
Goa Fiscal Responsibility And Budget Management Rules, 2007

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Goa Fiscal Responsibility And Budget Management Rules, 2007

1. Short Title And Commencement :-

- (1) These rules may be called the Goa Fiscal Responsibility and Budget Management Rules, 2007.
- (2) They shall come into force with immediate effect.

2. Definitions :-

In these rules, unless the context otherwise requires,-

- (a) "Act" means the Goa Fiscal Responsibility and Budget Management Act, 2006;
- (b) "Form" means a form appended to these rules;
- (c) "Section" means a section of the Act;
- (d) Words and expressions used herein but not defined and defined in the Act shall have the meanings respectively assigned to them in the Act.

3. Medium Term Fiscal Plan :-

- (1) The Medium Term Fiscal Plan, as required under sub-section (1) of section 3, of the Act shall include in Form F-1 three years rolling targets in respect of the following fiscal indicators:
 - (a) Revenue deficit as a percentage of TRR;
 - (b) Fiscal deficit as a percentage of GSDP;
 - (c) Outstanding total liabilities as a percentage of GSDP;
 - (d) Ratio of Interest payment to total revenue receipt.
- (2) The Medium Term Fiscal Plan shall also explain the assumptions underlying the abovementioned targets for fiscal indicators and an

assessment of sustainability relating to the items indicated in sub-section (3) of section 3 of the Act.

(3) The Medium Term Fiscal Plan shall contain the medium term fiscal objectives of the Government, the evaluation of performance of the prescribed fiscal indicators etc., as indicated in sub-section (4) of section 3 of the Act, in the Form F-2.

4. Disclosures :-

(1) The State Government shall, at the time of presenting the budget, make disclosures as required under section 6 of the Act together with the following statements:

- (a) a statement of select indicators of fiscal situation in Form D-1;
- (b) a statement on components of State Government liabilities and interest cost of borrowings/mobilisation of deposits in Form D-2;
- (c) a statement on the Consolidated Sinking Fund in Form D-3;
- (d) a statement on guarantees given by the Government in Form D-4;
- (e) a statement on outstanding risk-weighted guarantees in Form D-5;
- (f) a statement on the Guarantee Redemption Fund in Form D-6;
- (g) a statement giving details of number of employees in Government, public sector and aided institutions and related salaries and pensions in Form D-7.

(2) The Provisions of sub-rules (1) shall be complied with not later than three years after the coming into force of the Act.

5. Measures To Enforce Compliance :-

In case the outcome of the quarterly reviews of trends in receipts and expenditure, at the end of the second quarter of any financial year shows that-

- (i) the total non-debt receipts are less than 40 per cent of Budget Estimates for that year; or
- (ii) the fiscal deficit is higher than 45 per cent of the Budget Estimates for that year; or
- (iii) the revenue deficit is higher than 45 per cent of the Budget Estimates for that year; then- as required under sub-section (2) of section 7 of the said Act, the Minister-in-charge of the Ministry of Finance shall make a statement in the Legislature during the session immediately following the end of the second quarter detailing the corrective measures taken and the prospects for the fiscal deficit of that financial year.

(RE) B. Assumption underlying the Fiscal Indicators

1. Revenue receipts

- (a) Tax-revenue-Sectoral and GSDP growth rates;
- (b) Non-tax-revenue-Policy;
- (c) Devolution to Local Bodies;
- (d) Share of own tax revenue to total tax revenue;
- (e) Share of own non-tax revenue to total non-tax revenue.

2. Capital receipts- Debt stock, repayment, fresh loans and policy stance

- (a) Loans and advances from the Centre;
- (b) Special securities issues to the NSSF;
- (c) Recovery of loans and advances;
- (d) Borrowings from financial institutions;
- (e) Other receipts (net)-small savings, provident funds, etc.;
- (f) Outstanding Liabilities-Internal Debt and Other Liabilities.

3. Total expenditure- Policy Stances

(g) Revenue account

(i) Interest payments - (a) on borrowings during the year (aggregate and category-wise)

(b) on outstanding liabilities-

(i) (aggregate and category-wise)

(ii) Major subsidies

(iii) Salaries

(iv) Pensions

(v) Others

(h) Capital account

(i) Loans and advances

(ii) Capital Outlay

4. GSDP Growth

C. Assessment of sustainability relating to :

(i) The balance between receipts and expenditure in general and revenue receipts and revenue expenditure in particular. The Medium Term Fiscal Policy Statement may specify the tax-GSDP ratio, own tax-GSDP ratio and States share in Central tax-GSDP ratio for the current year and subsequent two years with an assessment of the changes required for achieving it. It may discuss the non-tax revenues and the policies concerning the same. Expenditure on revenue account, both plan and non-plan, may be also discussed with particular emphasis on the measures proposed to meet the overall objectives. It may discuss policies to contain expenditure on salaries, pension, subsidies and interest payments. An assessment of the capital receipts shall be made, including the borrowings and other liabilities, as per policies spelt out. The

statement shall also give projections for GSDP and discuss it on the basis of assumptions underlying the indicators in achieving the sustainability objective.

(ii) The use of capital receipts including market borrowings for generating productive assets. The Medium Term Fiscal Policy Statement may specify the proposed use of capital receipts for generating productive assets in different categories. It may also spell out the proposed changes among these categories and discuss them in terms of the overall policy of the Government.

(iii) The estimated yearly pension liabilities worked out on actuarial basis for the next ten years. In case it is not possible to calculate the pension liabilities on actuarial basis during the period of first three years after the coming into force of this Ordinance, the State Government may, during that period, estimate the pension liabilities by making force cases on the basis of trend growth rates (i.e. average rate of growth of actual pension payments during the last three years for which data are available).