TN Fiscal Prudence: Finance Minister Outlines Two-Year Fiscal Recovery Plan

Tamil Nadu Finance Minister stated that the government requires two years to restore fiscal prudence and address financial challenges.

A policy outline on the State Budget and long-term fiscal planning aimed at stabilizing Tamil Nadu's financial health over a 15-year horizon.

KEY EXAM POINTS

- Tamil Nadu Finance Minister **N. Marie Wilson** stated that **two years** are needed to restore fiscal prudence in the state.
- The Finance Minister highlighted that the state's **fiscal position** remains under strain due to inherited financial burdens.
- The government aims to focus on a **15-year horizon** of **sustained growth** rather than short-term political gains.
- The fiscal recovery roadmap prioritizes sustainable **revenue management** and expenditure rationalization across administrative departments.
- Chief Minister **C. Joseph Vijay** and the Finance Minister presented the budget framework emphasizing structural administrative reforms.

STATICS & SYLLABUS FOCUS

Article 202 of the Indian Constitution requires the Governor to lay the **Annual Financial Statement** (Budget) before the State Legislature.

Article 203 governs the procedure in the State Legislature with respect to estimates and **demands for grants**.

The **Tamil Nadu Fiscal Responsibility Act** was enacted in **2003** to ensure long-term macro-economic stability and fiscal sustainability.

The **Consolidated Fund** of the State is constituted under **Article 266(1)** of the Indian Constitution for all state receipts and expenditure.

The **Contingency Fund** of the State is established under **Article 267(2)** and remains at the disposal of the Governor for unforeseen spending.

The **State Public Account** is maintained under **Article 266(2)** for public moneys received by or on behalf of the State Government.

State Finance Commissions are constituted every five years under **Article 243-I** of the Constitution to review local body finances.

REVISION FLASHCARD

Article 202 mandates the Annual Financial Statement in State Legislatures; TN Fiscal Responsibility Act was enacted in 2003.

Syllabus Relevance: Crucial for Group 1, 2, 2A, and 4 exams under Unit 9 (TN Administration) and Unit 6 (Indian & State Economy).