

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3268
ANSWERED ON:01.08.2014
SPECIAL DISPENSATION FOR PURCHASE OF ITEMS
Singh Shri Sushil Kumar

Will the Minister of FINANCE be pleased to state:

- (a) whether the establishments of the Government are allowed to purchase items worth upto Rs.1 lakh from Kendriya Bhandar (KB)/National Cooperative Consumers` Federation (NCCF) without inviting tenders;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has received any complaints regarding alleged irregularities in the purchase of items without inviting tenders as a special dispensation and if so, the details thereof;
- (d) whether the Government proposes to withdraw the special dispensation given for purchase of items from NCCF and KB and if so, the details thereof and if not, the reasons therefor; and
- (e) the corrective measures taken/being taken by the Government to address the issue?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SMT. NIRMALA SITHARAMAN)

(a): Yes Sir.

(b): Keeping in view avowed objectives of cooperative movement and to ensure supply of goods and services to consumer`s at the most economical and competitive prices, Ministries/Departments are permitted to make purchases at their discretion of all items required for office consumption up to Rs.1 lakh on each occasion directly from Kendriya Bhandar / NCCF without calling for quotations.

(c): No Sir.

(d)&(e): Based on prima-facie analysis by this Ministry that purchase of stationary and other items from Kendriya Bhandar / NCCF is not cost effective, Department of Expenditure has entrusted the Cost Accounts Branch (CAB) to study the exact cost implication of the special dispensation provided in a few selected Ministries. In the interim, the special dispensation given to NCCF etc. has been extended for six months effective from 1SI April, 2014.