

**NAGALAND LEGISLATIVE ASSEMBLY  
SECRETARIAT : KOHIMA**

**COMMITTEE ON PUBLIC UNDERTAKINGS  
(2019-2020)**

**(THIRTEENTH ASSEMBLY)  
81<sup>st</sup> Report**



**ON**

**The Examination of Audit Paragraphs that appeared in the report of the Comptroller & Auditor General of India for the year 2011-2012 contained in the Nagaland Industrial Development Corporation (NIDC) under the Department of Industries and Commerce, Government of Nagaland.**

**Adopted by the Committee on 25/11/2019  
Presented to the House on 08/02/2020**

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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. Vikheho Swu : MLA  
3. Shri. Khumo Khiarniungan : 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. Kedovino : Deputy Secretary  
4. Shri. Zasituolie Angami : Under Secretary  
5. Shri. Shepohu Lohe : Section Officer

**INTRODUCTION**

I, the Chairman, of the Committee on Public Undertakings, having been authorized by the Committee (2019-2020) do hereby present on their behalf this 81<sup>st</sup> Report on the audit paras relating to Nagaland Industrial Development Corporation (NIDC) under the Department of Industries and Commerce Government of Nagaland, contained in the Report of the Comptroller & Auditor General of India for the year 2011-2012.

1. The Committee for the term 2019-2020 was constituted on 26/2/2019 under Rule 239 (A) of the Rules & Procedure and Conduct of Business in Nagaland Legislative Assembly. The Committee selected and examined the above Report on the paras and held evidence meeting with Departmental Representatives on the 10<sup>th</sup> July 2019.
2. The Committee expressed its gratitude to the Officers of the Department of Industries and Commerce (Nagaland Industrial Development Corporation) (NIDC) for their co-operation in furnishing the required information and tendering evidence to the Committee while discharging their works as entrusted by the House.
3. The Committee would also like to express its appreciation to the Accountant General, Nagaland for extending valuable assistance and guidance in the examination of this Report during evidence meeting.
4. The Committee place on record its appreciation, the valuable assistance rendered by the Secretary and Officials of the Nagaland Legislative Assembly.
5. The Committee considered and adopted the Report at its sitting held on 25/11/2019

Dated : 25/11/2019  
Kohima

Sd/-  
**Dr. NEIKIESALIE NICKY KIRE**  
CHAIRMAN

## REPORT

### PERFORMANCE OF THE PSUs

1. **Para 3.6 of C & AG Report:** As indicated in the C & AG Report, the State Working PSUs for the period of 2007-2008 to 2011-2012 incurred losses and could not get any return on capital employed. It lacked deficiencies in management, planning, running their operation & monitoring. The accumulated losses incurred from 26.95 crore in 2007-08 to 48.53 crore in 2011-12.
2. The Committee reiterated whether the Administrative Departments have come up with any constructive plans to improve the performance of these PSUs.
3. The Department stated that various measures have been initiated, such as inspection of selected entrepreneurs with detail information to improve the appraisal and sanction of loans overdue and legal actions by way of recovery suit.
4. **The Committee recommend to provide documentary evidence of the measures taken by the Department to improve the working of the PSUs and submit to the Committee on Public Undertakings within 1 (one) month from the date of presentation of this report on the Table of the House.**
5. **The Committee also recommend to furnish the statement of the employees both casual and permanent along with the salary breakup and the amount being paid for salary of employees for the last three years and submit to the Committee on Public Undertakings within 1 (one) month from the date of presentation of this report on the Table of the House.**

**ARREARS IN FINALIZATION OF ACCOUNTS**

- 6. **Para 3.7 of C & AG Report:** The accounts of the Companies for every financial year are required to be finalized within six months from the close of the relevant financial year. All the PSUs need to take effective measures for early finalization of backlog accounts and make the accounts up-to-date in order to restrict accumulations of arrears.
- 7. In the absence of finalization of accounts and their subsequent audit it cannot be ensured whether the investment and expenditure incurred have been properly accounted for and the purpose for which the amount was invested has been achieved or not. It has been observed that the arrears in finalization of the accounts ranged from 1-13 years as of 31<sup>st</sup> March' 2012.
- 8. The Committee inquired whether any action has been initiated to liquidate the arrears in finalization of accounts.
- 9. The Department stated that Statutory Audit has been finalized upto 2011-12 & 2012-13 and submitted to Accountant General for Audit Review.
- 10. **The Committee wished to be informed of the progress of the finalization of backlog accounts. The Committee also direct the Department to submit the Non Review Certificates for the period ending 2011-2012 within 1 (one) month from the date of presentation of this Report on the Table of the House.**

**SUMMARY OBSERVATIONS/RECOMMENDATIONS MADE**

<u>Sl.No.</u>	<u>Para No.</u>	<u>Observations/Recommendations Made.</u>
1.	3.6	The Committee recommend to provide documentary evidence of the measures taken by the Department to improve the working of the PSUs and submit to the Committee on Public Undertakings within 1 (one) month from the date of presentation of this report on the Table of the House.  The Committee also recommend to furnish the statement of the employees both casual and permanent along with the salary breakup and the amount being paid for salary of employees for the last three years and submit to the Committee on Public Undertakings within 1 (one) month from the date of presentation of this report on the Table of the House.
2.	3.7	The Committee wished to be informed of the progress of the finalization of backlog accounts. The Committee also direct the Department to submit the Non Review Certificates for the period ending 2011-2012 within 1 (one) month from the date of presentation of this Report on the Table of the House.

**NAGALAND LEGISLATIVE ASSEMBLY**  
**SECRETARIAT: KOHIMA.**

AS/COPU-4/2018/  
Dated: 26/07/2019

**MINUTES OF THE ORAL EVIDENCE MEETING OF THE  
COMMITTEE ON PUBLIC UNDERTAKINGS WITH  
NIRMSC, NHHDC, NHL, NIDC UNDER THE DEPARTMENT OF  
INDUSTRIES AND COMMERCE AND NSMDC UNDER THE  
DEPARTMENT OF GEOLOGY AND MINING FROM 10<sup>TH</sup> JULY, 2019  
TO 12<sup>TH</sup> 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   |

**A.G's OFFICE**

- |                 |                           |
|-----------------|---------------------------|
| 1. Shri Subbiah | Deputy Accountant General |
|-----------------|---------------------------|

**FINANCE DEPARTMENT**

- |                |                   |
|----------------|-------------------|
| 1. Shri V.Kezo | Special Secretary |
|----------------|-------------------|

**DEPARTMENT REPRESENTATIVES**

- |                                |  |
|--------------------------------|--|
| 1. Smti. Lithrongla G. Chishi  | Commissioner & Secretary<br>Deptt. of Industries &<br>Commerce |
| 2. Shri Hokishe Assumi         | Director, Deptt. of Industries &<br>Commerce                   |
| 3. Shri Bendangtoshi Longkumer | Managing Director, NIDC  |

**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 Zasituolie Angami | Under Secretary    |

At the outset, the Hon'ble Chairman welcomed the Committee members, A.G's Representative, Finance representative and Departmental Representatives and expressed appreciation to the members for making themselves available to attend the meeting.

The oral Evidence with the NIRMSC had to be called off due to a procedural lapse. The Committee therefore directed the department to route their replies through the government.

During the oral Evidence with NHHDC, the Department informed the Committee that Corporation was overstaffed which is the major reason that the Corporation was incurring losses. In order to control this, the Department is working out a policy to pay craftsman on the basis of production, minimizing recruitment of new staff, and abolishing some post on retirement.

The Committee directed the Department to regulate the prices of their products sold at their emporiums and other outlets and to maintain consistency in supply of products.

The Department informed that NHL is the only Corporation that is not incurring losses. The Committee directed the Department to substantiate their reply of the C&AG report of 2015-2016, at Para 3.1.11 with documents.

The Committee directed the NIDC to substantiate their reply of the C&AG report of 2011-2012. Para 3.6 with documents.



On the suggestion of the Finance representative, the Committee advised the NSMDC under Department of Geology & Mining to come up with a compelling presentation in order to convince the Government for additional funds.

The Committee advised both Departments (Industries & Commerce and Geology & Mining) to be professional in terms of their language usage while furnishing replies to the Committee on questionnaires of the C&AG Report.

All the Corporations were also directed to take up environmental assessment and proper waste management while conducting activities or programmes.

On the direction of the Committee the Adoption of the Committee Reports was rescheduled for 19<sup>th</sup> July, 2019.

Verbatim record of the meeting was kept.

Sd/-  
**(K.SEKHOSE)**  
SECRETARY  
NAGALAND LEGISLATIVE ASSEMBLY

ANNEX - II  
**NAGALAND LEGISLATIVE ASSEMBLY**  
**SECRETARIAT : KOHIMA.**

NO. AS/COPU-4/2018/  
Dated Kohima the 27<sup>th</sup> Nov. 2019

**MINUTES OF THE ADOPTION MEETING OF THE COMMITTEE ON  
PUBLIC UNDERTAKINGS HELD ON 25<sup>TH</sup> NOVEMBER, 2019**

**MEMBERS PRESENT**

1. Dr. Neikiesalie Nicky Kire : Chairman
2. Shri Toshi Wungtung : Member
3. Shri. Vikheho Swu : Member

**ASSEMBLY SECRETARIAT**

1. Shri K. Sekhose : Secretary
2. Smti Aoslena : Addl. Secretary
3. Shri Zasituoлие Angami : Under Secretary
4. Shri Shepohu Lohe : Section officer

The 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 81<sup>st</sup> and 82<sup>nd</sup> Reports of the COPU.

Verbatim record of the meeting was kept.

Sd/-  
**K.SEKHOSE**  
SECRETARY  
NAGALAND LEGISLATIVE ASSEMBLY

