

MINISTRY OF TEXTILES

CHAPTER X

Jute Corporation of India Limited

Fulfillment of socio-economic objectives

Executive Summary

Jute Corporation of India (company) was set up in 1971 with the main aim of providing Minimum Support Price (MSP) to the jute farmers and to serve as a stabilizing agency in the raw jute sector. The company procures jute from the farmers at MSP and supplies to the jute mills. The performance audit, covering a period of six years (2003-2009), was conducted to assess whether the company implemented the price support operations effectively to ensure remunerative prices to the jute farmers. Audit sample covered 26 Departmental Purchase Centres (DPC) out of 171 DPCs in six major jute growing states. A number of deficiencies mentioned below were noticed in the functioning of the company:

- The company procured only 0.99 per cent to 10.4 per cent of available jute in India during the six years (2003-09). Thus, the company could not play any significant role in price stabilization and in ensuring remunerative prices to the jute farmers.
- The analysis regarding total estimated production and stock of the raw jute is made by the Jute Advisory Board in advance. The company, however, did not formulate any business plan, based on this information.
- Out of 500 centres where jute trading takes place, the company operates in 171 centres and has appointed co-operative societies in 40 centres for carrying out MSP operation on its behalf. Thus, total coverage by the company is only 43 per cent of the jute centres. Geographical location of some of the centres is not convenient to farmers resulting in long distance travel and extra cost to the farmers and even distress sale in the local markets.
- Due to the lack of storage facilities, some centres stopped procurement on several occasions which forced the farmers to go in for sale to the middlemen at lower prices.
- The company could not enhance its turnover and suffered losses in all years from 2004-05 to 2007-08 excepting the year 2004-05. The company continued to depend on subsidies. GOI reimbursed Rs. 36.59 crore for overhead costs for 2007-08 and regularized grants of Rs. 147.06 crore released from 2003-04 to 2007-08.

The per quintal operational expenses of the Company are Rs. 409 which are higher than the operational expenses of Rs. 367 of private traders.

Though the company's present price support operations cannot be called effective, there is tremendous scope to rectify deficiencies in its functioning.

Summary of recommendations

The Company should:

- (i) *Develop its own system of identifying the jute growers with the help of State governments.*
- (ii) *Take steps to ensure that MSP for all grades and locations is announced well before the commencement of the sowing season each year.*
- (iii) *Increase its procurement substantially if the market prices are found to be below Minimum Support Price during the peak season.*
- (iv) *Make comprehensive business plan so that the existing resources can be optimally utilised to procure maximum jute offered by the farmers.*
- (v) *Take immediate steps to have suitable infrastructure at all the centres and idea of mobile purchase centres may be explored along with higher involvement of village level Self Help Groups for procuring raw jute.*
- (vi) *Unviable Departmental Purchase Centres and sub-centres need to be quickly identified and relocated to ensure better operating performance.*
- (vii) *Temporarily enhance its storage facility by hiring godown during peak procurement season in those areas where there are higher arrivals. Efforts may be expedited to hire godowns of National Jute Manufacturing Corporation in Kolkata.*
- (viii) *Taken steps to ensure that provisions of the sales contract are strictly adhered to avoid delays in lifting of jute by the mills.*
- (ix) *Make efforts to have back to back arrangement with the jute mills so that jute is directly transferred to mills.*

10.1 Introduction

Jute is a plant fibre that can be spun into coarse, strong thread. The fibre comes from the stem and ribbon of the jute plant and is extracted by a process called retting in which the jute stems are bundled together then immersed in water to remove extraneous matter. Jute is one of the cheapest natural fibres and is second only to cotton in amounts produced and variety of use. It is used primarily for producing Hessian, sacking, carpet, yarn and twine among others. The technical usages of jute include applications in the agricultural, automotive, construction, engineering and medical sectors. India with overall production of 58 per cent of world jute production is the highest jute producer in the world followed by Bangladesh with 33 per cent. Production of jute is mainly concentrated in eastern part of India and north Andhra Pradesh. The average production of jute is 109.79 lakh bales¹ per annum. Jute industry occupies a significant place in the economy and provides

¹ 1 bale is equal to 180 Kg

livelihood to around 40 lakh farm families and direct employment to two lakh workers. Jute has about 9.37 lakh hectares area under cultivation in India.

10.1.1 Government support to jute sector

Raw jute and jute textiles were included as essential commodities under the Essential Commodities Act 1955. The Government of India (GOI) also issued various control orders for facilitating Minimum Support Price (MSP) operations. These control orders empower the Jute Commissioner to (i) fix prices of raw jute and jute products, (ii) to control production of jute textiles (iii) to regulate stocks of raw jute, (iv) to inspect quality *etc.* The powers were also vested under clause 5 of the Jute and Jute Textile Control Act 2000 (modified in November 2002) with the Jute Commissioner (JC) to prevent default in lifting of jute by jute mills from Jute Corporation of India (Company). In addition to the control orders, the Jute Packaging Materials (compulsory use of Packing Commodities) Act 1987 (JPM Act) was promulgated and jute packaging of food grains and sugar was made mandatory.

10.1.2 Role of Jute Corporation of India

Jute Corporation of India (JCI) was set up in 1971 with the main aim of providing MSP to the jute farmers and to serve as a stabilising agency in the raw jute sector. The authorised and paid-up capital of the Company is Rs. 5.0 crore. The administrative control of the Company vests with the Ministry of Textiles (MoT). Day- to- day management of the Company is vested with the Board of Directors. The Additional Secretary and Financial Advisor (AS&FA), Joint Secretary (Jute) and the Jute Commissioner (JC) are the members of the Board. The Chairman cum Managing Director conducts the business of the Company as per powers delegated by the Board. The Company functions through its Head office located in Kolkata and sixteen Regional Offices (RO) and 171 Departmental Purchase centres (DPC) and Sub-centres (SC) located in six² major jute growing states. The DPC and SC are responsible for purchasing, sorting, baling, pressing, packing, storage and delivery of raw jute to the jute mills under the overall control of the Head Office.

During March 2003-04, the accumulated loss of the Company amounted to Rs. 127.32 crore as the Government of India did not reimburse the losses incurred by the Company under MSP operation. MoT approved (June 2005) the functional and financial reconstruction of the Company retrospectively from 2003-04. The Company could not enhance its turnover and suffered losses in all years from 2004-05 to 2007-08 excepting the year 2004-05. The details of turnover and profit/(loss) of the last five years are given below in **Table 10.1**:

² *West Bengal, Assam, Bihar, Andhra Pradesh, Orissa and Tripura.*

Table 10.1

(Rs. in crore)

Year	Turnover	Profit/(loss) after tax
2004-05	188.53	1.53
2005-06	41.41	(17.77)
2006-07	32.76	(44.04)
2007-08	142.63	(13.80)
2008-09	166.93	92.08

Even after financial and functional restructuring, the Company continued to depend on subsidies. GOI reimbursed (January 2009) Rs. 36.59 crore for overhead costs for 2007-08 and regularised grants of Rs. 147.06 crore released from 2003-04 to 2007-08.

10.1.3 Linkage of JCI jute

Food Corporation of India and other public agencies purchase jute bags by placing purchase orders to Directorate General of Supplies and Disposal (DGS&D). The DGS&D coordinates with the Ministry of Textiles. The Jute Commissioner (MoT) thereupon issues monthly Production Control Order (PCOs) under Essential Commodities Act on the Jute Mills in the country depending upon the monthly allocation indents. The JC allocates the indents among the mills by issuing Purchase Control Orders (PCO) for supply of subscribed quantity of B-Twill bags directly to the procurement agencies. JC also allocates the quantum of MSP raw jute to be lifted by jute mills at a MSP derivative price³ from the Company against the B-Twill linkage. The prices of B-Twill bags which are cost plus are also fixed by JC as per the recommendation of the Tariff Commission⁴.

10.2 Scope of Audit

This performance audit covers the procurement of raw jute under MSP in the six jute growing states covering a period of six years from 2003-04 to 2008-09.

10.3 Audit objectives

The performance audit was conducted to assess whether the Company could effectively implement price support operations to ensure remunerative prices to the jute farmers.

10.4 Audit criteria

The fulfillment of socio-economic objectives of the Company was assessed in terms of the following criteria:

- Directives of the GOI for MSP operations; and

³ Reimbursement of MSP value of raw jute plus incidental operational expenses and service charges.

⁴ The commission is headed by a full-time chairman of the rank of Secretary to the Govt. of India and is assisted by full-time member designated as Member-Secretary in the rank of Additional Secretary. The other members of the commission will be part-time members whose number may vary from 3 to 5.

- Instructions/ Circulars issued by the Company to all ROs, DPCs and SCs.

10.5 Audit methodology

After a preliminary study and collection of background information, entry conference was held on 24 April 2009 for discussion of audit objectives and audit criteria with the Management of the Company. Test audit was conducted during May 2009 to August 2009. Exit conference to discuss the audit findings and recommendations was held on 13 October 2009.

10.6 Audit sampling

Detail audit was conducted in 26 DPCs situated in six⁵ major jute growing states. Survey of farmers satisfaction was also conducted in 52 DPCs (including the 26 DPCs selected for detail audit). The selection of DPCs was done by using the sampling method of Probability Proportion to Size without Replacement (PPSWOR).

10.7 Acknowledgement

Audit acknowledges the cooperation and assistance extended by the Management of the Company at various stages of the performance audit.

⁵ *West Bengal, Assam, Bihar, Andhra Pradesh, Orissa and Tripura.*

10.8 Audit findings

10.8.1 Preparedness for procurement of raw jute

10.8.1.1 Identification of jute growers

To ensure that the benefit of price support is availed by genuine jute farmers, it is imperative that the jute farmers are correctly identified. It was observed that the Company does not have a system of identifying such farmers. The Company instead depended on the state governments concerned to furnish a list of growers of the respective areas. Except in Andhra Pradesh which issues a passbook to the farmers, such lists of jute cultivators were not always found available in the remaining jute growing states.

While admitting the facts, the Management stated that such system of identification was followed from last so many years. The Management further stated that the DPCs were advised to prepare list/ register of jute growers of the villages under the respective DPC under JTM, MMIII.⁶

From the reply it is clear that the system of identification of jute growers is inadequate. The list prepared by some DPCs under JTM scheme was only for two hundred farmers. Hence, majority of the jute farmers have not been covered in the list prepared by the Company.

Recommendation No. 10. 1

The Company, with the help of state governments, should develop its own system of identifying the jute growers.

10.8.1.2 Announcement of MSP

The Commission for Agriculture Costs and Prices (CACP)⁷ declares the Ex-Assam MSP for TD-5* between October to December every year. Thereafter, the JC fixes and notifies the MSP for all other locations and grades based on the calculation made by JCI. After this notification, the Company announces the MSP to the farmers through its ROs, DPCs and SCs. It was observed that inspite of repeated suggestions of the CACP to announce the MSP well before the commencement of the sowing season (February-April) the MSP was generally announced in the month of May or June. Delayed announcement of MSP adversely affects the decision of farmers to allocate land and other resources to jute farming.

In reply the Management stated that the delay in announcement of MSP was due to delay in announcement by the Government.

⁶ *Jute Technology Mission, Mini Mission-III*

⁷ *A central Government body to advise the Government on price policy of major agricultural commodities with a view to evolving a balance and integrated price structure in the perspective of the overall needs of the economy and with due regard to the interests of the producer and the consumer.*

* *Variety of jute*

Audit observes that between 1999-2000 to 2008-09, the MSP announced by CACP and the Government has been the same. Hence, had the Company taken up the matter proactively with the JC, a quick announcement of MSP was possible. Audit found no evidence that the Company took up the matter proactively with JC.

Recommendation No. 10.2

The Company along with JC and MoT may take steps to ensure that MSP for all grades and locations is announced well before the commencement of the sowing season each year.

10.8.1.3 Grade differential

The gradation of jute is done from TD-1⁸ to TD-8. The medium to inferior grades of jute fibre which are graded lower than TD-4 constitute the major quantum of production. For making high value products, jute of better fibre quality is required. It was, however, observed from the MSP fixed for Assam for all the grades (TD-1 to TD-8) for the year 2007-08 that the MSP differential between the highest grade (TD-1) and the inferior grades (grades lower than TD-5) was 26 to 47 *per cent*. Thus, there was a marginal price differential between different grades. Due to such marginal differential, the MSP fixed, may not, encourage jute growers to go for production of higher grades.

The Management in reply stated that the Company has initiated schemes under Jute Technology Mission (JTM) for enhancement of the quality of raw jute to ensure higher price to the farmers. Regarding the enhancement of price differential between grades, the Company has been regularly discussing with JC and accordingly prices are fixed.

The price differential between different grades of jute has remained the same and marginal for more than five years. Audit observed that Company did not take up the matter with JCI to ensure that there was enhancement of price of higher grades of jute.

Recommendation No. 10.3

The Company should take up the matter with the JC to enhance price differential between different grades so as to promote the production of higher grade jute in the country.

10.8.1.4 Lower MSP for North Bengal Jute

Jute produced in North Bengal is superior in fibre quality (tex), fiber and yarn tenacity. It fetches a premium of Rs. 300 - 400 per quintal in the market over the jute produced in South Bengal. However, its better quality has not been considered while fixing the MSP for North Bengal jute. The MSP of TD-5 (North Bengal) along with other location is derived after deducting freight charges, other charges and market levy from TD-5 Kolkata derivative price of that particular location. The freight charges are higher for north Bengal and are reduced from the Kolkata derivative price for north Bengal districts. Thus, the MSP for North Bengal is lower⁹ than that of South Bengal despite better quality.

⁸ Variety of jute

⁹ MSP for the north Bengal TD-5 jute was Rs. 1,275 per quintal and the MSP for the south Bengal TD-5 jute was Rs. 1,313 per quintal (2008-09)

The Management in reply stated that such practice is being followed for so many years to fix the MSP of raw jute. JCI has taken up the matter with JC in 2005-06 and regularly following to fix premium for north Bengal over south Bengal in line with ruling premium in trade.

The actions taken up the Company do not appear to be sufficient to ensure remunerative price to the farmers for premium quality of jute of north Bengal. Even after four years of the matter having been taken up with JC, the discrepancy remains. It appears that the jute mills are benefiting by getting premium jute at lower price at the cost of the farmers.

Recommendation No. 10.4

The Company should pursue with JC for fixing MSP of better quality North Bengal jute in such a way that MSP remains unaffected due to the freight element.

10.8.2 Procurement performance

Table 10.2 below indicates the procurement made by the Company against the total production of jute in the country during the last six years ending on 31 March 2009.

Table 10.2

Year of operation	Production of jute and mesta (lakh bales)	JCI procurement of raw jute (lakh bales)			Percentage of JCI procurement to total production	Procurement expenses (Rs. in crore)	Fixed overhead expenses (Rs. in crore)
		under MSP	under Commercial	Total			
2003-04	111.73	11.22	0	11.22	10.04	187.36	36.59
2004-05	102.72	3.56	0	3.56	3.47	75.20	41.11
2005-06	108.40	0.002	1.41	1.41	1.30	33.63	34.29
2006-07	114.21	0.023	4.82	4.84	4.24	123.45	38.72
2007-08	113.40	7.66	0	7.66	6.75	158.00	40.68
2008-09	103.28 (estimated)	1.02	0	1.02	0.99	33.66	70.81

The Company was expected to assume a commanding position in the jute market and act as the most powerful stabilizing factor to ensure remunerative prices to the jute farmers. The Company, however, procured only 0.99 per cent to 10.04 per cent of the available jute in India during the last six years. Thus, despite substantial expenditure it could not play any significant role in price stabilisation and in ensuring remunerative prices to the jute farmers. In fact, due to low market prices during 2007-08, farmers had to sell produce below MSP price.

The Management in reply stated that the performance of the Company was lower due to the higher market price over the MSP.

The reply is not convincing as the Company itself admitted that during 2007-08, the farmers had to sell their raw jute below MSP price. During that year the procurement by the Company was only 6.75 per cent of the total production. Even during the years 2001-02 to 2003-04 market prices were depressed but the procurement by the Company at MSP ranged between 2.11 and 11.65 per cent of total production.

10.8.2.1 Lower procurement in the peak season

More than 50 per cent of the total jute production is brought to the market during the harvesting months of August to November. During this peak period due to sudden huge availability, prices tend to fall below the MSP level. Rather than maximise its procurement in this peak period, it was seen that the maximum procurement of the Company in terms of percentage of total arrival of jute in the market ranged only between 16.90 per cent (2004-05) and 27.49 per cent (2003-04). This not only resulted in the market price dipping below the MSP in certain jute markets but also affected the overall procurement of the Company.

The Management in reply stated that the lower procurement was due to irregular MSP.

The reply of Management is not acceptable as during the peak season (August to November) the prices are generally lower than the MSP and in order to fulfil its objectives to ensure the benefit of MSP to farmers, the Company should have procured higher quantity of raw jute.

Recommendation No. 10.5

During the peak season, the Company should increase its procurement substantially if the market prices are found to be below MSP.

10.8.2.2 Lack of planning

The market price of raw jute depends on the availability of raw jute. If crop year starts with higher estimated production and opening stock, the price tends to fall below the MSP. The analysis regarding total estimated production and stock of the raw jute is made by the Jute Advisory Board¹⁰ in advance. The Company, however, did not formulate any business plan based on this information. Accordingly, no procurement targets were set for its centres. In the absence of a detailed action plan most of the raw jute remained out of the purview of the MSP operation of the Company.

In reply the Management stated that in every MSP seasons JCI conducts periodic operational meetings and circulates appropriate instructions to its DPCs and SCs to conduct MSP by extensive utilisation of its available infrastructure.

The Company did not fix centre-wise procurement targets based on the forecast arrival of jute. Contrary to efficient business practice the Company merely issued circulars which were routine in nature.

Recommendation No. 10.6

The Company should make comprehensive business plan so that the existing resources can be optimally utilised to procure maximum jute offered by the farmers.

10.8.2.3 Limited coverage

There are 500 centres where jute purchases are transacted. The Company through its DPCs and SCs, operates in 171 centres and has appointed co-operative societies in further

¹⁰ Jute Advisory Board, a body representing the government, growers, industry and traders.

40 centres for carrying out MSP operation on its behalf. Thus, total coverage by the Company is only 43 *per cent* of the jute centres resulting in some DPCs and SCs catering to more than 10 administrative blocks. It was also observed that the geographical locations of some DPCs¹¹ and SCs are not farmer convenient since they are located at places far from the jute growing areas. This resulted in both long distance travel and extra cost to the farmers and even distress sale in the local markets. It was also observed from the records pertaining to 113 centres, there were 30 centres without suitable infrastructure like effective bailing press, godowns, assortment shed or office premises which affected procurement.

The Management reply was silent about the inconvenient geographical locations and unsuitable infrastructure of some DPCs and SCs. However, the Management stated that the concept of mobile DPCs would be explored with relocation/ merger of existing DPCs to economically cover more areas.

Recommendation No. 10.7

The Company should take immediate steps to have suitable infrastructure at all the centres and idea of mobile purchase centres may be explored along with higher involvement of village level Self Help Groups for procuring raw jute.

10.8.2.4 Unviable and under performing centres

It was observed that there were 12 centres where there was either no procurement or negligible procurement during the last three to five years. Fixed overhead cost of Rs. 169.59 lakh continued to be incurred during the same period. There are 10 DPCs and SCs where the procurement during the last five years was low and the Company incurred on an average Rs. 1,080 to Rs. 4,928 per quintal on salaries and wages during the last five years. However during the period the MSP was ranging between Rs. 890 and Rs. 1,250 per quintal.

The Management stated that initiatives are being taken to identify underperforming centers for their relocation. With relocation/merger of few DPCs, the Company can curtail some variable/fixed overhead expenses.

In this context audit observed that the unviable or poor performing DPCs have been in the knowledge of the Company for the past several years but no suitable remedial action for relocation has been taken so far.

Recommendation No. 10.8

Unviable DPCs and SCs need to be quickly identified and relocated to ensure better operating performance.

10.8.2.5 Limited Storage

Average storage capacity of each godown available with the centres is around 2000 quintals. Due to this limited storage capacity, the Management directed the DPCs and SCs to restrict their purchase to 250 quintals and 200 quintals per day, respectively

¹¹ Gwalpara, Puraini, Alamnagar, Basanpur etc., these areas are located 15-30 Km away from the DPCs.

against an arrival of more than 1500 quintals per day. Due to the lack of storage facilities, some centres stopped procurement on several occasions which forced the farmers to go in for sale to the middlemen at lower prices. The Company's proposal (June 2007) of taking NJMC¹² godowns at Kolkata mills for storage by paying rent of Re. one per square foot per month has not been finalised.

The Management in reply stated that generally during the peak purchasing seasons the Company hired additional godowns as per requirements. Under Jute Technology Mission (mini mission-III) there is provision for construction of additional storage capacity to cope up with additional storage needs.

Audit observed that the JTM was approved by the Government during June 2006 and is being implemented only from 2007-08. The Company had not taken appropriate action for enhancing even temporary storage for last several years and instead the DPCs and SCs were asked to restrict daily procurement.

Recommendation No. 10.9

Since the cost element on rent in rural area is nominal, the Company may temporarily enhance its storage facility by hiring godown during peak procurement season in those areas where there are higher arrivals. Efforts may be expedited to hire NJMC's godowns in Kolkata.

10.8.2.6 Slow stock rotation

The Company takes around 135 days from the date of procurement of raw jute to deliver the same to the mills. The deployment of lower than required number of contractual labourers resulted in more mandays taken for sorting and packing. Further delays are caused by the delay in receiving linkage from JC. The Company gets the linkage order on submission of stock statement to the JC. Since the Company submits the stock statement in the last week of the month, JC considers stock statement of the preceding month for the issue of linkage, thus, causing delay of one month. These issues resulted in the Company having to face severe storage constraint and incurring higher operational cost. It was further observed that most of the mills defaulted in lifting of raw jute allotted to them. This was due to the fact that the mills generally lift JCI raw jute only when market prices increase above the Kolkata landed MSP.

The Management in reply stated that in peak seasons there is an acute shortage of hired labour along with transportation problem. Company has implemented on-line data transfer facility, coordinating all its procurement centres for summarisation of stocks on daily basis and submission of the same to the appropriate authority. The Management further stated that delay in lifting of jute by mills may be dealt in association with the JC and mills by pursuing them as per provision of contract.

From the reply of the Management it is clear that there is lack of planning by the Company which causes problems of insufficient labour and transportation year after year. The online data transfer facility is not fully implemented. Audit found no evidence that

¹² *National Jute Manufacturing Corporation Limited*

the Company ever cancelled contracts and charged the mills for the difference in the contract price and the market price on date as per the provisions of sales agreements. Thus, the reply of the Management is not convincing.

Recommendation No. 10.10

Stock statement may be submitted to the office of JC at shorter intervals (weekly or fortnightly) to avail faster linkages for quick rotation of stock.

Steps may be taken to ensure that provisions of the sales contract are strictly adhered to avoid delays in lifting of jute by the mills.

10.8.3 Marketing inefficiencies

10.8.3.1 Avoidable higher operational expenses

The per quintal operational expenses of the Company are Rs. 409 which are higher than the operational expenses of Rs. 367 of private traders. Audit observed that this is because private traders have arrangement with the mills which provides them ready sales outlet. The Company does not have such arrangement with the mills. Instead the Company waits for the JC to award the PCO linkage. Thus, the centres have to shift the stock to the local storage incurring additional expenditure on transportation, loading, unloading, stacking and godown rent. Prolonged storage affects the weight coupled with additional expenditure for reweighing. Due to higher operational costs, the Company is not in a position to compete with the private traders.

The Management in reply stated due to payment of sales tax the expenses are higher than the private traders. The modification in procedures of back to back arrangement can only be possible with the consent of the buyer for which JCI has been making all efforts.

The reply is not convincing as the operational expenses of private traders (Rs. 367) also include the payment of sales tax¹³. The Company incurs higher operational expenditure because no back to back arrangements¹⁴ with the mills have been made due to lack of marketing efforts.

Recommendation No. 10.11

The Company should make efforts to have back to back arrangement with the jute mills so that jute is directly transferred to mills.

10.9 Conclusion

The MSP operation of the Company covers only 43 per cent of the trading centres. Due to poor planning and inadequate infrastructure, the existing centres could procure only 0.99 to 10.04 per cent of total production of jute between 2003-04 and 2008-09. As a result, the benefit of price support was not made available to most of the farmers. As a result, at times the farmers had to sell their produce at prices lower than MSP. A number

¹³ Rs.58 per quintal

¹⁴ Under such arrangement, the Company may procure jute on behalf of mills and despatch it directly to the respective mills.

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of deficiencies were noticed in the functioning of the Company. The Company did not plan operations systematically to cover the high operating expenses. For the Company to fulfil its price support obligations and to be self sustaining, the MSP operations need to be systematised and scaled up.

The matter was reported to the Ministry in February 2010; their reply was awaited (March 2010).

**New Delhi
The**

**(SUNIL VERMA)
Deputy Comptroller and Auditor General
(Commercial) and Chairman, Audit Board**

Countersigned

**New Delhi
The**

**(VINOD RAI)
Comptroller and Auditor General of India**