

**GOVERNMENT OF INDIA
PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS
LOK SABHA**

UNSTARRED QUESTION NO:4671
ANSWERED ON:08.12.2010
MANDATORY PURCHASE FROM KENDRIYA BHANDAR
Ram Shri Purnmasi

Will the Minister of PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS be pleased to state:

- (a) whether it is mandatory for the Government Ministries/Departments to purchase stationery items from the Central Government Co-operative Society, Kendriya Bhandar as per Office Memorandum issued in 1981;
- (b) if so, the details thereof;
- (c) whether the above Office Memorandum was withdrawn by the Promulgation of GFRs-2005;
- (d) if so, whether subsequent Office Memorandum issued in 2007 has given 'discretion' to Government Departments to procure stationery, etc., from Kendriya Bhandar;
- (e) if so, whether the said 'discretion' has been found to be misused in procuring items from the open market at higher rates;
- (f) if so, whether complaints/specific instances of purchasing items at higher rates have been brought to the notice of the Government;
- (g) if so, the details thereof and the action taken thereon; and
- (h) the steps being taken to make it mandatory for the Government Departments to procure items from Kendriya Bhandar upto rupees one lakh?

Answer

Minister of State in the Ministry of Planning and Minister of State in the Ministry of Parliamentary Affairs; and Minister of State in the Ministry of Personnel, Public Grievances and Pensions. (SHRI V. NARAYANASAMY)

(a) & (b): As per Office Memorandum issued in 1981, it was incumbent on the Central Government Ministries/ Departments etc. in Delhi to make all local purchases of stationery and other items from the Central Government Employees Consumer Cooperative Society Ltd. (Kendriya Bhandar). It was permissible for them to make local purchases from other sources, if the Society was not able to supply a particular item.

(c) : On issuance of General Financial Rules, 2005 by the Ministry of Finance, the dispensations provided in Office Memorandum issued in 1981 stood withdrawn from 1.7.2005.

(d) : Office Memorandum issued in 2007 provides inter-alia that Ministries/Departments are permitted to make purchases at their discretion of all items required for office consumption upto Rs. one lakh, on each occasion, directly from Kendriya Bhandar/National Consumer Cooperative Federation without calling for quotations.

(e), (f) & (g) : Letters from Shri Sushil Kumar Singh, M.P. dated 8.7.2009, 24.7.2009 and 28.9.2009 and a letter from Shri Purnmasi Ram, M.P. dated 5.3.2010 complaining about the purchase of electrical items by CPWD at higher rates than the rates available in Kendriya Bhandar/at more than the Maximum Retail Price (MRP) were received. The replies of these letters were sent to the MPs concerned and copies of their letters were also sent to the Ministry of Urban Development for taking appropriate action in the matter. Recently, a letter dated 22.10.2010 from Shri Purnmasi Ram, MP complaining about purchase of stationery and other items by Ministry of Home Affairs etc. at higher rates than MRP has been received.

(h): The concept of providing an assured market to Kendriya Bhandar/NCCF or any other Society is not in keeping with the concept of liberalization of the economy and making the organizations competitive and self-supporting through open competition. There is no proposal to make it mandatory for Government Departments/Ministries to procure items from Kendriya Bhandar upto Rs. one lakh.