

FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2016-2019)**

TWENTY EIGHTH REPORT
(Presented on 12th June, 2018)



**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM**

2018

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On

**Action taken by Government on the Recommendations contained
in the 115th Report of the Committee on
Public Accounts (2014-2016)**

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(2016-2019)**

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INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the Twenty Eighth Report on Action Taken by Government on the Recommendations contained in the 115th Report of the Committee on Public Accounts (2014-2016).

The Committee considered and finalised this Report at the meeting held on 7th June 2018.

Thiruvananthapuram,
7th June, 2018.

V. D. SATHEESAN,
Chairman,
Committee on Public Accounts.

REPORT

This Report deals with the Action Taken by the Government on the recommendations contained in the 115th Report of the Committee on Public Accounts (2014-2016).

The 115th Report of the Committee on Public Accounts (2014-2016) was presented to the House on 18th February, 2016. This Report contained nine recommendations relating to Tourism Department and Taxes Department. Government were addressed on 30th March, 2016 to furnish the Statements of Action Taken on the recommendations contained in the Report and the final reply was received on 25th September, 2017.

The Committee examined the Statements of Action Taken in its meetings held on 22-11-2017 and 3-1-2018 and decided not to pursue further action on the recommendations in the light of the replies furnished by the Government. Such recommendations and Government replies are incorporated in this Report.

TOURISM DEPARTMENT

Recommendation

(Sl. No. 1, Para No. 12)

The Committee was at dismay to observe that the very purpose of the Grand Kerala Shopping Festival could not have been served. It evaluates that even after seven years, GKSF failed to be a part of the trade community of Kerala, on the other hand it still continued to be a Governmental activity and traders took part of the festival as a favour to the Government. Even though it was envisaged to transform the State into a hub for shopping experience within five years, nothing fruitful could be accomplished in that direction. The Committee advocates that departments in unison should adopt innovative measures to attract buyers from other States and countries towards the festival.

Action Taken

Recommendation of the committee is noted and will be taken care of while planning the activities of the next edition of GKSF.

Recommendation

(Sl. No. 3, Para No. 14)

The Committee opines that workmanship of Kerala Jewellers was far superior to other States and hence it suggests that Tourism Department should check whether a quality certification to the ornaments made in Kerala could be provided so as to enhance its market value.

Action Taken

Noted.

Recommendation

(Sl. No. 4, Para No. 15)

When informed that department is eyeing on marketing traditional products of Kerala like Aranmula Kannadi, Handloom and Handicraft, the Committee opines that there were so many agencies to promote the traditional products of Kerala and GKSF had no role in this regard.

Action Taken

GKSF had conducted various melas such as a craft mela, bamboo mela, spices mela for promotion of handicraft and other souvenir items. These were arranged as part of measures to provide more exposure of the products to the foreign and domestic market. By these measures more income would be available to those working in this traditional sector.

Recommendation

(Sl. No. 5, Para No. 16)

The Committee also recommends that the limitations regarding the conduct of GKSF should be reviewed seriously in tune with the study report of GIFT at the earliest.

Action Taken

Noted.

Recommendation

(Sl. No. 6, Para No. 17)

The Committee expresses its displeasure over the lackadaisical attitude of the Tourism Department in tracing out the amount due in respect of registration fee and recommends that the department should take immediate steps to trace out the details and to recover the money owed to the exchequer.

Action Taken

The registration fee to be collected is for the year 2007-08 to 2011-12 i.e., first five seasons. Many cheques of the mercantile establishments were bounced and it was reduced to the level of ₹ 7.73 Lakhs.

Recommendation

(Sl. No. 7, 8, 9 Para No. 18, 19, 20)

The Committee could not hide its concern over the fact that huge expenditure was incurred unproductively and comments that present position was not promising. So the Committee directs that Government should take a decision on whether to do away with the festival or to continue with it.

The Committee recommends that if GKSF is decided to continue with, then the outcome of each festival season may be analysed to improve the functioning of the festival.

The Committee also advocates that Tourism Department should formulate a strategy to revamp the norms of the festival so that more participants and Mercantile Establishments could be attracted.

Action Taken

GKSF was not held in 2016.

TAXES DEPARTMENT**Recommendation**

(Sl. No. 2, Para No. 13)

The Committee views that the present levels of taxation, utility rates etc., are not favourable for Kerala and it remarks that if Kerala could be the emporium at least for selected products and be provided unique shopping experience with price competitive destination, it could be developed to a shopping destination. It directs the Taxes Department for a re-look at the tax structure, infrastructure facilities, utility and other charges, supply and logistics etc. in line with the study report of Gulati Institute of Finance and Taxation.

Action Taken

Introduction of GST would be a very significant step in the field of indirect taxation. Amalgamating a large number of Central and State taxes into a single tax would mitigate the ill-effects of present taxation system. There will be improved tax compliance, widening of tax base, increase in trade volumes etc., and because of the transparent character, it will be easy to administer. GST would replace Central Excise Duty, additional duties of Excise and Customs, Service tax, Surcharges and cess, Value Added Tax, Central Sales Tax, Luxury Tax, Tax on Lotteries etc. The target date for introduction of new tax regime is 1st July 2017. It is expected to widen the tax payer base as well as increase tax compliance. With the implementation of GST, the tax payers may get relief from the herculean task of compliance under various statutes. In the above circumstances, re-look at the tax structure, infrastructure facilities, utility and other charges, supply and logistics etc., in line with the study report of Gulati Institute of Finance and Taxation has no relevance.

Thiruvananthapuram,
7th June, 2018.

V. D. SATHEESAN,
Chairman,
Committee on Public Accounts.

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