

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1022
ANSWERED ON:28.11.2011
TRANSPARENCY IN WORKING OF CSD
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Will the Minister of DEFENCE be pleased to state:

- (a) the process for introducing new items for sale in Canteen Stores Department (CSD) canteens;
- (b) whether the process of introduction of new items in the CSD inventory lack transparency;
- (c) if so, the details of the files on which the reasons for accepting/rejecting the new items have not been recorded; and
- (d) the measures taken to bring about transparency in the working of CSD?

Answer

MINISTER OF DEFENCE (SHRI A.K. ANTONY)

(a) to (d): Introduction of new items for sale through Unit Run Canteens involves following steps:-

- (i) Receipt of application from the prospective suppliers;
- (ii) Scrutiny of the application form;
- (iii) Informing the discrepancies to the firm, if any;
- (iv) Samples are put up to Preliminary Screening Committee (PSC) consisting of representatives from the three Services viz., Army, Navy and Air Force besides CSD representatives;
- (v) Preliminary Screening Committee (PSC) short lists the items;
- (vi) Short-listed item is subjected to factory inspection/hygiene inspection/composite Food Laboratory (CFL)/Analytical Food Laboratory (AFL) depending upon the nature of the item;
- (vii) Conduct of Market Survey at five stations in the country;
- (viii) On receipt of Market Survey Report, the firm is called for Price Negotiation and a discount of CSD is negotiated by the Price Negotiation Committee (PNC) which includes Controller of Defence Accounts (CDA-CSD)/Internal Financial Adviser (IFA) as a Member.
- (ix) After negotiating the discount, the relevant file along with the samples is put up to Board of Administration consisting of representatives of three Services, Secretary BOCCS as Special Invitee and Controller of Defence Accounts (CDA-CSD)/Internal Financial Adviser (IFA) as Finance representative for final approval under the Chairmanship of General Manager, CSD.

The process of introduction of items in CSD is transparent.

The reasons for accepting/rejecting items are being duly recorded in respective files by the PSC w.e.f. February, 2009, following the recommendation made in the Performance Audit Report of the Canteen Stores Department. However, the same could not be done in few files during 2007-08 because a large number of items were being considered.

The status of new introduction cases is also being placed on CSD Website for information of all concerned.