

**GOVERNMENT OF INDIA
HEALTH AND FAMILY WELFARE
LOK SABHA**

UNSTARRED QUESTION NO:3504

ANSWERED ON:16.04.2010

ELECTRONIC TRANSFER OF FUNDS

Adsul Shri Anandrao Vithoba; Dharmshi Shri Babar Gajanan; Owaisi Shri Asaduddin; Yadav Shri Dharmendra; Yadav Shri Sharad

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether the Comptroller and Auditor General (CAG) has raised objections to the manner in which contracts of Health and Family Welfare have been awarded for the electronic transfer of funds upto the District and Panchayat to Industrial Credit and Investment Corporation of India (ICICI) Bank;

(b) if so, the details in this regard alongwith the reasons for not consulting the State Governments before awarding contract; and

(c) the remedial measures taken to check reoccurrence of such incidents in future?

Answer

THE MINISTER OF HEALTH & FAMILY WELFARE (SHRI GHULAM NABI AZAD)

(a) No.

(b) Does not arise. However, the States were allowed to continue with the existing public sector banks if ICICI Bank was not suitable to them.

(c) As suggested in the CAG audit observations, the Ministry has already set up a Banking Coordination Committee to look into all aspects of this issue and suggest a pragmatic and workable solution for transfer of funds and e-banking solutions for improving reporting of expenditure.