State prepares master plan to revive economy

EVEN as Tamil Nadu struggles to cope with the lockdown financially, the high-level committee formed under the leadership of former RBI Governor C Rangarajan, met on Thursday to formulate strategies to boost the economy. Simultaneously, the State government also indicated that it was awaiting its share in the ₹20 lakh crore stimulus plan announced by the Centre.

“We need to assess to what extend the State economy has been affected,” said Rangarajan, addressing the media after the meeting. “We need to devise short and long-term strategies.

Economic reforms required need to be discussed and explored. The impact would depend on the total duration of the lockdown. We have formed sub-groups to study the impact on different sectors.”

Meanwhile, Deputy CM O Panneerselvam, who also handles the finance portfolio, said the State was looking forward to the next set of announcements by the Centre, as States are in urgent need of financial support. Till now Tamil Nadu has received ₹312 crore as COVID-19 relief package under the National Health Mission.

However, the Centre is yet to provide further assistance to tide over the lockdown as the State revenues have dried up. “We had sought ₹13,000 crore besides an ad hoc grant of ₹1,000 crore from the NDRF to procure medical needs,” the minister said. Sources added that the ₹1,393 crore GST component released to Tamil Nadu recently was for the period ending December 2019.

Funds are trickling in, said sources. This month, the State garnered ₹2,000 crore through GST, which was due in March. There will be no GST revenue in April due to lockdown and seizure of industrial activity.