

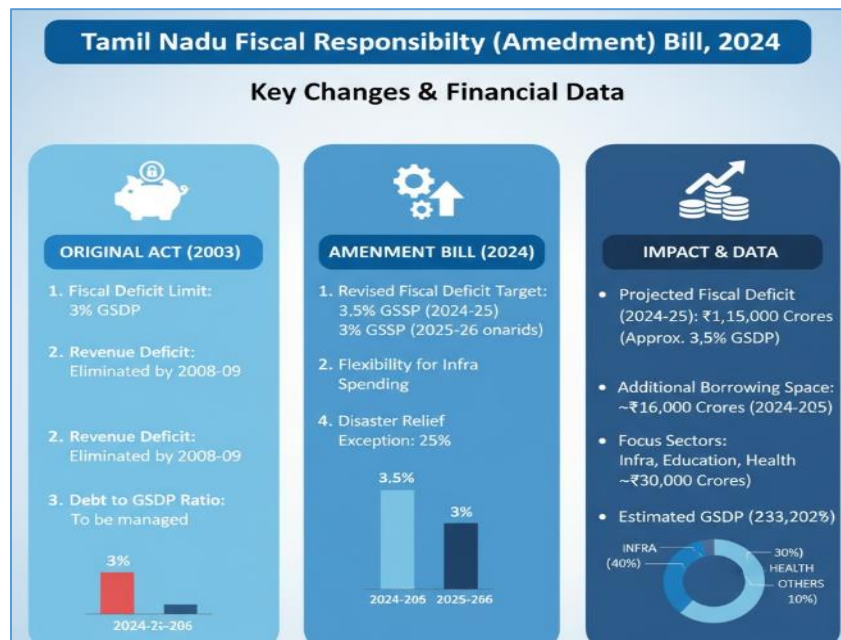
October - 21

TNPSC BITS

- ❖ The Indian Navy is hosting the 5th edition of Indo-Indonesian bilateral maritime exercise, “Samudra Shakti-2025,” at Visakhapatnam.
- ❖ World White Cane Day is observed on October 15 every year to raise awareness about the independence, mobility, and rights of blind and visually impaired individuals.
- ❖ Global Handwashing Day is observed every year on October 15 to promote awareness about handwashing with soap and water.
 - The theme of 2025 is “Be a Handwashing Hero!”.

TAMIL NADU NEWS

Reconsideration on Fiscal Responsibility (Amendment) Bill, 2024



- ❖ Tamil Nadu Assembly “rejected” Governor R.N. Ravi’s position on the need for the House to reconsider the Tamil Nadu Fiscal Responsibility (Amendment) Bill, 2024.
- ❖ It readopts the same bill without any changes.
- ❖ The Bill seeks to postpone the achievement of zero revenue deficit and 3% fiscal deficit by another year.



- ❖ The Bill seeks to postpone the achievement of zero revenue deficit and 3% fiscal deficit by another year (now targeting 2026-27 and 31st March 2026 respectively).
- ❖ It is going beyond the period specified by the Fifteenth Finance Commission, which set targets for 2021-22 to 2025-26.

Governor's Observations

- ❖ The next general election to the Tamil Nadu Assembly is scheduled to be held in less than a year from now.
- ❖ The proposed amendment will directly operate beyond the tenure of the present and into the tenure of the incoming government, effectively binding its fiscal policy choices in its very first year of office.
- ❖ It is also being beyond the recommended period of the Fifteenth Finance Commission.
- ❖ In a parliamentary democracy, it is a well-recognised convention that major policy decisions by way of statutory change, especially in the sphere of long-term financial policy, are ordinarily avoided in the immediate pre-election period unless there is a compelling necessity.
- ❖ This is to ensure that the newly elected government has the autonomy to determine its own fiscal framework in terms of the fresh mandate from the people.
- ❖ The original targets under the Tamil Nadu Fiscal Responsibility Act were enacted in alignment with the national framework for fiscal discipline under the Fiscal Responsibility and Budget Management (FRBM) Act, 2003, and successive Finance Commission recommendations.
- ❖ But the amendment proposed effectively altered the roadmap agreed with the Commission.
- ❖ This can threaten long-term fiscal sustainability and compliance with the targets outlined by constitutional bodies like the Finance Commission and potentially undermine the credibility of the State's financial management.
- ❖ Fiscal responsibility laws are meant to be binding, and exceptions are usually made only in extraordinary situations (natural disasters, severe economic crises, etc.) by the elected government.

Tamil Nadu debt-GSDP ratio 2025

- ❖ The Comptroller and Auditor-General (CAG) of India has assessed the Tamil Nadu government during 2023-24.
- ❖ It showed improvement only in one out of three targets fixed in the area of fiscal indicators.



- ❖ The progress recorded by the State was in the outstanding liability-Gross State Domestic Product (GSDP) ratio.
- ❖ Against a target of 29.1%, the figure was lowered to 28% in the year.
- ❖ The following were the targets determined for each of the three fiscal parameters: revenue, fiscal, and primary deficits.
 - Elimination of revenue deficit by 2025-26,
 - Achievement of fiscal deficit (FD)-Gross State Domestic Product (GSDP) ratio at 3% by March 31, 2025, and
 - Bringing down debt-GSDP ratio to 29.1%

State of finances		Compliance with provisions of TNFR Act*				
Fiscal Parameters	Fiscal targets set in the Act/MTFP** projection	ACHIEVEMENT				
		2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Gross State Domestic Product (GSDP) at current prices (₹ in crore)		17,43,144	17,88,074	20,72,496	23,93,364	27,21,571
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Eliminate Revenue Deficit by 2025-26	(-) 35,909	(-) 62,326	(-) 46,538	(-) 36,215	(-) 45,121
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	Reduce fiscal deficit to 3 per cent of GSDP by March 2025	(-) 60,179 (3.45%)	(-) 93,983 (5.26%)	(-) 81,835 (3.95%)	(-) 81,886 (3.46%)	(-) 90,430 (3.32%)
Total outstanding liability *** (₹ in crore)		4,24,447	5,13,223+	5,97,573+	6,79,554+	7,62,006+
Ratio of total outstanding liability to GSDP (in per cent)	29.10%	24.35%	28.70%	28.83%	28.39%	28%

*Tamil Nadu State Fiscal Responsibility and Budget Management Act
 **Medium Term Fiscal Plan
 *** The total outstanding liabilities include Public Debt, Off Budget Borrowings and Public Account Liabilities
 + The back-to-back loans of ₹8,095 crore during 2021-22 and ₹6,241 crore during 2020-21 received from the Government of India in lieu of Goods and Services Tax (GST) compensation have not been considered debt for working out the indicator

- ❖ The CAG was giving an account of the trends over the five years from 2019-20 to 2023-24.
- ❖ The debt-GSDP ratio increased from 24.35% in 2019-20 to 28.83% in 2021-22.
- ❖ It was decreased marginally to 28.39% during 2022-23, and stood at 28% in 2023-24.
- ❖ The debt included Off-Budget Borrowing (OBB).
- ❖ Despite the fall, the FD-GSDP ratio stood at 3.32% during 2023-24.
- ❖ It was “much higher” than the target fixed under the Tamil Nadu State Fiscal Responsibility and Budget Management Act.
- ❖ Revenue deficit, as a percentage of the GSDP, went up by 0.15% during 2023-24 over the previous year.



- ❖ The revenue deficit rose from ₹36,215 crore (2022-23) to ₹45,121 crore (2023-24).
- ❖ It was about 71.5% higher than the Medium-Term Fiscal Plan projections, whereas the target was to eliminate it by 2025-26.

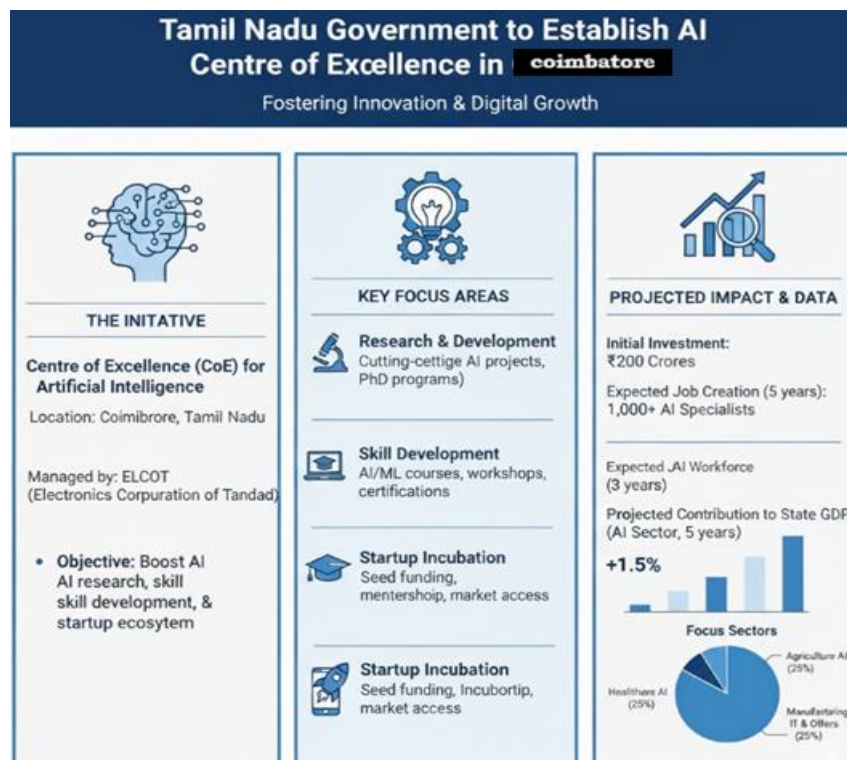
Revenue from prison products

- ❖ Tamil Nadu has topped the country in earning income from prison product sales.
- ❖ The State has reported the highest gross value of sale proceeds.
- ❖ While Tamil Nadu led the country in profitable prison business, other States closely following were Telangana and Kerala with ₹55.71 crore and ₹24.44 crore respectively in 2023.
- ❖ Going by National Crime Records Bureau data, the value of goods produced per inmate was the highest in Telangana, with ₹95,187, followed by Tamil Nadu (₹33,984) and Chandigarh (₹32,325).
- ❖ Prisoners engaged in labour are paid a nominal wage based on their skills.
- ❖ Tamil Nadu pays ₹300 for skilled workers and ₹270 for semi-skilled workers per day.
- ❖ As part of the reformation and rehabilitation programmes of the State government, the prison industry was equipped with infrastructure to make textile, leather, aluminium, wax, and paper products.
- ❖ The facility has been established at eight Central Prisons, one Special Prison for Women, and one Borstal School.
- ❖ Even as most of the prison products are purchased by government departments, the Department of Prisons and Correctional Services set up 'Prison Bazaars' in all Central Prison complexes to sell their in-house products to members of the public at nominal prices.
- ❖ The products, such as ready-made garments, leather shoes, rain coats, bakery items, and soaps, are sold under the brand name of 'Freedom'.
- ❖ 20% of the profit is credited to the account of the prisoner who worked to make the product.
- ❖ The Personality Attitude Transformation Therapeutic Assistance Management (PATTAM) programme, introduced to reduce recidivism and facilitate reintegration of petty, first-time offenders (aged 18-24) into society as productive and responsible citizens, has yielded the desired results.
- ❖ Prisoners are allowed to pursue degrees/diplomas offered by the Tamil Nadu Open University and write exams at government cost.
- ❖ Tamil Nadu also tops in videoconferencing in prisons.

- ❖ Of the 1,332 prisons in the country, 1,156 have been equipped with the facility.
- ❖ The State has 126 prisons equipped with videoconferencing, followed by Madhya Pradesh (123), Rajasthan (92), Odisha (84), and Andhra Pradesh (80).

PRISON VOCATIONS DRIVE REFORM	
• The inmates in Tamil Nadu made goods worth over ₹67 crore in 2023, highest in the country • Prisoners in Andhra Pradesh made ₹12 crore of goods in 2023 • On average, each convict engaged in various works in the prison earns ₹4,000 per month • Vizag central prison combines discipline with livelihood training in various trades	• Revenue generation and rehabilitation move together in prisons. • Prisoners grow vegetables (brinjal, okra, tomatoes, cucumber and leafy vegetables) • A nursery has been proposed in the Vizag central prison premises to raise saplings for supply outside

AI Training Institute in Coimbatore



- ❖ The Tamil Nadu government will set up a Centre of Excellence for artificial intelligence in Coimbatore under a public-private partnership model.

- ❖ The city of Coimbatore currently has 1,592 registered startups that have received a total of 37 million US dollars in venture funding.
- ❖ AI education will be introduced at the school level, and AI hubs with venture capital support are being developed across the state.
- ❖ The institute will offer training in AI fundamentals, machine learning, data science, AI ethics, and applied AI through a blended learning model.

Law Against Honour Killings

- ❖ Tamil Nadu Chief Minister announced the formation of a Commission to recommend legislation against caste-based hate crimes and honour killings.
- ❖ The Commission will be headed by retired Madras High Court judge Justice K. N. Basha.
- ❖ The Commission will consult political groups, legal experts, social activists, and affected individuals.
- ❖ The aim is to draft a law to prevent caste-based and honour-related violence.



NATIONAL NEWS

8th Session of CCSCH

- ❖ India successfully hosted the 8th session of the Codex Committee on Spices and Culinary Herbs (CCSCH) in Guwahati, Assam.

- ❖ Three new Codex standards for large cardamom, vanilla, and coriander were finalized during the session.
- ❖ With the addition of these three, Codex has now finalized global standards for 19 spices, including turmeric, pepper, cumin, and saffron.
- ❖ The Codex Committee on Spices and Culinary Herbs was established in 2013 under the Codex Alimentarius Commission.
- ❖ It is a joint body of the Food and Agriculture Organization (FAO) and the World Health Organization (WHO).
- ❖ The Spices Board coordinated scientific inputs, prepared working documents, and ensured compliance with Codex procedures.



REPORTS AND INDICES

Top 10 sustainable economies 2025

- ❖ The United Kingdom has taken the top spot in the 2025 by ending New Zealand's three-year reign and pushing it to No. 2.
- ❖ Australia and Singapore have retained their positions at No. 3 and No. 4, respectively.
- ❖ India secured an overall rank of 23, with a combined score of 33.2 out of 100.



- ❖ The composition of the top 10 economies remains unchanged
- ❖ It has analysed 30 economies based on multifaceted dynamics between economic growth, social inclusion, and environmental stewardship in the global trade system.

Rank	Economy	STI Score	Economic Pillar	Societal Pillar	Environmental Pillar
1	UK	100	86.45	89.42	100
2	New Zealand	97.01	77.26	92.72	98.95
3	Australia	93.26	80.26	100	79.97
4	Singapore	90.01	99.51	86.63	66.56
5	South Korea	87.22	95.84	84.47	65.93
6	Hong Kong, SAR	83.79	100	65.49	72.78
7	Japan	83.48	67.81	78.54	91.21
8	Canada	80.45	74.4	96.75	59.38
9	United States	79.54	94.07	67.71	66.64
10	Taiwan	77.9	75.23	80.55	68.84
23	INDIA	33.2	60	23.4	37.4

