

Ordinance Summary

The Uttar Pradesh Fiscal Responsibility and Budget Management (Amendment) Ordinance, 2020

- The Uttar Pradesh Fiscal Responsibility and Budget Management (Amendment) Ordinance, 2020 was promulgated on March 31, 2020. The Ordinance amends the Uttar Pradesh Fiscal Responsibility and Budget Management Act, 2004. The Act provides for annual targets to reduce the outstanding liabilities, revenue deficit, and fiscal deficit of the state government. Key features of this ordinance are:
 - **Fiscal deficit targets:** The Act provides that the fiscal deficit in a financial year should not be more than 3% of the Gross State Domestic Product (GSDP). The limit may be relaxed to a maximum of 3.5% if the state can contain its debt and interest payments to certain specified levels. The Ordinance amends the Act to allow the state government to borrow an additional amount of Rs 10,570 crore over the fiscal deficit limit of 3% of GSDP for financial year 2019-20.
 - **Total Debt Stock:** The Act provides that the total debt stock (debt accumulated over the years) during the financial year of 2019-20 has to be maintained at 30% of GSDP. The Ordinance enhances the limit by Rs 10,570 crore over and above the 30% limit.

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