



## GOVERNMENT OF KERALA

### Abstract

Finance Department - Study on the impact of COVID-19 - Constitution of Expert Committee - Orders issued.

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### FINANCE (PLANNING - A) DEPARTMENT

G.O.(Rt) No.2945/2020/Fin.

Dated, Thiruvananthapuram, 05/05/2020

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### ORDER

Covid-19 has severely disrupted livelihoods and economic activity all over the world. Consequent to the lockdown following the COVID-19 pandemic, economic activities in most sectors in Kerala have also come to a grinding halt. The unprecedented slowdown both in the formal and informal sectors has crippled the demand for goods and services, which in turn makes economic recovery even more challenging. Sharp contractions are already observed in the core sectors of the economy which point to the scale of damage that Covid-19 and the lockdown are inflicting. Thus, the situation that Government must face is a combination of unprecedented loss or reduction in employment, income and output coupled with severe shortfalls in its revenues.

2. It is the utmost priority of Government to develop a meaningful and effective strategy to lift the State out of this crisis and put it on a sustainable and resilient track of recovery. To this end, the Government of Kerala are pleased to constitute an Expert Committee which will conduct a study on the impact of Covid-19 and the consequent lockdown measures on the public finances of the State and on the various sectors of its economy.

3. The Terms of Reference of the Committee shall be the following:

- 1) Assess the impact on Revenues of the State:
  - a) Loss to the Own Tax Revenues of the State in the immediate and short term and likely projection of Own Tax Revenue collections for the financial year 2020-21, considering specifically the impact on GST, Sales Tax from major items of goods and services
  - b) Central transfers, especially tax devolution
  - c) Non-Tax Revenue mobilisation
  - d) Liquidity issues impacting the State's Treasury Management that Government is likely to face during the financial year 2020-21, and suggest specific and significant additional Revenue mobilisation measures.
- 2) Identify the impact of Covid-19 and the lockdown on selected key sectors of the economy that contribute the most to the State's Domestic Product.
- 3) Identify the likely impact on the State's economy, of the inflow of remittances from non-resident Keralites from abroad and other States and potential delays in their resumption of employment.
- 4) Identify the likely impact on various sectors of the economy in the event of a sharp outflow of migrant labour from other States.
- 5) Estimate the effect of additional expenditure obligations during the financial year 2020-21 on account of the recovery measures that must be initiated by Government.
- 6) Identify selective and significant measures for expenditure control.
- 7) Identify any specific issues that needs to be raised with the Government of India.
- 8) Any other matter of relevance.

4. The Committee shall have the following composition:

- i. Dr. K.M. Abraham CFA, Former Chief Secretary to Government of Kerala
- ii. Shri. Rajesh Kumar Singh IAS, Additional Chief Secretary (Finance)  
**[Convenor of the Committee]**
- iii. Shri. R. Ramakumar, Member, Kerala State Planning Board

5. Government are pleased to nominate Dr. D. Shyjan, Head of Department of Economics, University of Calicut, Director, John Mathai Centre, Thrissur as special invitee to the Committee.

6. Government are also pleased to constitute an Expert Resource Group with the following members to assist the Committee in its work.

- i. Dr. N. Ramalingam, Associate Professor, Gulati Institute of Taxation
- ii. Dr. L. Anitha Kumary, Associate Professor, Gulati Institute of Taxation

7. The Committee may co-opt other expert members into the Expert Resource Group to contribute to the deliberations, as it deems fit. The Committee may hold discussions, if found necessary, with representative stakeholders from different sectors of the economy.

8. The Committee may submit its final report within three months. An interim report may be submitted within a month.

9. The Committee will function under the purview of Finance Department.

**(By Order of the Governor)**

**RAJESH KUMAR SINGH**  
**ADDITIONAL CHIEF SECRETARY (FINANCE)**

To

The Principal Accountant General (A&E), Kerala, Thiruvananthapuram.

The Accountant General (G&SSA), Kerala, Thiruvananthapuram.  
The Accountant General (E&RSA), Kerala, Thiruvananthapuram.  
The Director of Treasuries, Thiruvananthapuram.  
The Officials concerned.  
The Nodal Officer, [www.finance.kerala.gov.in](http://www.finance.kerala.gov.in).  
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Section Officer