

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

STARRED QUESTION NO:237

ANSWERED ON:26.08.2013

PROCUREMENT FOR CSD CANTEENS

Rao Shri Nama Nageswara; Siddeswara Shri Gowdar Mallikarjunappa

**Will the Minister of DEFENCE be pleased to state:**

- (a) the existing system of procurement for Canteen Stores Department (CSD);
- (b) whether some officials of CSD have recently been arrested by CBI for accepting illegal gratifications to favour certain companies while making procurements for canteen stores across the country;
- (c) if so, the details thereof; and
- (d) the steps taken / proposed to be taken by the Government to bring transparency in the procurement of various items for CSD across the country?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF DEFENCE (SHRI A.K. ANTONY)

(a) to (d) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 237 FOR ANSWER ON 26.8.2013

All purchases are made by Canteen Stores Department (CSD) directly from the manufacturers or distributors / importers of the products in the country as per approved rates and terms of supply agreed to between the suppliers and the CSD. All items approved for introduction in CSD and the firms supplying these items are cleared by various Committees such as Preliminary Screening Committee, Price Negotiation Committee etc. and finally approved by the Board of Administration (BOA) headed by GM, CSD.

Two officers of CSD were arrested by CBI, Anti-Corruption Branch, Mumbai for accepting illegal gratification. Later on FIRs against two other serving officers and one retired officer were also filed by CBI.

All the serving officers have been suspended except, one Army officer who was repatriated to Army for taking suitable action as per Army rules. As intimated by CBI, these cases are under investigation.

Bringing transparency and efficiency in the system is a continuous process. In order to further improve efficiency and transparency, a study has been ordered to be undertaken by College of Defence Management (CDM), Hyderabad to recommend changes in the procedures. Further steps like uploading orders details, payment details etc. on CSD website are carried out on regular basis.