
[Passed by the West Bengal Legislature.]

[Assent of the Governor was first published in the Kolkata Gazette, Extraordinary, of the 30th July, 2010.]

An Act to provide for the responsibility of the State Government to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, reduction in fiscal deficit and prudent debt management consistent with fiscal sustainability, greater transparency in fiscal operations of the State Government and conduct of fiscal policy in a medium-term framework and for matters connected therewith or incidental thereto.

WHEREAS it is expedient to provide for the responsibility of the State Government to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, reduction in fiscal deficit and prudent debt management consistent with fiscal sustainability, greater transparency in fiscal operations of the State Government and conduct of fiscal policy in a medium-term framework and for matters connected therewith or incidental thereto.

It is hereby enacted in the Sixty-first Year of the Republic of India, by the Legislature of West Bengal, as follows:—

1. (1) This Act may be called the West Bengal Fiscal Responsibility and Budget Management Act, 2010.

(2) It shall come into force on such date, or shall be deemed to have come into force on such date, as the State Government may, by notification in the Official Gazette, appoint.

2. In this Act, unless the context otherwise requires,—

(a) “budget” means the annual financial statement laid before the West Bengal Legislative Assembly under article 202 of the Constitution of India;

(b) “current year” means the financial year preceding the financial year for which the budget and medium term fiscal policy are being presented;

(ba) “debt stock” means the total debt outstanding at the beginning of the financial year plus the gross borrowing during the year minus the liabilities discharged during the year;

(c) “financial year” means the year commencing from the 1st day of April and ending on the 31st day of March next following;

(d) “fiscal deficit” means the excess of total disbursements (net of debt repayments) over total revenue receipts, recovery of loans and non-debt capital receipts, during a financial year;

(e) “fiscal indicators” means such indicators as may be prescribed for evaluation of the fiscal position of the State Government;

(f) “State Government” means the Government of West Bengal;
(Section 3.)

(g) “medium-term fiscal policy” means the policy drawn up by the State Government for a period of five years from the financial year on which this Act shall come into force with the objectives of progressively eliminating the revenue deficit;

(h) “prescribed” means prescribed by rules made under this Act;

(i) “previous year” means the year preceding the current year;

(j) “revenue deficit” means the difference between total revenue expenditure and total revenue receipts (TRR);

(k) “State” means the State of West Bengal;

(1) “total liabilities” means the liabilities under the Consolidated Fund of the State and the Public Account of the State and includes the borrowings by the public sector undertakings and the special purpose vehicles and other equivalent instruments including guarantees where the principal and/or interest are to be serviced out of the State budgets;

(m) “total revenue receipts (TRR)” includes State’s own revenue receipts (both tax and non-tax) and current transfers from the Central (Comprising grants and States’ share of Central taxes);

(n) “triggers” means the intra-year bench marks on deficit;

(o) “Committee” means the Public Expenditure Review Committee constituted under sub-section (1) of section 6.

3. (1) The State Government shall lay in every financial year before the West Bengal Legislative Assembly along with the budget, a medium-term fiscal policy statement and a fiscal policy strategy statement.

(2) The medium-term fiscal policy statement shall set forth in such form as may be prescribed, the fiscal management objectives of the State Government and three years’ rolling targets for fiscal indicators with specification of underlying assumptions.

(3) In particular and without prejudice to the provisions contained in sub-section (2), the medium-term fiscal policy statement shall include assessment of sustainability relating to—

(a) the balance between revenue receipts and revenue expenditure;

(b) use of capital receipts including open market borrowing for generating productive assets.

(4) The fiscal policy strategy statement shall be in such form as may be prescribed and shall, inter alia, contain—

(a) policies of State Government for the ensuing financial year relating to taxation, expenditure;

(b) borrowings and other liabilities, lending and investment and such other activities like underwriting and guarantees and activities of Public Sector Undertakings which have potential budgetary implications;

(c) the strategic priorities of the State Government for the ensuing financial year in the fiscal area;
(Section 4.)

(d) evaluation as to how current policies of the State Government are in conformity with the fiscal management principles as set out in section 4 and the objectives set out in medium-term fiscal policy statement.

4. (1) The State Government shall take appropriate measures to reduce the revenue deficit and build up an adequate revenue surplus by following such principles as may be prescribed.

(2) In particular and without prejudice to the generality of the foregoing provision, the State Government shall progressively reduce—

(a) debt stock to 34.3% of the Gross State Domestic Product (GSDP) within a period of five years commencing from the year 2010-2011 and ending on the 2014-2015, in the manner as mentioned below:—

<table>
<thead>
<tr>
<th>Year</th>
<th>Maximum debt stock as per centum of Gross State Domestic Product (GSDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>2010-2011</td>
<td>40.6</td>
</tr>
<tr>
<td>2011-2012</td>
<td>39.1</td>
</tr>
<tr>
<td>2012-2013</td>
<td>37.7</td>
</tr>
<tr>
<td>2013-2014</td>
<td>35.9</td>
</tr>
<tr>
<td>2014-2015</td>
<td>34.3</td>
</tr>
</tbody>
</table>

(b) revenue deficit to nil within a period of five years commencing from the year 2010-2011 and ending on the 2014-2015, in the manner as mentioned below:—

<table>
<thead>
<tr>
<th>Year</th>
<th>Maximum revenue deficit as per centum of Gross State Domestic Product (GSDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>2010-2011</td>
<td>3.6</td>
</tr>
<tr>
<td>2011-2012</td>
<td>1.6</td>
</tr>
<tr>
<td>2012-2013</td>
<td>1.1</td>
</tr>
<tr>
<td>2013-2014</td>
<td>0.5</td>
</tr>
<tr>
<td>2014-2015</td>
<td>0.0</td>
</tr>
</tbody>
</table>

(c) fiscal deficit to 3% of the Gross State Domestic Product (GSDP) within a period of four years commencing from the year 2010-2011, in the manner as mentioned below:—

<table>
<thead>
<tr>
<th>Year</th>
<th>Maximum fiscal deficit as per centum of Gross State Domestic Product (GSDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>2010-2011</td>
<td>3.5</td>
</tr>
<tr>
<td>2011-2012</td>
<td>3.5</td>
</tr>
<tr>
<td>2012-2013</td>
<td>3.5</td>
</tr>
<tr>
<td>2013-2014</td>
<td>3.0</td>
</tr>
<tr>
<td>2014-2015</td>
<td>3.0</td>
</tr>
</tbody>
</table>
Provided that the debt stock, the revenue deficit and the fiscal deficit may exceed such limit due to the ground of such natural calamity, or such other exceptional circumstances, as the State Government may, by order published in the *Official Gazette*, specify:

Provided further that every order made under the first proviso, shall be laid, as soon as may be after it is made, before the West Bengal Legislative Assembly.

5. (1) The State Government shall take suitable measures to ensure greater transparency in its fiscal operations and minimise as far as practicable in public interest official secrecy in the preparation of budget:

Provided that the State Government shall have the power to reserve any such information which would adversely affect the interest of the State Exchequer.

(2) In particular and without prejudice to the generality of the foregoing provision, the State Government shall, at the time of presentation of budget, disclose in such manner as may be prescribed,—

(a) the significant changes in the accounting standards, policies and practices affecting or likely to affect the compliance of the prescribed fiscal indicators;

(b) as far as practicable, all outstanding contractual liabilities, revenue demand raised, but not realized, committed liability in respect of major works and supply contracts, losses incurred in providing public goods and services, off budget borrowings and contingent liabilities created by way of guarantees having potential budgetary implications.

6. (1) As soon as may be after the commencement of the Act, the State Government may, by notification in the *Official Gazette*, appoint a Committee to be called the Public Expenditure Review Committee.

(2) The Committee shall consist of not more than five members who are having expertise in the fields of Finance, Economic Management, Planning, Accounts and Audit and Law.

(3) The members of the Committee shall be appointed by the State Government on the recommendation of the Selection Committee consisting of the Chief Minister, the Finance Minister and the Leader of the Opposition.

(4) The terms and conditions of the members in the Committee shall be such as may be prescribed.

7. The Committee shall submit to the State Government in such form, and at such intervals, as may be prescribed a review report giving full account of each item where the deviation from the fiscal target has occurred during the previous year.

8. (1) The State Government shall specify in the budget the contingent measures that it would take to control the increase in deficit beyond certain specified levels during the coming year. Whenever there is either shortfall in revenue or excess of expenditure over specified levels during the course of the year, the State Government shall take steps either to make proportionate reduction in the voted expenditure authorised from the Consolidated Fund or to increase the revenue and in case such reduction being made, it shall be without affecting the amount charged thereon. The triggers as well as corrective actions that shall be initiated upon activation of triggers shall also be the integral part of the budget.
(Sections 9-13.)

(2) The Finance Minister of the State shall make a statement in the West Bengal Legislative Assembly explaining any deviation in meeting the obligation of the State Government under this Act and shall further explain whether the deviation is substantial and relates to the actual or the potential budgetary outcome and state the remedial measures that the Government propose to take in this regard.

9. (1) The State Government may, by notification in the Official Gazette, make rules for the purpose of carrying into effect the provisions of this Act.

(2) All rules made under this Act shall be laid, as soon as may be after it is made, before the West Bengal Legislative Assembly, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following the session or the successive sessions aforesaid, the West Bengal Legislative Assembly makes any modification in the rules or decides that the rules should not be made, the rules shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

10. No suit, prosecution or other legal proceeding shall lie against the State Government or any officer, authority or person empowered to exercise the powers and perform the functions by or under this Act or anything which is in good faith done or intended to be done under this Act or the rules or orders made thereunder.

11. No civil court shall have jurisdiction to question the legality of any action taken by, or any decision of, the State Government, under this Act.

12. The provisions of this Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force.

13. (1) If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by order published in Official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made after the expiration of a period of two years from the date of commencement of this Act.

(2) Every order made under this section, shall be laid, as soon as may be after it is made, before the West Bengal Legislative Assembly.

By order of the Governor,

MITA BASU ROY,
Pr. Secy. to the Govt. of West Bengal,
Law Department.
PART I—Orders and Notifications by the Governor of West Bengal, the High Court, Government Treasury, etc.

GOVERNMENT OF WEST BENGAL
Finance (Budget) Department

NOTIFICATION

No. 385-F.B. dated February 23, 2011.—In exercise of the power conferred by sub-section (1) of section 9 of the West Bengal Fiscal Responsibility and Budget Management Act, 2010 (West Bengal Act XIV of 2010), the Governor is pleased hereby to make the following rules, namely:—

Rules

1. **Short title and commencement.**—(1) These rules may be called the West Bengal Fiscal Responsibility and Budget Management Rules, 2011.

   (2) They shall come into force at once.

2. **Definitions.**—(1) In these rules, unless the context otherwise requires,—

   (a) “Act” means the West Bengal Fiscal Responsibility and Budget Management Act, 2010 (West Bengal Act XIV of 2010);

   (b) “contingent liabilities” means such liabilities of State Government that may arise out of the borrowings by Public Sector Undertakings and other Institutions where liability for repayment is on the State Government;

   (c) “current expenses” means recurring expenses to provide services;

   (d) “debt stock” means the total debt outstanding at the beginning of the financial year plus the gross borrowing during the year minus the liabilities discharged during the year;

   (e) “form” means a form appended to these rules;

   (f) “off budget borrowings” means borrowings by Public Sector Undertakings and other Institutions where liability for repayment is on the State Government;

   (g) “primary deficit” means fiscal deficit minus interest payments;

   (h) “section” means a section of the Act;

   (i) “Schedule” means a schedule appended to these rules.
(2) Words and expressions used and not defined in these rules but defined in the Act, shall have the same meanings as respectively assigned to them in the Act.

3. **Fiscal indicators.**— The fiscal indicators for the purpose of evaluating the fiscal position of the State Government as defined in clause (e) of section 2 shall, *inter alia*, be—

(a) fiscal deficit,
(b) revenue deficit,
(c) primary deficit,
(d) debt stock,
(e) Government Guarantees,
(f) revenue deficit as a *per centum* of revenue receipts,
(g) fiscal deficit as a *per centum* of Gross State Domestic Product,
(h) total debt stock as a *per centum* of Gross State Domestic Product (GSDP),
(i) Salary plus Pension plus Interest as a *per centum* of Revenue Receipt.

4. **Medium-term fiscal policy statement.**— (1) The medium-term fiscal policy statement as required under sub-section (1) of section 3, shall be laid in Form A-1 and shall include three-year rolling targets in respect of the following fiscal indicators;—

(a) revenue deficit as a *per centum* of Gross State Domestic Product (GSDP);
(b) fiscal deficit as a *per centum* of Gross State Domestic Product (GSDP);
(c) total debt stock as a *per centum* of Gross State Domestic Product (GSDP).

(2) The medium-term fiscal policy statement shall explain the assumptions underlying the above-mentioned targets in sub-rule (1) for fiscal indicators and an assessment of sustainability relating to the items indicated in subsection (3) of section 3.

5. **Fiscal policy strategy statement.**— The fiscal policy strategy statement as required under sub-section (1) of section 3, shall be in Form A-2.

6. **Principles of fiscal management.**— The reduction of revenue deficit as required under sub-section (1) of section 4, shall be achieved mainly by adopting the following principles:—

(a) improving budgeting processes to ensure matching of budget allocations to actual Plan and Non-Plan outlays;
(b) adopting a medium-term framework for budget planning and execution;
(c) linking the policy priorities of the State Government with budgeting;
(d) devolution of more service delivery functions to Local Self Government Institutions;
(e) improving efficiency in expenditure;
(f) reducing non-productive expenditure;
(g) reducing the number of supplementary demands for grants;
(h) effective realization of tax and mobilization of other resources;
(i) cost recovery of services to cover at least part of the current expenses;
(j) rationalization of non-tax revenue without affecting those below poverty line.

7. **Manner of disclosure of measures for fiscal transparency.**— (1) The Finance Minister of the State Government shall, as laid down under clause (a) of sub-section (2) of section 5, at the time of presentation of the Budget, make a Statement in the Legislative Assembly explaining the significant changes in the accounting standards, policies and practices affecting or likely to affect the compliance of the fiscal indicators.
(2) In accordance with clause (b) of sub-section (2) of section 5, the document presented to the Legislature in the nature of Budget in brief, along with the annual budget, shall, as far as practicable, contain statements on the following, namely:–

(a) a statement of select indicators of fiscal situation in Form B 1;
(b) a statement on components of State Government liabilities and interest cost of borrowings/mobilization of deposits in Form B 2;
(c) a statement on guarantees given by the State Government in Form B 3;
(d) a statement on the Guarantee Redemption Fund in Form B 4;
(e) a statement on claims and commitments made by the State Government on revenue demands raised but not realised in Form B 5;
(f) a statement on liability in respect of major works and contracts, committed liabilities in respect of land acquisition charges and claims on the State Government in respect of unpaid bills on works and supplies in Form B 6;
(g) a statement on the Consolidated Sinking Fund in Form B 7;
(h) a statement of assets in Form B 8.

(3) The provisions of sub-rule (2) shall be complied with not later than three years after the coming into force of the Act.

8. Terms and conditions of members of Committee. – (1) The State Government shall appoint one of the members of the Public Expenditure Review Committee appointed under sub-section (1) of section 6 as its Chairman.

(2) The Chairman and the other members shall hold office for a period of two years from the date of their appointment.

(3) The Chairman, or a member of the Committee, may, at any time before the expiry of his tenure, resign his office and the resignation shall take effect from the date of acceptance of the same by the State Government.

(4) A casual vacancy in the office of a member, including Chairman of the Committee shall be filled up by the State Government as specified in sub-section (3) of section 6 of the Act.

(5) A member appointed under sub-rule (4), shall hold office only for the remaining period of office of the member in whose place he has been appointed.

(6) The Chairman shall be entitled to an honorarium of Rs. 60,000 per year payable on a monthly basis.

(7) Each member shall be entitled to an honorarium of Rs. 45,000 per year payable on a monthly basis.

9. Review reports of the Committee.– (1) The review report referred to in section 7, shall be submitted by the Committee to the State Government during the month of November every year following the constitution of the Committee.

(2) The review report shall give full account of each such item where the deviation from the fiscal target occurred during the previous year.

(3) The review report shall also contain the following details:–

(a) revenue receipts with break up of –

(i) State’s own tax revenues,
(ii) non-tax revenues, and
(iii) resources from the Centre;
(b) revenue expenditure with break up of –
   (i) interest,
   (ii) salaries,
   (iii) pensions,
   (iv) subsidies (power, food, transport, housing, industry and others),
   (v) operation and maintenance,
   (vi) devolution of Local Self Governments,
   (vii) administrative expenditure, and
   (viii) other revenue expenditure;
(c) revenue deficit,
(d) primary deficit,
(e) capital receipt,
(f) expenditure on capital,
(g) fiscal deficit,
(h) total debt stock,
(i) debt services,
(j) off-budget borrowings, and
(k) guarantees.
MEDIUM TERM FISCAL POLICY STATEMENT

A. Indicators—Rolling Targets

<table>
<thead>
<tr>
<th>Item</th>
<th>Previous Years Actuals</th>
<th>Current Year (Y-1) Budget Estimate (BE)</th>
<th>Current Year (Y-1) Revised Estimates (RE)</th>
<th>Ensuring Year (Y) Budget Estimate (BE)</th>
<th>Targets for next Two Years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Y-3</td>
<td>Y-4</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Revenue deficit as per centage of GSDP
2. Fiscal deficit as per centage of GSDP
3. Total debt stock as per centage of GSDP

B. Assumptions underlying the Fiscal Indicators—

1. Revenue receipts
   (a) Tax—Revenue—Sectoral and GSDP growth rates
   (b) Non-tax—revenue—Policy stance
   (c) Devolution to Local Bodies
   (d) Share of own tax revenue to total non-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 issued 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 Stance
   (a) Revenue account
      (i) Interest payments—
         (A) on borrowings during the year (aggregate and category-wise)
         (B) on outstanding liabilities (aggregate and category-wise)
(ii) Major subsidies
(iii) Salaries
(iv) Pensions
(v) Others

(b) Capital account
   (i) Loans and Advances
   (ii) Capital Outlay

4. Gross State Domestic Product (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 State’s 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 also be 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 State 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 Act, the State Government may, during that period, estimate the pension liabilities by making forecasts 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).
FISCAL POLICY STRATEGY STATEMENT

A. Fiscal Policy Overview
   This paragraph shall present an overview of the fiscal policy currently in vogue.

B. Fiscal policy for the ensuing year
   This paragraph shall have, *inter alia*, six sub-paragraphs dealing with—
   (1) Tax Policy.
      In the sub-paragraph on tax policy, major changes proposed to be introduced in direct and indirect taxes in the ensuing financial year shall be presented. It shall contain an assessment of exemption in various taxes and how far it relates to principles regarding tax exemptions.
   (2) Expenditure Policy
      Under the sub-paragraph expenditure policy, major changes proposed in the allocation for expenditure shall be indicated. It shall also contain an assessment of principles regarding the benefits and target group of beneficiaries.
   (3) Borrowings and other liabilities, Lending and Investments
      In this sub-paragraph on borrowings, the policy relating to internal debt, including the access to WMA/OD facility from the Reserve Bank of India, Government lending, investments and other activities, including principles regarding average maturity structure, bunching of repayments etc., shall be indicated. The borrowings by Public Sector Undertakings (and Special Purpose Vehicle), lending, investments, pricing of administered goods and services and description of other activities, and activities of Public Sector Undertakings which have potential budgetary implications and the key fiscal measures and targets pertaining to each of these shall be indicated.
   (4) Consolidated Sinking Fund
      In this sub-paragraph, the policy related to the Consolidated Sinking Fund (CSF) shall be indicated.
   (5) Contingent and other liabilities
      Any change in the policy on contingent and other liabilities, in particular guarantees which have potential budgetary implications shall be indicated. Any change in the policy related to Special Purpose Vehicle (SPV) and other equivalent instruments where liability for repayment is on the State Government shall be indicated. The policy on building up of the Guarantee Redemption Fund (GRF) and commission charged/collection for guarantees issued shall also be indicated.
   (6) Levy of User Charges.
      Any change proposed in the levy of user charges of public services shall be spelt out.

C. Strategic priorities for the ensuing year
   (1) Resource mobilization for the ensuing financial year through tax, non-tax and other receipts shall be spelt out.
   (2) The broad principles underlying the expenditure management during the ensuing year shall be spelt out.
   (3) Priorities relating to management of public debt proposed during the ensuing year shall be indicated.

D. Rationale for policy changes.
   (1) The rationale for policy changes consistent with the medium-term fiscal policy statement in respect of taxes proposed in the ensuing budget shall be spelt out.
   (2) The rationale for major policy changes in respect of budgeted expenditure including expenditure on subsidies and pensions shall be indicated.
   (3) Rationale for changes, if any, proposed in the management of the public debt shall be indicated.
   (4) The need for changes, if any, proposed in respect of pricing of administered goods shall be spelt out.

E. Policy Evaluation
   This paragraph shall contain an evaluation of the changes proposed in the fiscal policy for the ensuing year with reference to fiscal deficit reduction and objectives set out in the medium-term fiscal policy statement.
FORM B1

[See rule 7]

SELECT FISCAL INDICATORS

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Item</th>
<th>Previous Years Actuals</th>
<th>Current Year Y-1 BE</th>
<th>Current Year Y-1 RE</th>
<th>Ensuing Year Y BE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gross fiscal deficit as <em>per centum</em> of GSDP</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Revenue deficit as <em>per centum</em> of gross fiscal deficit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Total debt stock as <em>per centum</em> of GSDP</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Total debt stock as <em>per centum</em> of total revenue receipts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Total debt stock as <em>per centum</em> of total own revenue receipts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Own revenue receipts as <em>per centum</em> of revenue expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Capital outlay as <em>per centum</em> of Gross fiscal deficit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Interest payment as <em>per centum</em> of revenue receipts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Non-development expenditure as <em>per centum</em> of aggregate disbursements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Gross transfers from the Centre as <em>per centum</em> of aggregate disbursements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Non-tax revenue as <em>per centum</em> of revenue expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Form B2

[See rule 7]

A. COMPONENTS OF GOVERNMENT LIABILITIES

(Rs. in crore)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Category</th>
<th>Raised during the Fiscal Year</th>
<th>Repayment/Redemption during the Fiscal Year</th>
<th>Outstanding Amount (End-March)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Previous year (Actuals)</td>
<td>Current year (RE)</td>
<td>Previous year (Actuals)</td>
</tr>
<tr>
<td>1</td>
<td>Market borrowings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Loans from Centre</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Special Securities issued to National Small Savings Fund (NSSF)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Borrowings from Financial Institutions/ Banks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Ways and Means Advance (WMA)/Over Draft (OD) from RBI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Small Savings, Provident Funds etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Reserve deposits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Other liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
B. WEIGHTED AVERAGE INTEREST RATES ON GOVERNMENT LIABILITIES

\[(\text{per cent})\]

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Category</th>
<th>Raised during the Fiscal Year *</th>
<th>Outstanding Amount (End-March)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Previous year (Actuals)</td>
<td>Current year (RE)</td>
</tr>
<tr>
<td>1</td>
<td>Market borrowings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Loans from Centre</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Special Securities issued to the National Small Savings Fund (NSSF)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Borrowings from Financial Institutions/ Banks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Ways and Means (WMA)/ Over Draft (OD) from RBI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Small Savings, Provident Funds etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Reserve deposits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Other liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>**</td>
<td>Total **</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Weighted average interest rate where the respective weight is the amount borrowed. This is calculated on contractual basis and then annualized.

** Weighted average interest rate, where the weights are the amount of the respective components of Government liabilities.
Example 1

Suppose the Government raised resources from the market on three occasions during a fiscal year for an aggregate amount of Rs. 6,000 crore. The annual rates of interest were 10 per cent, 12 per cent and 14 per cent, for Rs. 1,000 crore, Rs. 2,000 crore and Rs. 3,000 crore respectively. The weighted average interest rate, in respect of the resources raised during the year would, therefore, be —

\[
\frac{[Rs.1000 \times (10/100) + 2000 \times (12/100) + 3000 \times (14/100)]/(1000+2000+3000)] \times 100
\]

\[
= \frac{100 + 240 + 420}{6000} \times 100
\]

\[
= \frac{760}{6000} \times 100 = 12.67\%
\]

Example 2.

Suppose the previous and current years pertain to 2009-10 and 2010-11. Suppose the total outstanding amount of special securities issued by the State Government to the National Small Savings Fund (NSSF) was Rs. 1,000 crore as at end-March 2009 and Rs. 1,500 crore as at end-March 2010. Suppose the total interest cost incurred by the State Government on this account during 2010-11 and 2011-12 amount to Rs. 100 crore and 120 crore respectively. Then the weighted average interest cost on the outstanding amount of special securities issued to the NSSF during the previous year (i.e. 2009-10) is equal to 100/1000 = 10 per cent. Similarly, the weighted average interest cost on the outstanding amount of special securities issued to the NSSF during the current year (i.e. 2010-11) is equal to 120/1500 = 8 per cent.
## FORM B3

**[See rule 7]**

**GUARANTEES GIVEN BY STATE GOVERNMENT**

<table>
<thead>
<tr>
<th>Category (No. of Guarantees within bracket)</th>
<th>Maximum amount Guaranteed during year</th>
<th>Outstanding at beginning of year</th>
<th>Additions during year</th>
<th>Deletions (other than invoked during year)</th>
<th>Invoked during year</th>
<th>Outstanding at end of year</th>
<th>Guarantee Commission or Fee</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Discharged</td>
<td>Not Discharged</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Receiveable</td>
<td>Received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
<td>(7)</td>
<td>(8)</td>
<td>(9)</td>
</tr>
<tr>
<td></td>
<td>(10)</td>
<td>(11)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** — The reporting year refers to the second year preceding the year for which the budget is presented.
FORM B 4

[See rule 7]

GUARANTEE REDEMPTION FUND (GRF)

(Rs. in crore.)

<table>
<thead>
<tr>
<th>Outstanding invoked guarantees at end of previous year</th>
<th>Outstanding amount in GRF at end of previous year</th>
<th>Amount of guarantees likely to be invoked during year</th>
<th>Addition to GRF during current year</th>
<th>Withdrawal from GRF during current year</th>
<th>Outstanding amount in GRF at end of current year</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
</tr>
</tbody>
</table>
### FORM B5

[See rule 7]

**TAX REVENUES RAISED BUT NOT REALISED**  
(PRINCIPAL TAXES)

(As at end of reporting year)

<table>
<thead>
<tr>
<th>Major Head</th>
<th>Description</th>
<th>Amount under dispute (Rs. crore)</th>
<th>Amount not under dispute (Rs. crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Over one year but less than 2 years</td>
<td>Over 2 years but less than 5 years</td>
</tr>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>Taxes on Income &amp; Expenditure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agricultural Income Tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes on Professions, Trades callings and employment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes on Property and Capital Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stamps and Registration fees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban immovable property tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes on Commodities and Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Tax</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

20
<table>
<thead>
<tr>
<th>Major Head Description</th>
<th>Amount under dispute (Rs. crore)</th>
<th>Amount not under dispute (Rs. crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Over 1 year but less than 2 years</td>
<td>Over 1 year but less than 2 years</td>
</tr>
<tr>
<td></td>
<td>Over 2 years but less than 5 years</td>
<td>Over 2 years but less than 5 years</td>
</tr>
<tr>
<td></td>
<td>Over 5 years but less than 10 years</td>
<td>Over 5 years but less than 10 years</td>
</tr>
<tr>
<td></td>
<td>Over 10 years</td>
<td>Over 10 years</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Grand Total</td>
</tr>
</tbody>
</table>

Central Sales Tax

Sales Tax on Motor Spirit and Lubricants

Surcharge on Sales Tax

State Excise

Taxes on Vehicles

Other Taxes

TOTAL

Note. — The reporting year refers to the second year preceding the year for which the annual financial statement and demands for grants are presented.
**FORM B 6**

**OF MISCELLANEOUS LIABILITIES: OUTSTANDING**

(Rs. in crore)

<table>
<thead>
<tr>
<th>Description</th>
<th>Outstanding Amount*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Works and Contracts</td>
<td></td>
</tr>
<tr>
<td>Committed liabilities in respect of land acquisition charges</td>
<td></td>
</tr>
<tr>
<td>Claims in respect of unpaid bills on works and supplies</td>
<td></td>
</tr>
</tbody>
</table>

* The outstanding amount pertains to the end-March figure for the year before the current year.
**FORM B 7**

[See rule 7]

**CONSOLIDATED SINKING FUND**

(Rs. in crore)

<table>
<thead>
<tr>
<th>Outstanding at beginning of the previous year</th>
<th>Additions during previous year</th>
<th>Withdrawals during previous year</th>
<th>Outstanding as per cent of Stock of SLR Borrowings (%)</th>
<th>Additions during current year</th>
<th>Withdrawals during current year</th>
<th>Outstanding at end of current year</th>
<th>Outstanding at end of preceding year</th>
<th>Outstanding as per cent of Stock of SLR Borrowings (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
<td>(7)</td>
<td>(8)</td>
<td>(9)</td>
</tr>
</tbody>
</table>


Form B8

[See rule 7]

STATEMENT OF ASSETS

(Rs. in crore)

<table>
<thead>
<tr>
<th>Item</th>
<th>Assets at beginning of reporting year</th>
<th>Assets acquired during reporting year</th>
<th>Cumulative total of assets at end of reporting year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Book Value</td>
<td>Book Value</td>
<td>Book Value</td>
</tr>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
</tbody>
</table>

Financial assets:

Loans and advances

- Loans to Local Bodies
- Loans to companies
- Loans to others

Equity Investment

- Shares
- Bonus shares
- Investments in GOI dated securities/Treasury Bills
- Investments in 14-day Intermediate Treasury Bills
- Other financial investments (please specify)

<table>
<thead>
<tr>
<th>Total</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>

Physical assets:

- Land
- Building—Office/Residential
- Roads
- Bridges
- Irrigation Projects
- Power Projects
- Other capital Projects
- Machinery & Equipment
- Office Equipment
- Vehicles

<table>
<thead>
<tr>
<th>Total</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>
Notes:

1. Assets above the threshold value of rupees two lakh only to be recorded.

2. The reporting year refers to the second year preceding the year for which the annual financial statement and demands for grants are presented.

3. The Statement in respect of physical assets is to be prepared based on asset register maintained by the State Government. The value to be indicated shall be book-value, i.e., acquisition cost netted for depreciation/imairment.

By order of the Governor,

C. M. BACHHAWAT,
Principal Secretary to the Govt. of West Bengal.
PART III— Acts of the West Bengal Legislature.

GOVERNMENT OF WEST BENGAL

LAW DEPARTMENT

Legislative

NOTIFICATION

No. 1166-L.—30th July, 2010.—The following Act of the West Bengal Legislature, having been assented to by the Governor, is hereby published for general information :—

West Bengal Act XIV of 2010


[Pleased by the West Bengal Legislature.]

[Assent of the Governor was first published in the Kolkata Gazette, Extraordinary, of the 30th July, 2010.]

An Act to provide for the responsibility of the State Government to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, reduction in fiscal deficit and prudent debt management consistent with fiscal sustainability, greater transparency in fiscal operations of the State Government and conduct of fiscal policy in a medium-term framework and for matters connected therewith or incidental thereto.

WHEREAS it is expedient to provide for the responsibility of the State Government to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, reduction in fiscal deficit and prudent debt management consistent with fiscal sustainability, greater transparency in fiscal operations of the State Government and conduct of fiscal policy in a medium-term framework and for matters connected therewith or incidental thereto.

Short title.
The West Bengal Fiscal Responsibility and Budget Management Act, 2010.

(Sections 1–3.)

It is hereby enacted in the Sixty-first Year of the Republic of India, by the Legislature of West Bengal, as follows:—

1. (1) This Act may be called the West Bengal Fiscal Responsibility and Budget Management Act, 2010.

(2) It shall come into force on such date, or shall be deemed to have come into force on such date, as the State Government may, by notification in the Official Gazette, appoint.

2. In this Act, unless the context otherwise requires,—

(a) “budget” means the annual financial statement laid before the West Bengal Legislative Assembly under article 202 of the Constitution of India;

(b) “current year” means the financial year preceding the financial year for which the budget and medium term fiscal policy are being presented;

(c) “financial year” means the year commencing from the 1st day of April and ending on the 31st day of March next following;

(d) “fiscal deficit” means the excess of total disbursements (net of debt repayments) over total revenue receipts, recovery of loans and non-debt capital receipts, during a financial year;

(e) “fiscal indicators” means such indicators as may be prescribed for evaluation of the fiscal position of the State Government;

(f) “State Government” means the Government of West Bengal;

(g) “medium-term fiscal policy” means the policy drawn up by the State Government for a period of five years from the financial year on which this Act shall come into force with the objectives of progressively eliminating the revenue deficit;

(h) “prescribed” means prescribed by rules made under this Act;

(i) “previous year” means the year preceding the current year;

(j) “revenue deficit” means the difference between total revenue expenditure and total revenue receipts (TRR);

(k) “State” means the State of West Bengal;

(l) “total liabilities” means the liabilities under the Consolidated Fund of the State and the Public Account of the State and includes the borrowings by the public sector undertakings and the special purpose vehicles and other equivalent instruments including guarantees where the principal and/or interest are to be serviced out of the State budgets;

(m) “total revenue receipts (TRR)” includes State’s own revenue receipts (both tax and non-tax) and current transfers from the Central (Comprising grants and States’ share of Central taxes);

(n) “triggers” means the intra-year bench marks on deficit;

(o) “Committee” means the Public Expenditure Review Committee constituted under sub-section (1) of section 6.

3. (1) The State Government shall lay in every financial year before the West Bengal Legislative Assembly along with the budget, a medium-term fiscal policy statement and a fiscal policy strategy statement.
(2) The medium-term fiscal policy statement shall set forth in such form as may be prescribed, the fiscal management objectives of the State Government and three years’ rolling targets for fiscal indicators with specification of underlying assumptions.

(3) In particular and without prejudice to the provisions contained in sub-section (2), the medium-term fiscal policy statement shall include assessment of sustainability relating to—

(a) the balance between revenue receipts and revenue expenditure;
(b) use of capital receipts including open market borrowing for generating productive assets.

(4) The fiscal policy strategy statement shall be in such form as may be prescribed and shall, inter alia contain—

(a) policies of State Government for the ensuing financial year relating to taxation, expenditure;
(b) borrowings and other liabilities, lending and investment and such other activities like underwriting and guarantees and activities of Public Sector Undertakings which have potential budgetary implications;
(c) the strategic priorities of the State Government for the ensuing financial year in the fiscal area;
(d) evaluation as to how current policies of the State Government are in conformity with the fiscal management principles as set out in section 4 and the objectives set out in medium-term fiscal policy statement.

4. (1) The State Government shall take appropriate measures to reduce the revenue deficit and build up an adequate revenue surplus by following such principles as may be prescribed.

(2) In particular and without prejudice to the generality of the foregoing provision, the State Government shall progressively reduce—

(a) revenue deficit to nil within a period of five years,—

(i) with reducing revenue deficit upto 1.6% of the Gross State Domestic Product (GSDP) during the financial year commencing from the 1st day of April, 2011, and
(ii) with reducing revenue deficit to zero during the financial year ending on the 31st day of March, 2015, and
(iii) build up surplus amount of revenue and utilize such amount for discharging liabilities in excess of assets;

(b) fiscal deficit to 3% of the estimated Gross State Domestic Product (GSDP) within a period of four years,—

(i) with reducing fiscal deficit upto 3.5% of the Gross State Domestic Product (GSDP) during the financial year commencing from the 1st day of April, 2011, and
(ii) with reducing fiscal deficit to 3% of the Gross State Domestic Product (GSDP) during the financial year ending on the 31st day of March, 2014:

Provided that the revenue deficit and the fiscal deficit may exceed such limit due to the ground of such natural calamity, or such other exceptional circumstances, as the State Government may, by order published in the Official Gazette, specify.

Provided further that every order made under this first proviso, shall be laid, as soon as may be after it is made, before the West Bengal Legislative Assembly.
5. (1) The State Government shall take suitable measures to ensure greater transparency in its fiscal operations and minimise as far as practicable in public interest official secrecy in the preparation of budget:

Provided that the State Government shall have the power to reserve any such information which would adversely affect the interest of the State Exchequer.

(2) In particular and without prejudice to the generality of the foregoing provision, the State Government shall, at the time of presentation of budget, disclose in such manner as may be prescribed,—

(a) the significant changes in the accounting standards, policies and practices affecting or likely to affect the compliance of the prescribed fiscal indicators;

(b) as far as practicable, all outstanding contractual liabilities, revenue demand raised, but not realized, committed liability in respect of major works and supply contracts, losses incurred in providing public goods and services, off budget borrowings and contingent liabilities created by way of guarantees having potential budgetary implications.

6. (1) As soon as may be after the commencement of the Act, the State Government may, by notification in the Official Gazette, appoint a Committee to be called the Public Expenditure Review Committee.

(2) The Committee shall consist of not more than five members who are having expertise in the fields of Finance, Economic Management, Planning, Accounts and Audit and Law.

(3) The members of the Committee shall be appointed by the State Government on the recommendation of the Selection Committee consisting of the Chief Minister, the Finance Minister and the Leader of the Opposition.

(4) The terms and conditions of the members in the Committee shall be such as may be prescribed.

7. The Committee shall submit to the State Government in such form, and at such intervals, as may be prescribed a review report giving full account of each item where the deviation from the fiscal target has occurred during the previous year.

8. (1) The State Government shall specify in the budget the contingent measures that it would take to control the increase in deficit beyond certain specified levels during the coming year. Whenever there is either shortfall in revenue or excess of expenditure over specified levels during the course of the year, the State Government shall take steps either to make proportionate reduction in the voted expenditure authorised from the Consolidated Fund or to increase the revenue and in case such reduction being made, it shall be without affecting the amount charged thereon. The triggers as well as corrective actions that shall be initiated upon activation of triggers shall also be the integral part of the budget.

(2) The Finance Minister of the State shall make a statement in the West Bengal Legislative Assembly explaining any deviation in meeting the obligation of the State Government under this Act and shall further explain whether the deviation is substantial and relates to the actual or the potential budgetary outcome and state the remedial measures that the Government propose to take in this regard.

9. (1) The State Government may, by notification in the Official Gazette, make rules for the purpose of carrying into effect the provisions of this Act.
The West Bengal Fiscal Responsibility and Budget Management Act, 2010.

(Sections 10–13.)

(2) All rules made under this Act shall be laid, as soon as may be after it is made, before the West Bengal Legislative Assembly, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following the session or the successive sessions aforesaid, the West Bengal Legislative Assembly makes any modification in the rules or decides that the rules should not be made, the rules shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

10. No suit, prosecution or other legal proceeding shall lie against the State Government or any officer, authority or person empowered to exercise the powers and perform the functions by or under this Act or anything which is in good faith done or intended to be done under this Act or the rules or orders made thereunder.

11. No civil court shall have jurisdiction to question the legality of any action taken by, or any decision of, the State Government, under this Act.

12. The provisions of this Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force.

13. (1) If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by order published in Official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made after the expiration of a period of two years from the date of commencement of this Act.

(2) Every order made under this section, shall be laid, as soon as may be after it is made, before the West Bengal Legislative Assembly.

By order of the Governor,

MITA BASU ROY,
Pr. Secy. to the Govt. of West Bengal,
Law Department.
PART III— Acts of the West Bengal Legislature.

GOVERNMENT OF WEST BENGAL

LAW DEPARTMENT

Legislative

NOTIFICATION

No. 381-L.—4th April, 2011.—The following Act of the West Bengal Legislature, having been assented to by the Governor, is hereby published for general information :—

West Bengal Act III of 2011

THE WEST BENGAL FISCAL RESPONSIBILITY AND
BUDGET MANAGEMENT (AMENDMENT)
ACT, 2011.

[Pleased by the West Bengal Legislature.]
[Assent of the Governor was first published in the Kolkata Gazette, Extraordinary, of the 4th April, 2011.]

An Act to amend the West Bengal Fiscal Responsibility and Budget Management Act, 2010.

WHEREAS it is expedient to amend the West Bengal Fiscal Responsibility and Budget Management Act, 2010, for the purposes and in the manner hereinafter appearing:

It is hereby enacted in the Sixty-second Year of the Republic of India, by the Legislature of West Bengal, as follows:—

1. (1) This Act may be called the West Bengal Fiscal Responsibility and Budget Management (Amendment) Act, 2011.

(2) It shall be deemed to have come into force with effect from the 7th day of February, 2011.
The West Bengal Fiscal Responsibility and Budget Management (Amendment) Act, 2011.

(Sections 2–3.)

2. In section 2 of the West Bengal Fiscal Responsibility and Budget Management Act, 2010 (hereinafter referred to as the principal Act), after clause (b), the following clause shall be inserted:—

‘(ba) “debt stock” means the total debt outstanding at the beginning of the financial year plus the gross borrowing during the year minus the liabilities discharged during the year’;

3. In section 4 of the principal Act, for sub-section (2), the following sub-section shall be substituted:—

“(2) In particular and without prejudice to the generality of the foregoing provision, the State Government shall progressively reduce—

(a) debt stock to 34.3% of the Gross State Domestic Product (GSDP) within a period of five years commencing from the year 2010-2011 and ending on the 2014-2015, in the manner as mentioned below:—

<table>
<thead>
<tr>
<th>Year</th>
<th>Maximum debt stock as per centum of Gross State Domestic Product (GSDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-2011</td>
<td>40.6</td>
</tr>
<tr>
<td>2011-2012</td>
<td>39.1</td>
</tr>
<tr>
<td>2012-2013</td>
<td>37.7</td>
</tr>
<tr>
<td>2013-2014</td>
<td>35.9</td>
</tr>
<tr>
<td>2014-2015</td>
<td>34.3</td>
</tr>
</tbody>
</table>

(b) revenue deficit to nil within a period of five years commencing from the year 2010-2011 and ending on the 2014-2015, in the manner as mentioned below:—

<table>
<thead>
<tr>
<th>Year</th>
<th>Maximum revenue deficit as per centum of Gross State Domestic Product (GSDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-2011</td>
<td>3.6</td>
</tr>
<tr>
<td>2011-2012</td>
<td>1.6</td>
</tr>
<tr>
<td>2012-2013</td>
<td>1.1</td>
</tr>
<tr>
<td>2013-2014</td>
<td>0.5</td>
</tr>
<tr>
<td>2014-2015</td>
<td>0.0</td>
</tr>
</tbody>
</table>

(c) fiscal deficit to 3% of the Gross State Domestic Product (GSDP) within a period of four years commencing from the year 2010-2011, in the manner as mentioned below:—

<table>
<thead>
<tr>
<th>Year</th>
<th>Maximum fiscal deficit as per centum of Gross State Domestic Product (GSDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-2011</td>
<td>3.5</td>
</tr>
<tr>
<td>2011-2012</td>
<td>3.5</td>
</tr>
<tr>
<td>2012-2013</td>
<td>3.5</td>
</tr>
<tr>
<td>2013-2014</td>
<td>3.0</td>
</tr>
<tr>
<td>2014-2015</td>
<td>3.0</td>
</tr>
</tbody>
</table>
The West Bengal Fiscal Responsibility and Budget Management
(Amendment) Act, 2011.

(Section 4.)

Provided that the debt stock, the revenue deficit and the fiscal deficit may exceed such limit due to the ground of such natural calamity, or such other exceptional circumstances, as the State Government may, by order published in the Official Gazette, specify:

Provided further that every order made under the first proviso, shall be laid, as soon as may be after it is made, before the West Bengal Legislative Assembly.”.

4. (1) The West Bengal Fiscal Responsibility and Budget Management (Amendment) Ordinance, 2011, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the West Bengal Fiscal Responsibility and Budget Management Act, 2010, as amended by the said Ordinance, shall be deemed to have been validly done or taken under the West Bengal Fiscal Responsibility and Budget Management Act, 2010, as amended by this Act.

By order of the Governor,

B. K. SRIVASTAVA,
Secy.-in-charge to the Govt. of West Bengal,
Law Department.