

**The Goa Fiscal Responsibility and Budget Management (Amendment) Bill,  
2022**

**(Bill No. 6 of 2022)**

**A**

**Bill**

further to amend the Goa Fiscal Responsibility and Budget Management Act, 2006 (Goa Act 12 of 2006).

BE it enacted by the Legislative Assembly of Goa in the Seventy-third Year of the Republic of India as follows:-

**1. Short title and commencement.-** (1) This Act may be called the Goa Fiscal Responsibility and Budget Management (Amendment) Act, 2022.

(2) It shall be deemed to have come into force on the **1<sup>st</sup> day of June, 2022.**

**2. Amendment of section 5.-** In section 5 of the Goa Fiscal Responsibility and Budget Management Act, 2006 (Goa Act 12 of 2006), in clause (b), after the existing proviso, the following proviso shall be inserted, namely : -

“Provided further that for the financial year 2022-23, additional fiscal deficit of 1% over and above 3% of the Gross State Domestic Product (upto 4% of GSDP) shall be permissible ;”

## **Statement of Objects and Reasons**

On the recommendation of Fifteenth Finance Commission, Government of India, Ministry of Finance, fixed the normal Net Borrowing Ceiling for the State at 4% of GSDP for Financial Year 2022-23, out of which borrowing of 3.5% of GSDP is unconditional and borrowing ceiling of 0.5% of GSDP is allowed for certain performance criteria subject to amendment to the State Fiscal Responsibility and Budget Management Act. As such the Bill seeks to amend section 5 of the Goa Fiscal Responsibility and Budget Management Act, 2006 (Goa Act 12 of 2006) so as to raise borrowing ceiling as permitted by the Government of India.

This Bill seeks to achieve the above object.

## **FINANCIAL MEMORANDUM**

As per the Goa Fiscal Responsibility and Budget Management Act, 2006 (Goa Act 12 of 2006), the State of Goa was permitted to raise borrowing of 3% of Gross State Domestic Product however after amendment of said Act, an additional 1% (overall 4%) borrowing space shall be made available for the State of Goa for the financial year 2022-23 for developmental activities of the State.

## **Memorandum Regarding Delegated Legislation**

No delegated legislation is envisaged in this Bill.

Porvorim – Goa  
12/07/2022

(Dr.PramodSawant )  
Chief Minister/Minister for Finance

Assembly Hall  
Porvorim – Goa  
12/07/2022

Secretary to the  
Legislative Assembly of Goa

**Governor's Recommendation under article 207 of the Constitution of India**

In pursuance of Article 207 of the Constitution of India, I, P. S. Sreedharan Pillai, the Governor of Goa, hereby recommend the introduction and consideration of the Goa Fiscal Responsibility and Budget Management (Amendment) Bill, 2022, by the Legislative Assembly of Goa.

(P. S. Sreedharan Pillai)  
Governor of Goa

Place: RAJ BHAVAN  
Dated: 12/07/2022

## ANNEXURE

.....  
Extract of section 5 of the Goa Fiscal Responsibility and Budget Management Act,  
2006 (Goa Act 12 of 2006)  
.....

### Section 5.

“5. Fiscal Management Targets.— In particular, and without prejudice to the generality of the foregoing provisions, the Government shall,—

(a) reduce the revenue deficit to nil by 31st March, 2015, and adhere to it thereafter;

(b) reduce the ratio of fiscal deficit to Gross State Domestic Product beginning from the financial year 2013-14 and strive to keep/maintain within the norm of 3%;

“Provided that for the financial year 2020-21, additional fiscal deficit of 2% over and above 3% of the Gross State Domestic Product (upto 5% of GSDP) shall be permissible;”

(c) cap the total outstanding guarantees within the specified limit under the Goa State Guarantees Act, 1993 (Goa Act No. 16 of 1993);

(d) ensure that by 31st March, 2015, the ratio of Debt to Gross State Domestic Product is brought down to 27%, and thereafter bring it below 25%;

(e) undertake appropriate measures in cash management practices so as to avoid recourse to overdraft from the Reserve Bank of India:”

Provided that revenue deficit and fiscal deficit may exceed the limits specified under this section due to ground or grounds of unforeseen demands on the finances

of the Government due to national security or natural calamity subject to the condition that the excess beyond limits arising due to natural calamities does not exceed the actual fiscal cost that can be attributed to the calamities:

Provided further that the ground or grounds specified in the above proviso shall be placed before the Legislative Assembly as soon as may be, after it becomes likely that such deficit amount may exceed the aforesaid limits, with an accompanying report stating the likely extent of excess, and reasons therefore”.

Assembly Hall  
Porvorim-Goa  
12<sup>th</sup> July 2022.

Namrata Ulman  
Secretary to the  
Legislative Assembly of Goa