

(2) Outstanding judgment debts not paid shall be considered as part of the consolidated debts for the purpose of application of the respective limits set out pursuant to this Section.

(3) For the purpose of verifying compliance with the limits specified pursuant to this Section, the Commission shall at the end of each quarter, determine the amount of the consolidated debt of each of the tiers of the government.

(4) The Commission shall publish, on a quarterly basis, a list of the Governments in the state which have exceeded the limits of consolidated debt, indicating the amount by which the limit was exceeded.

(5) Where at the end of any quarter, the consolidated debt of the state or Local Governments exceeds the respective limits, it shall be brought within the limit, not later than the end of the three (3) subsequent quarters with a minimum of twenty five (25%) percent reduction in the first quarter.

(6) Violators of the limits specified pursuant to this Section shall:

- (a) be prohibited from borrowing from internal or external sources, except for the refinancing of existing debts; and
- (b) bring the debt within the established limits by restricting funding commitments accordingly.

(7) Where non-compliance with the limit specified pursuant to this Section persists after the time limited by Sub-Section (5) of this Section, the annual budget of the affected tiers of Government shall not be approved by the House.

(8) Wherever, the fundamentals of the proposals referred to in this Section are changed due to economic instability or change in monetary or exchange policies, the State Government shall submit to the House a request for a review of the current limits.

45.(1) Servicing of external debt shall be the direct responsibility of the Government that incurred the debt.

(2) The cost of servicing State Government guaranteed loans shall be deducted at source from the account of the debtor Government.

Servicing of
External debt