

Extra No. 1



વાર્ષિક લવાજમનો દર રૂ. ૪,૦૦૦/-



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PART IV

Acts of Gujarat Legislature and Ordinances promulgated and Regulations
made by the Governor.

FINANCE DEPARTMENT

Sachivalaya, Gandhinagar, Dated the 12th January, 2021.

GUJARAT ORDINANCE NO. 1 OF 2021.

AN ORDINANCE

further to amend the Gujarat Fiscal Responsibility Act, 2005.

WHEREAS the Legislative Assembly of the State of Gujarat is not
in Session;

AND WHEREAS the Governor of Gujarat is satisfied that
circumstances exist which render it necessary for him to take immediate
action to amend the Gujarat Fiscal Responsibility Act, 2005;

Guj. 11 of
2005.

NOW, THEREFORE, in exercise of the powers conferred on him by clause (1) of article 213 of the Constitution of India, the Governor of Gujarat is hereby pleased to make and promulgate the following Ordinance, namely:-

1. *Short title and Commencement.*- (1) This Ordinance may be called the Gujarat Fiscal Responsibility (Amendment) Ordinance, 2021.

(2) It shall come into force at once.

2. *Guj. 11 of 2005 to be temporarily amended.*- During the period of operation of this Ordinance, the Gujarat Fiscal Responsibility Act, 2005 (hereinafter referred to as "the principal Act") shall have effect subject to the amendment specified in section 3.

**Guj. 11 of
2005.**

3. *Amendment of section 5 of Guj. 11 of 2005.*- In the principal Act, in section 5, to clause (b), the following proviso shall be inserted, namely:-

"Provided that, for the financial year 2020-21, additional fiscal deficit of 2 percent over and above 3 percent of Gross State Domestic Product (up to 5 percent) shall be permissible."

STATEMENT

The Gujarat Fiscal Responsibility Act, 2005 has been enacted to provide for the responsibility of the State Government to ensure fiscal stability and sustainability and to enhance the scope for social and fiscal infrastructure and human development by achieving sufficient revenue surplus, reducing fiscal deficit and removing impediments to the effective conduct of fiscal policy and prudent debt management through limits on State Government's borrowings, Government guarantees, debt and deficit, greater transparency in fiscal operations of the State Government and use of a medium term fiscal transparency framework.

The COVID-19 pandemic has adversely affected the resources of the States and the Centre. In view of this, to raise additional resources, the Central Government has allowed an additional borrowing limit of 2 per cent of the Gross State Domestic Product to the State Governments for the financial year 2020-2021. The State Governments are required to amend their Fiscal Responsibility and Budget Management Laws. Therefore, it is necessary to amend the aforesaid Act.

As the Legislative Assembly of the State of Gujarat is not in session, this Ordinance is promulgated to amend the said Act of 2005 to achieve the aforesaid objects.

Gandhinagar.

Dated the 11th January, 2021.

ACHARYA DEVVRAT,

Governor of Gujarat.

By order and in the name of the Governor of Gujarat,

PANAKAJ JOSHI,

Additional Chief Secretary to Government.
