

PREFACE

Canteen Stores Department (CSD) is responsible for providing quality consumer goods at rates cheaper than the market rates to the Service Personnel and defence civilians. From a modest beginning six decades ago, CSD has grown rapidly with annual turnover of over ₹ 15000 crore during 2015-16. The number of items of consumer goods registered with CSD as of today is more than 5500. The CSD through its chain of one Base Depot and 34 Area Depots serves as the Wholesaler and the retail operations are carried out through about 4000 Unit Run Canteens (URCs). These URCs, some of which are in remote areas, in turn sell these goods to the ultimate beneficiaries.

Keeping in view the mandate and responsibility of the department, the Performance Audit of functioning of “Canteen Stores Department” was conducted during July 2015 to November 2015 to seek an assurance that CSD was able to fulfill its motto with maximum consumer demand satisfaction. By highlighting the systemic weaknesses and recommending remedial measures, this report seeks to bring about overall improvements in the operations of Depots and URCs.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India and the report has been prepared for submission to the President under Article 151 of the Constitution of India.