

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:3691
ANSWERED ON:23.12.2004
PAYMENT SYSTEM IN CSD
Thummar Shri Virjibhai

Will the Minister of DEFENCE be pleased to state:

- (a) whether the payment system in the Canteen Stores Department (CSD) is not transparent and does not protect the interests of the industry;
- (b) if so, whether the Government proposes to consider a comprehensive CAG audit of the CSD system in general and payment systems in particular to eliminate risks of favouritism and corruption from an arm of the defence forces; and
- (c) if not, the reasons therefor?

Answer

MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE)

(a) to (c): The payments system in the Canteen Stores Department (CSD) is transparent. It is not proposed to consider comprehensive CAG audit as the office of CAG, already carries out regular Audit of CSD through a Resident Audit Cell. The CSD is also internally audited by the office of the Controller General of Defence Accounts which helps further in transparent functioning of the CSD.