

# Ordinance Summary

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

- The Uttar Pradesh Fiscal Responsibility and Budget Management (Second Amendment) Ordinance, 2020 was promulgated on June 19, 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.
- **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 increase the fiscal deficit limit from 3% of GSDP to 5% of GSDP for financial year 2020-21.

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