെ പരിഷ്കാരങ്ങൾ എന്നീ നാല് പ്രത്യേക സംസ്ഥാനതല പരിഷ്കാരങ്ങൾ നടപ്പിലാക്കണം എന്ന നിബന്ധനയ്ക്ക് വിധേയമായി, മൊത്തം സംസ്ഥാന ആഭ്യന്തര ഉത്പാദനത്തിന്റെ 2 ശതമാനം അധിക വായ്പ എടുക്കുന്നതിന് സംസ്ഥാനം അർഹമാകുന്നതാണ്. ഇപ്രകാരമുള്ള അധികവായ്പ 2020-21 വർഷത്തിൽ തന്നെ വിനിയോഗിക്കേണ്ടതുമാണ്.

കുറിപ്പ്:—(i) ഓരോ സംസ്ഥാനതല പരിഷ്കാരങ്ങൾക്കും മൊത്തം സംസ്ഥാന ആഭ്യന്തര ഉത്പാദനത്തിന്റെ 0.25 ശതമാനം വെയിറ്റേജ് എന്ന തോതിൽ ഒരു ശതമാനം അധികവായ്പയും;

(ii) ബാക്കിയുള്ള ഒരു ശതമാനം അധിക വായ്പ 0.50 ശതമാനം വീതം രണ്ട് ഗഡുക്കളായി സംസ്ഥാനത്തിന് ലഭ്യമാകുന്നതാണ്. ആദ്യത്തെ ഗഡുവായ 0.50 ശതമാനം നിബന്ധനകളൊന്നുമില്ലാതെ തന്നെ സംസ്ഥാനത്തിന് ലഭ്യമാകുന്നതും രണ്ടാമത്തെ ഗഡു ലഭ്യമാകുന്നതിന് മുകളിൽ പ്രസ്താവിച്ചിട്ടുള്ള നാല് സംസ്ഥാനതല പരിഷ്കാരങ്ങളിൽ മൂന്നെണ്ണം എങ്കിലും പാലിക്കേണ്ടതുമാണ്.".

3. റദ്ദാക്കലും ഒഴിവാക്കലും.—(1) 2021-ലെ കേരള ധനസംബന്ധമായ ഉത്തരവാദിത്ത (ഭേദഗതി) ഓർഡിനൻസ് (2021-ലെ 102) ഇതിനാൽ റദ്ദാക്കിയിരിക്കുന്നു.

(2) അങ്ങനെ റദ്ദാക്കിയിരുന്നാൽത്തന്നെയും പ്രസ്തുത ഓർഡിനൻസ് പ്രകാരം ഭേദഗതി ചെയ്യപ്പെട്ട പ്രധാന ആക്റ്റിൻ കീഴിൽ ചെയ്തതോ ചെയ്തതായി കരുതപ്പെടുന്നതോ ആയ ഏതെങ്കിലും കാര്യമോ എടുത്തതോ എടുത്തതായി കരുതപ്പെടുന്നതോ ആയ ഏതെങ്കിലും നടപടിയോ ഈ ആക്റ്റ് പ്രകാരം ഭേദഗതി ചെയ്യപ്പെട്ട പ്രധാന ആക്റ്റിൻ കീഴിൽ ചെയ്തതായോ എടുത്തതായോ കരുതപ്പെടേണ്ടതാണ്.

GOVERNMENT OF KERALA

Law (Legislation-A) Department

NOTIFICATION

No. 10783/Leg. A1/2020/Law. *Dated, Thiruvananthapuram, 14th November, 2021*
29th Thulam, 1197
23rd Karthika, 1943.

In pursuance of Clause (3) of Article 348 of the Constitution of India, the Governor of Kerala is pleased to authorise the publication in the Gazette of the following translation in English Language of the Kerala Fiscal Responsibility (Amendment) Act, 2021 (39 of 2021).

By order of the Governor,

V. HARI NAIR,
Law Secretary.

[Translation in English of "2021-ലെ കേരള ധനസംബന്ധമായ ഉത്തരവാദിത്ത (ഭേദഗതി) ആക്റ്റ്" published under the authority of the Governor.]

ACT 39 OF 2021

THE KERALA FISCAL RESPONSIBILITY (AMENDMENT) ACT, 2021

An Act further to amend the Kerala Fiscal Responsibility Act, 2003.

Preamble.—WHEREAS, it is expedient further to amend the Kerala Fiscal Responsibility Act, 2003 (29 of 2003) for the purposes hereinafter appearing;

BE it enacted in the Seventy-second Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Kerala Fiscal Responsibility (Amendment) Act, 2021.

(2) Clause (a) of section 2 shall be deemed to have come into force on the 26th day of February, 2020 and clause (b) shall be deemed to have come into force on the 17th day of May, 2020.

2. *Amendment of section 4.*—In the Kerala Fiscal Responsibility Act, 2003 (29 of 2003) (hereinafter referred to as the principal Act), in section 4,—

(a) to clause (b) of sub-section (2), the following proviso shall be inserted, namely:—

"Provided that the State shall be eligible for additional borrowing of Rs. 1471 crore as a onetime special dispensation in the financial year 2019-2020 beyond fiscal deficit of 3 per cent of the Gross State Domestic Product. This additional borrowing under onetime special dispensation shall be utilised during the financial year 2019-2020 itself.".

(b) after clause (b) of sub-section (2), the following clause shall be inserted, namely:—

"(ba) State shall maintain the fiscal deficit to 3 per cent of the Gross State Domestic Product during the financial year 2020-21. State shall be eligible for additional borrowing of 2 per cent of Gross State Domestic Product for the financial year 2020-21 in addition to the fiscal deficit of 3 per cent of Gross State Domestic Product subject to the condition of four specific State level reforms implementation of One Nation One Ration Card System, Ease of doing business reforms, Urban Local body/Utility reforms and Power sector reforms. The aforesaid additional borrowing shall be utilised during the financial year 2020-21.

Note:—(i) Weightage of each State level reform is 0.25 per cent of Gross State Domestic Product totaling to one per cent additional borrowing;

(ii) The remaining borrowing limit of one per cent will be available in two installments of 0.50 per cent each to the State. The first installment of 0.50 per cent shall be available to the State as untied and the second installment on undertaking at least three out of the aforesaid four State level reforms.".

3. *Repeal and saving.*—(1) The Kerala Fiscal Responsibility (Amendment) Ordinance, 2021 (102 of 2021) is hereby repealed.

(2) Notwithstanding such repeal, anything done or deemed to have been done or any action taken or deemed to have been taken under the principal Act as amended by the said Ordinance shall be deemed to have been done or taken under the principal Act as amended by this Act.

PUBLISHED BY THE SUPERINTENDENT OF GOVERNMENT PRESSES
AT THE GOVERNMENT CENTRAL PRESS, THIRUVANANTHAPURAM, 2021

GOVERNMENT OF KERALA

Law (Legislation-A) Department

NOTIFICATION

No. 59/Leg.A1/2022/Law. *Dated, Thiruvananthapuram, 22nd September, 2022*
6th Kanni, 1198
31st Bhadra, 1944.

In pursuance of clause (3) of Article 348 of the Constitution of India, the Governor of Kerala is pleased to authorise the publication in the Gazette of the following translation in English language of the Kerala Fiscal Responsibility (Amendment) Act, 2022 (13 of 2022).

By order of the Governor,

V. HARI NAIR,
Law Secretary.

[Translation in English of "2022-ലെ കേരള ധനസംബന്ധമായ ഉത്തരവാദിത്ത (ഭേദഗതി) ആക്റ്റ്" published under the authority of the Governor.]

ACT 13 OF 2022

THE KERALA FISCAL RESPONSIBILITY (AMENDMENT) ACT, 2022

An Act further to amend the Kerala Fiscal Responsibility Act, 2003.

Preamble.—WHEREAS, it is expedient further to amend the Kerala Fiscal Responsibility Act, 2003 (29 of 2003) for the purposes hereinafter appearing;

BE it enacted in the Seventy-third Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Kerala Fiscal Responsibility (Amendment) Act, 2022.

(2) It shall be deemed to have come into force on the 1st day of April, 2021.

2. *Amendment of section 4.*—In section 4 of the Kerala Fiscal Responsibility Act, 2003 (29 of 2003), for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) In particular and without prejudice to the generality of the foregoing provision, the Government shall, eliminate the revenue deficit completely during the period from 2021-2022 to 2025-2026 and shall;

(a) make revenue surplus in the order of 0.5 per cent, 0.8 per cent, 1.2 per cent, 1.7 per cent and 2.5 per cent of the Gross State Domestic Product in the years of 2021-2022, 2022-2023, 2023-2024, 2024-2025 and 2025-2026 respectively and the targeted loan amount within the limit of fiscal deficit shall be completely spend for asset development;

(b) reduce the fiscal deficit to 3% of estimated Gross State Domestic Product within a period of five years commencing from 1st April, 2021 and ending on 31st March, 2026 by maintaining the fiscal deficit at a level not exceeding 4.5 per cent, 4 per cent, 3.5 per cent, 3.5 per cent of the Gross State Domestic Product in the years 2021-2022, 2022-2023, 2023-2024 and 2024-2025 respectively and reducing it to 3 per cent in 2025-2026;

Note:—(i) The above upper limit of fiscal deficit is inclusive of 0.5 per cent capital expenditure linked borrowing space and an additional borrowing space of 0.5 per cent of Gross State Domestic Product linked to performance in power sector during 2021-2022 to 2024-2025.

(ii) The State shall be eligible for capital expenditure linked borrowing, if the State achieves the targeted capital expenditure fixed for the State. In order to become the State eligible for additional borrowing linked to the performance in power sector, all the entry level conditions and performance evaluation criteria stipulated for each year need to be fulfilled.

(iii) If the State is not able to fully utilise its sanctioned borrowing limit (excluding power sector borrowing), in any particular year during the first four years of Finance Commission award period (from 2021-2022 to 2024-2025), it will have the option of availing the unutilised borrowing amount in any of the subsequent years within the Finance Commission award period.

(c) Reduce the total debt liabilities of the State in the order of 34.7 per cent, 34.5 per cent, 33.7 per cent, 32.8 per cent and 32 per cent of the Gross State Domestic Product in the years of 2021-2022, 2022-2023, 2023-2024, 2024-2025 and 2025-2026 respectively.”.

PUBLISHED BY THE SUPERINTENDENT OF GOVERNMENT PRESSES
AT THE GOVERNMENT CENTRAL PRESS, THIRUVANANTHAPURAM, 2022