

**THE ARUNACHAL PRADESH
LEGISLATIVE ASSEMBLY**

**THE ARUNACHAL PRADESH FISCAL
RESPONSIBILITY AND BUDGET
MANAGEMENT (AMENDMENT) BILL, 2022**

(TO BE INTRODUCED IN THE LEGISLATIVE ASSEMBLY)

**THE ARUNACHAL PRADESH FISCAL RESPONSIBILITY AND BUDGET
MANAGEMENT (AMENDMENT) BILL, 2022**

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BILL

further to amend the Arunachal Pradesh Fiscal Responsibility and Budget Management Act, 2006 (Act No. 4 of 2006).

Be it enacted by the Legislative Assembly of Arunachal Pradesh in the Seventy Third year of the Republic of India as follows :

- (1) This Act may be called the Arunachal Pradesh Fiscal Responsibility and Budget Management (Amendment) Act, 2022. Short title and commencement.
- (2) It shall be deemed to have come into force with effect from 1st April, 2021.

2. In the Arunachal Pradesh Fiscal Responsibility and Budget Management Act, 2006 (Act No. 4 of 2006), in section 4, in sub-section (3), after clause (i), the following clause shall be added :- Amendment of Section.

"(j) The normal limit for net borrowing of the State Government for the financial year 2021 - 22 to 2025 - 26 to be fixed and maintained at 4 percent of Gross State Domestic Product (GSDP) in 2021 - 22, 3.5 percent in 2022 - 23 and at 3 percent of Gross State Domestic Product (GSDP) from 2023 - 24 to 2025 - 26".

STATEMENT OF OBJECTS AND REASONS

The Twelfth Finance Commission (TFC) recommended that each State shall enact Fiscal Responsibility and Budget Management Act. Accordingly, Government of Arunachal Pradesh enacted the Arunachal Pradesh Fiscal Responsibility and Budget Management (APFRBM) Act, 2006. The said Act was amended on 16th April, 2012, 9th April, 2018, 20th March, 2020 and 30th March, 2021 limiting the borrowing eligibility within 3.5%.

However, the Fifteenth Finance Commission (FFC) vide Report dated 30.10.2020 has recommended that, the normal limit for net borrowing of the State Governments to be fixed at 4 percent of Gross State Domestic Product (GSDP) in 2021 - 22, 3.5 percent in 2022 - 23 and at 3 percent of GSDP from 2023 - 24 to 2025 - 26.

In view of above, addition of clause (j) in sub-section (3) of Section 4 of Arunachal Pradesh Fiscal Responsibility and Budget Management (APFRBM) Act, 2006 is required.

Hence, the Bill.

Dated Itanagar,
the.....2022.

(Chowna Mein)
Finance Minister,
Arunachal Pradesh.

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further to amend the Arunachal Pradesh Fiscal Responsibility and Budget Management Act, 2006 (Act No. 4 of 2006).

Dated Itanagar,
the.....2022.

(Chowna Mein)
Finance Minister,
Arunachal Pradesh.
