

Amendment of Section 4. 2. In section 4 of the Meghalaya Fiscal Responsibility and Budget Management Act, 2006, in sub-section (1), for clause (b), the following shall be substituted, namely-

"(b) to maintain fiscal deficit to an annual limit of 3.5% of GSDP during Fiscal Year 2025-26".

Repeal & Savings. 3. (1) The Meghalaya Fiscal Responsibility and Budget Management (Amendment) Ordinance, 2025 (Ordinance No. 11 of 2025) is hereby repealed.

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

STATEMENT OF OBJECT AND REASONS

1. As per the Meghalaya Fiscal Responsibility and Budget Management Act, 2006 (Principal Act) the fiscal deficit of the State has been fixed at 3 percent of GSDP.
2. Government of India, Ministry of Finance *vide* letter No.40(1)/Pt-S/2025-26, dated 4th April, 2025 in line with the recommendation of the Fifteenth Finance Commission has fixed the normal borrowing ceiling of the State at 3 percent of GSDP for the financial year 2025-26.
3. Further, in addition to the above normal borrowing ceiling at 3 percent of the GSDP, the Government of India, Ministry of Finance Department of Expenditure *vide* letter mentioned at (2) above extended the facility of additional borrowing ceiling of 0.5 percent of GSDP for the financial year 2025-26 base on achieving certain criteria in the Power Sector.
4. One of the conditions for availing additional borrowing limit of 0.50 percent of GSDP linked to performance in the power sector is amendment of the State FRBM Act.
5. Therefore in compliance with Government of India letter No.40(1)/PF-S/2025-26, dated 4th April, 2025 mentioned at (2) above, it is proposed to amend Section — 4(1)(b) the Meghalaya Fiscal Responsibility and Budget Management Act, 2006 raising the Fiscal Deficit to 3.5 percent of GSDP during 2025-26.
6. In view of the circumstances stated above, an immediate legislation was necessitated. As such, the Hon'ble Governor had approved an Ordinance of the Meghalaya Fiscal Responsibility and Budget Management (Amendment) Ordinance, 2025 on the 24th November, 2025 under clause (1) of Article 213 of the Constitution of India.
7. Therefore, now that the Assembly is in session, a Bill to replace the above Ordinance (Meghalaya Ordinance No. 11 of 2025), without modification is necessary to be introduced in the House by way of a Bill, namely, the Meghalaya Fiscal Responsibility and Budget Management (Amendment) Bill, 2026.

Hence, the Bill.

CONRAD K. SANGMA,
Chief Minister, I/c. Finance.

MALTHUS S. SANGMA,
Secretary,
Meghalaya Legislative Assembly.

FINANCIAL MEMORANDUM

As the amendment will raise the borrowing limit of the State, there will be expenditure on payment of interest and repayment of principal to be incurred from the Consolidated Fund of the State on implementing the provisions of this Act.