കേരള സർക്കാർ
KERALA GAZETTE
അഭിപ്രായകരമായ
EXTRAORDINARY
സാധാരണകാലിക പ്രബലമൂല്യപ്പെടുത്തലിൽ
PUBLISHED BY AUTHORITY

2021 ഫെബ്രുവരി 10
20th February 2021
1196 മകരം 28
28th Makaram 1196
1942 മാഘം 21
21st Magha 1942

നമർ 673

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Authenticity may be verified through https://compose.kerala.gov.in/
GOVERNMENT OF KERALA

Law (Legislation-A) Department

NOTIFICATION

No. 10783/Leg. A1/2020/Law. Dated, Thiruvananthapuram, 10th February, 2021
28th Makaram, 1196
21st Magha, 1942.

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) Ordinance, 2021 (21 of 2021).

By order of the Governor,
ARAVINTHA BABU P. K.,
Law Secretary.
ORDINANCE No. 21 OF 2021
THE KERALA FISCAL RESPONSIBILITY (AMENDMENT) ORDINANCE, 2021

Promulgated by the Governor of Kerala in the Seventy-second Year of the Republic of India.

AN

ORDINANCE

further to amend the Kerala Fiscal Responsibility Act, 2003.

Preamble.—WHEREAS, the Kerala Fiscal Responsibility (Amendment) Ordinance, 2020 (41 of 2020) was promulgated by the Governor of Kerala on the 29th day of July, 2020;

AND WHEREAS, a Bill to replace the said Ordinance by an Act of the State Legislature could not be introduced in, and passed by the Legislative Assembly of the State of Kerala during its session convened on the 24th day of August, 2020;

AND WHEREAS, in order to keep alive the provisions of the said Ordinance the Kerala Fiscal Responsibility (Amendment) Ordinance, 2020 (51 of 2020) was promulgated by the Governor of Kerala on the 26th day of September, 2020;

AND WHEREAS, the Kerala Fiscal Responsibility (Second Amendment) Ordinance, 2020 (43 of 2020) was promulgated by the Governor of Kerala on the 27th day of August, 2020;

AND WHEREAS, a Bill to replace the Ordinances by an Act of the State Legislature could not be introduced in, and passed by the Legislative Assembly of the State of Kerala during its session which convened on the 31st day of December, 2020 and during its session commenced on the 8th day of January, 2021 and ended on the 22nd day of January, 2021;

AND WHEREAS, under sub-clause (a) of clause (2) of Article 213 of the Constitution of India, the Kerala Fiscal Responsibility (Amendment) Ordinance, 2020 (51 of 2020) and the Kerala Fiscal Responsibility (Second Amendment) Ordinance, 2020 (43 of 2020) will cease to operate on the 11th day of February 2021;
AND WHEREAS, difficulties will arise if the provisions of the said Ordinances are not kept alive;

AND WHEREAS, the Legislative Assembly of the State of Kerala is not in session and the Governor of Kerala is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of Article 213 of the Constitution of India, the Governor of Kerala is pleased to promulgate the following Ordinance:—

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

(2) Clause (a) of section 3 shall be deemed to have come into force on the 26th day of February, 2020 and clause (b) of section 3 shall be deemed to have come into force on the 17th day of May, 2020.

2. Act 29 of 2003 to be temporarily amended.—During the period of operation of this Ordinance, the Kerala Fiscal Responsibility Act, 2003 (29 of 2003) (hereinafter referred to as the principal Act), shall have effect subject to the amendment specified in section 3.

3. Amendment of section 4.—In section 4 of the principal Act,—

(a) after 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 compliance 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) The weightage of each State level reform is 0.25 per cent of Gross State Domestic Product totalling 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 instalment on undertaking at least three out of the aforesaid four State level reforms.”.

4. Repeal and saving.—(1) The Kerala Fiscal Responsibility (Amendment) Ordinance 2020 (51 of 2020) and the Kerala Fiscal Responsibility (Second Amendment) Ordinance 2020 (43 of 2020) are 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 Ordinances shall be deemed to have been done or taken under the principal Act as amended by this Ordinance.

ARIF MOHAMMED KHAN,
GOVERNOR.