

**Fifteenth Kerala Legislative Assembly**  
**Bill No. 301**

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**THE KERALA FINANCE (No. 2) BILL, 2026**

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**Fifteenth Kerala Legislative Assembly**

**Bill No. 301**

[Translation in English of "2026-ലെ കേരള ധനകാര്യ (2-ാം നമ്പർ) ബിൽ"  
published under the authority of the Governor.]

**THE KERALA FINANCE (No. 2) BILL, 2026**

**A**

**BILL**

*to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2026-2027.*

*Preamble.*— WHEREAS, it is expedient further to amend the Kerala Ceiling on Government Guarantees Act, 2003 (30 of 2003) to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2026-2027;

BE it enacted in the Seventy-Seventh Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Kerala Finance (No.2) Act, 2026.

(2) It shall come into force on the 1<sup>st</sup> day of April, 2026.

2. *Amendment of Act 30 of 2003.*—In the Kerala Ceiling on Government Guarantees Act, 2003 (30 of 2003) for section 3, the following section shall be substituted, namely:—

“3. *Ceiling on Government Guarantees.*—The total outstanding Government Guarantees as on the first day of April of any year shall not exceed, 100 percent of the total revenue receipts as per the annual financial statement of the State in the preceding year or 10 percent of the Gross State Domestic Product (GSDP) for the respective financial year, whichever is lower.”.

## STATEMENT OF OBJECTS AND REASONS

The Bill seeks to amend the Kerala Ceiling on Government Guarantees Act, 2003 (30 of 2003) to give effect to the financial proposals of the Government of Kerala for the Financial Year 2026-2027 .

## FINANCIAL MEMORANDUM

The Bill, if enacted and brought into operation, would not involve any additional expenditure from the Consolidated Fund of the State.

K. N. BALAGOPAL

EXTRACT FROM THE KERALA CEILING ON GOVERNMENT  
GUARANTEES ACT, 2003

(30 OF 2003)

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3. *Ceiling on Government Guarantees.*—The total outstanding Government Guarantees as on the first day of April of any year shall be 100% of the total revenue receipts as per the annual financial statement of the State in the preceding year or at 10% of the Gross State Domestic product (GSDP), whichever is lower.

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