

NAGALAND LEGISLATIVE ASSEMBLY
SECRETARIAT : KOHIMA

COMMITTEE ON PUBLIC UNDERTAKINGS
(2019-2020)

(THIRTEENTH ASSEMBLY)
Seventy Fourth Report



ON

Action Taken by the Government on the Observations and Recommendations contained in the 50th Report of the Committee on Public Undertakings on the Examination of the Report of the Comptroller & Auditor General of India for the Year 2009-2010 pertaining to the Nagaland Industrial Raw Material & Supply Corporation Limited (NIRMSC) under the Department of Industries & Commerce, Government of Nagaland.

Adopted on 19/07/2019

Presented to the House on 08/08/2019

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COMPOSITION OF THE COMMITTEE ON
PUBLIC UNDERTAKINGS.
(2019-2020)

CONSTITUTED ON 26th February, 2019

CHAIRMAN

1. Dr. Neikiesalie Nicky Kire : MLA

MEMBERS

1. Shri. E.E Pangteang : MLA
2. Shri. Y. Vikheho Swu : MLA
3. Shri. L. Khumo Khiamniungan : MLA
4. Shri. Toshi Wungtung : MLA
5. Shri. Kazheto Kinimi : MLA
6. Shri. Kezhienyi Khalo : MLA

ASSEMBLY SECRETARIAT

1. Shri. K. Sekhose : Secretary
2. Smti. Aosenla : Additional Secretary
3. Smti. Kungkamliu : Joint Secretary
4. Smti. Kedovino Peseyie : Deputy Secretary
5. Shri. Zasisuolie : Under Secretary
6. Shri. Shepohu Lohé : Section Officer

INTRODUCTION

I, the Chairman of the Committee on Public Undertakings, having been authorized by the Committee (2019-2020) to present on its behalf this 74th Report of the Committee on the Action Taken by the Government on the Observations & Recommendations made in its 50th Report on the Examination of the Report of the Comptroller & Auditor General of India for the year 2009-2010 pertaining to the Nagaland Industrial Raw Material & Supply Corporation Limited (NIRMSC) under the Department of Industries & Commerce, Government of Nagaland.

1. The 50th Report containing 6 (six) recommendations was presented to the House on the 21st September, 2012 and the Report was forwarded to the Department on 10th October, 2012 giving 3 (three) months time for implementation.
2. The Action Taken Replies OF the Department was received by this Secretariat on the 26th March, 2013.
3. The Committee for the tenure 2019-2020 has carefully examined the implementation of the concerned Department's implementation on the observations / Recommendations made by it.
4. The Committee places on record its appreciation, the valuable assistance rendered by the Secretary and the Officials of the Nagaland Legislative Assembly for the completion of the Action Taken Report.

The present Committee considered and adopted this Report at its sitting held on 19/07/2019

Dated: 19/07/2019
Kohima

Sd/-
DR. NEIKIESALIE NICKY KIRE
CHAIRMAN

CHAPTER - 1

This 74th Report of the Committee on Public Undertakings deal with the Action taken by the Government on the 3 (three) Observations / Recommendations made by the Committee in its 50th Report on the Examination of the Report of the Comptroller & Auditor General of India for the year 2009-2010 pertaining to the Nagaland Industrial Raw Material & Supply Corporation Limited (NIRMSC)) under the Department of Industries & Commerce, Government of Nagaland, which was presented to the House on the 21st of September, 2012.

1. The Action Taken replies on the recommendations of the Committee was received on 26/03/2013 (Vide Letter No.IDB/MISC/COPU-1/2005/255, Dt. 26/03/2013).
2. The Committee had appended its reiteration in this 74th Report on Para 1.5, 1.7, 1.11, 1.12 & 1.16 of the 50th Report for adherence.

CHAPTER – II

Observations / Recommendations of the Committee

Sl.No.1 Para no 1.5 **The Committee, reiterating the new system introduced by the Ministry of Corporate Affairs for finalization of Statutory Audit observed that once the meeting with all the Corporations is held with the expertise in this regard, the Department may get all the necessary assistance from the Accountant General so as to solve the long pending problem of Statutory Audit. Therefore, the Committee suggested that the new system be evolved in finalizing the pending arrears.**

Government's Action taken replies vide No.IDB/MISC/COPU-1/2005/ (VOL-1) Dated 5th March, 2014 .

The Statutory audit of this Corporation is finalized upto the financial year 31st March, 2000. The statutory audit report from 2000-01 to 2004-05 that has been submitted to A.G., Nagaland for review audit, out of which, the NIRMSC has received Non-Review Certificate for 3 (three) years accounts, i.e 2000-01 to 2002-03, which will be put up in the next Annual General Meeting for adoption.

COMMITTEE'S REITERATION:-

The Committee reiterates that the Department's delay in finalizing the statutory Audit and accumulation of arrears year after year had adversely affected the smooth functioning of the Corporation as well as the Department and therefore urged the Department to immediately find a solution to clear all of the pending arrears.

Observations / Recommendations of the Committee

Sl. No 2. Para No 1.6 **The Committee after thorough examination and deliberation with the Department and the management of the Nagaland Industrial Raw Materials & Supply Corporation Limited (NIRMSC) recommended speeding up of the Statutory Audit finalization process in consultation with the Accountant General.**

Government's Action taken replies vide No. IDB/MISC/COPU-1/2005/255, Dated 26th March, 2013.

NIRMSC Ltd. is taking active initiative for early finalization of accounts in consultation with A.G, Nagaland, Kohima.

COMMITTEE'S REITERATION:-

The Committee reiterates that when the Statutory Audit is planned and executed after a significant time gap it immensely affects the Department's efficacy and its usefulness so it is of paramount importance that the Department maintain and keep the Statutory Audit up to date .

Observations / Recommendations of the Committee

Sl. No 3. Para No 1.7 **Action taken on the above recommendation be intimated to the Committee within 3 (three) months from the date of presentation of this Report to the House.**

Government's Action taken replies vide No. IDB/MISC/COPU-1/2005/255, Dated 26th March, 2013.

NIRMSC Ltd. is taking active initiative for early finalization of accounts in consultation with A.G, Nagaland, Kohima.

COMMITTEE'S REITERATION:-

The committee is appalled by the department's delay in finalizing the Statutory Accounts. The committee also stressed upon the fact that the reason for its failure to update the accounts are not clearly outlined. Therefore, the committee recommends the department to find a solution to stem the rot and put all efforts, strategically as well as maximizing the utility of man power so as to curb and solve the corroding problems.

Observations / Recommendations of the Committee

Sl. No 3. Para No 1.11 **The Committee, therefore, urged the**

Department/ Corporation to accomplish the latest position of these arrears. Secondly the Committee insisted upon the Department to address the VRS and to get the means for disposal as the Corporation's pay and allowances becomes a huge financial burden to the Government. The Committee further insisted that the Department, in setting aside the VRS cases should not inherit the corruption style of Nagaland Sugar Mill Company (NSMC).

1. Government's Action taken replies vide No. IDB/MISC/COPU-1/2005/255, Dated 26th March, 2013 and No. IDB/MISC/COPU-1/2005(VOL-1) Dated 5th March, 2014.

(i) NIRMISC Ltd. is taking all possible effort to finalize the arrears of accounts and presently, the arrears of accounts has been reduced to 11 (eleven) years.

(ii) NIRMISC Ltd. has submitted a proposal amounting to Rs. 1.70 crore for VRS opted by 14 (fourteen) nos. employees during the current financial year 2011-12 and is awaiting sanction from the Government.

(iii) NIRMISC Ltd. has submitted VRS proposals to the Government vide our letter of even number NIRMISC/ACCTT-42/2004-05/ dated, 04/08/2008, 19/05/2010, 21/04/2011 and 16/02/2012 respectively. But due to fund constrained, sanction could not be accorded by the State Government till date.

However, no alternative measures have been initiated in lieu of the proposal of VRS. However, the Board of Directors of NIRMISC Ltd. on its 102nd meeting dated, 28.09.2011 has resolved that at least 50% of the NIRMISC Ltd. Staff should opt for VRS and the VRS post will be treated as abolished and no further appointment will be made against the VRS vacated posts.

COMMITTEE'S REITERATION:-

The Committee while acknowledging the efforts made in regards to the reduction of timeframe for finalization of arrears from 31 years to 11 years, still feels that it can be reduced to a shorter period of time so as to avoid accumulation of works and for the smooth

functioning of the corporation. The committee also reiterates that in the interest of the Corporation the Dept. should issue orders to avoid new appointments unless work load justifies it. Since the Corporation is under excessive financial strains with Statutory Audit being delayed every year, appointing new employees will only add to the financial burden which will ultimately handicap the Corporation.

Observations / Recommendations of the Committee

Sl. No 3. Para No 1.12 The process of VRS or any new adventure strategized by the Department be intimated to the Committee within three (3) months from the date of presentation of this Report to the House.

1. Government's Action taken replies vide No. IDB/MISC/COPU-1/2005 (VOL-1) Dated 5th March, 2014.

(i) NIRMISC Ltd. has submitted a proposal amounting to Rs. 1.70 crore for VRS opted by 14 (fourteen) nos. employees during the current financial year 2011-12 but due to fund constraint, sanction could not be accorded by the State Government till date.

(ii) NIRMISC Ltd. is initiating to venture into business of procuring and supplying local coal outside the State . In regard to Local Coal business, NIRMISC decided not to participate in the said business till the market is well stabilized.

However, it is with regret to say that the stated business could not be materialized but NIRMISC is looking for other avenues for generating sustainable income for the Corporation.

COMMITTEE'S REITERATION:-

The committee opined that the blame for deterioration and corrosion of NIRMISC should not be shifted to banning of loggings by the Supreme Court without considering the officers accountability. NIRMISC should enter into feasible business and stand on its own feet and should not bring the department solely to avail central funds and later abandon the project after first installment.

Observations / Recommendations of the Committee

Sl. No 3. Para No 1.16 The Committee while appreciating the recommendations made by the Accountant General, further reiterates and urged the Department to tackle the problem of arrear in finalization of the accounts by observing the above specified recommendations.

The action taken on the above recommendations be intimated to the Committee within three (3) months from the date of presentation of this report to the House.

Government's Action taken replies vide No. IDB/MISC/COPU-1/2005/255, Dated 26th March, 2013.

We are obtaining all necessary help/support from the office of the A.G, Nagaland, Kohima, as and when required, for early finalization of accounts.

COMMITTEE'S REITERATION:-

The committee reiterates that poor planning, inefficient execution and lack of proper monitoring should not be a factor for the delay in finalization of arrears. The committee urged the department to shift all of its focus, efforts and man power towards the finalization of arrears at the earliest.

**NAGALAND LEGISLATIVE ASSEMBLY
SECRETARIAT : KOHIMA.**

AS/COPU-4/2018/
Dated: 19/07/2019

**MINUTES OF THE ADOPTION MEETING OF THE
COMMITTEE ON PUBLIC UNDERTAKINGS HELD ON
19th JULY 2019.**

MEMBERS PRESENT.

- | | | |
|----|-----------------------------|------------|
| 1. | Dr. Neikiesalie Nicky Kire | : Chairman |
| 2. | Shri. E. E. Pangteang | : Member |
| 3. | Shri. Toshi Wungtung | : Member |
| 4. | Shri. Kezhienyi Khalo | : Member |
| 5. | Shri. L. Khumo Khiamniungan | : Member |

ASSEMBLY SECRETARIAT

- | | | |
|----|--------------------------|----------------------|
| 1. | Shri. K. Sekhose | : Secretary |
| 2. | Smti. Aosenla | : Addl. Secretary |
| 3. | Smti. Kungkamlu | : Joint Secretary-II |
| 4. | Smti. Kedovino Peseyie | : Deputy Secretary |
| 5. | Shri. Zasituoilie Angami | : Under Secretary |
| 6. | Shri. Shepohu Lohe | : Section Officer |

Hon'ble Chairman welcomed the Committee Members, and expressed his appreciation to the members for making themselves available to attend the adoption meeting.

The committee thoroughly deliberated the Reports and adopted the 70th, 71st, 72nd, 73rd, 74th and 75th Reports of the COPU.

Sd/-
K.SEKHOSE
SECRETARY
NAGALAND LEGISLATIVE ASSEMBLY