

**CHAPTER XIV: UNAUTHORISED EXPENDITURE ON
'NEW INSTRUMENT OF SERVICE'**

New instrument of service without approval of Parliament	No. of cases	Rupees in crore
Release of Grants-in-aid	68	738.33
Release of Subsidy	6	302.02
Investment in/Loan payments	20	551.94

14 Expenditure on "New Service/New Instrument of Services"

On the recommendations of the Public Accounts Committee, Government has prescribed financial limits for different categories of expenditure beyond which the additional expenditure constitutes New Service/New Instrument of Service and requires prior approval of Parliament.

Scrutiny of headwise appropriation accounts for 1998-99 disclosed that in the following cases the prescribed limit had exceeded. The ministries/departments sought approval of the Parliament in most of these cases through second batch of Supplementary Demands for Grants of March 1999 but since the same could not come into force before the close of the financial year 1998-99, the prior approval for releasing the additional grants-in-aid, loans and investment to these statutory and public institutions could not be taken.

Such release, therefore, is an infringement of the rule governing Parliamentary Financial Control and requires regularisation.

14.1 Additional releases attracted the provisions of 'New Instrument of Service'

As per Government of India Decision No.1 below Rule 10 of Delegation of Financial Power Rules, 1978, additional grants-in-aid in excess of Rs 10 lakh or 10 *per cent* of the budget provision or Rs 2 crore, whichever is less or/and additional investment in/loans in excess of Rs 20 lakh to Rs 15 crore to statutory and other public institutions, attracts the limitations of New Service/New Instrument of Service and requires prior approval of Parliament.

Sample check in audit disclosed that in 94 cases pertaining to 28 grants/appropriations as detailed in Appendix-XXIV although the prescribed limit had exceeded, the ministries/departments did not obtain prior approval of Parliament. However, ministries/departments in 89 cases at serial no 1 to 12, 14 to 23, 25 to 30, 32 to 58, 60 to 92 and 94 shown in the above appendix, have included additional expenditure in the second batch of supplementary demands for grants, which came into force only after close of the financial year. Thus, such releases exceeded the limits and attracted the provision of 'New Instrument of Service' and require regularisation.

Even after, reckoning the unpassed second batch of supplementary demands for grants, there were at least five cases in which the expenditure in respect of five ministries/departments over and above the authorised provision attracted the limitations of 'New Service/New Instrument of Service' as under:

(Rupees in crore)

Sl. No.	Grant	Sub-head/Name of Institution	Sanctioned provision	Actual release	Excess release	Remarks
1.	39-Ministry of Food Processing Industries	Modern Food Industries Ltd	-	0.80	0.80	Additional release exceeded the limit of Rs 10 lakh.
2.	42-Department of Family Welfare	International Institute of Population Science, Bombay	3.30	4.18	0.88	Additional release exceeded the limit of 10 per cent of budget provision.
3.	48-Department of Education	Central Institute of Indian Languages, Mysore (Bhartiya Bhasha Sansthan)	2.24	2.82	0.58	Additional release exceeded the limit of 10 per cent of budget provision.

Sl. No.	Grant	Sub-head/Name of Institution	Sanctioned provision	Actual release	Excess release	Remarks
4.	58-Ministry of Labour	Central Board of Workers Education	11.71	16.07	4.36	Additional release exceeded the limits of 10 per cent of budget provision or Rs 2 crore whichever is less.
5.	82-Ministry of Textile	Jute Corporation of India	16.00	20.00	4.00	Additional release exceeded the limit of Rs 2 crore.