

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:620

ANSWERED ON:26.11.2012

IRREGULARITIES IN PURCHASES FOR CSD

Patasani Dr. (Prof.) Prasanna Kumar; Ray Shri Rudramadhab ; Shekhar Shri Neeraj; Singh Alias Pappu Singh Shri Uday; Singh Shri Yashvir; Sivasami Shri C.

Will the Minister of DEFENCE be pleased to state:

- (a) the details of funds spent on Government purchases for the Canteen Stores Department (CSD) during the last three years;
- (b) whether several financial irregularities have been found in the procurement process for CSD and if so, the details thereof;
- (c) whether several firms without any market credentials have been reportedly supplying items to CSD in connivance with middlemen and if so, the details thereof and the action taken by the Government in this regard;
- (d) whether the Government proposes to set up an expert Committee to select and purchase items directly from the manufacturers to ensure quality of the items and if so, the details thereof;
- (e) whether the Government proposes to make it mandatory to mark 'For Defence Personnel Only' on all items being sold in CSD so as to check their illegal sale in open market and if so, the details thereof; and
- (f) the other measures being taken / proposed to be taken to bring about transparency in the procurement process for CSD?

Answer

MINISTER OF DEFENCE (SHRI A.K. ANTONY)

(a) to (c): The details of funds spent on Government purchases for the Canteen Stores Department for the last 3 years are as follow:

Financial year Net Purchases
(Rs. in Crores)

2009-10 7748.57

2010-11 7973.81

2011-12 9734.78

Instances have come to the notice of the Ministry regarding some financial irregularities in CSD. Recently CBI has raided the two CSD officers and investigating the same. Both the officers have been suspended.

(d) Preliminary Screening Committee, Price Negotiation Committees to select and purchase items directly from manufactures / sole distributors are already in place to ensure quality of the products procured and fix the procuring rates.

(e) All liquor products are mandatorily marked 'For Defence Personnel Only'. Marking this on other items had to be withdrawn due to apprehensions of customers.

(f) Status of Sale, stock and order details of all suppliers are made available on CSD website regularly.