

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3902
ANSWERED ON:22.08.2003
EXPENDITURE UNDER VARIOUS HEADS
SHAMSHER SINGH DULLO

Will the Minister of FINANCE be pleased to state:

- (a) the year-wise expenditure incurred under various heads such as advertisement, catering, conferences, conveyance, tours of managers and above, mobile phone bills, private taxi bills, overtime to drivers, petrol bills, miscellaneous expenses and other office expenses in Delhi and Chandigarh Regional Offices of New India Assurance Company Ltd. (NIACL) during the last three years;
- (b) whether the Government propose to direct the Company to launch any drive to cut down the expenditure being incurred under above heads;
- (c) if so, the details thereof;
- (d) if not, the reasons therefor;
- (e) the details of steps taken by the Internal Audit Department and Financial Adviser of the Company to check avoidable expenditure;
- (f) whether the Financial Adviser, a nominee of the Government is also heading the accounts department of the company; and
- (g) if so, the details thereof and reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V.ADSUL)

(a): The required information is as under:-

(Rupee in lakhs)

Head of Accounts 2000-01 2001-02 2002-03

Chandigarh RO Delhi RO Chandigarh RO Delhi RO Chandigarh RO Delhi RO

Advertisement	2.37	5.04	4.46	2.06	3.87	3.33
Conference	2.23	1.83	1.57	5.42	2.67	3.71
Overtime	0.10	1.43	0.30	1.97	0.10	1.70
Local Conveyance	13.15	68.74	14.74	60.75	16.61	66.28
Petrol	0.20	54.87	0.43	57.64	0.70	61.39
Catering	4.87	8.29	7.00	8.02	8.79	9.70

Tours of Managers & above 4.30 11.19 4.41 11.27 3.08 10.97

Mobile Phones	0.35	0.41	0.39	0.26	0.79	
Private Taxi	1.81	1.96	0.06	1.58		
Miscellaneous	78.50	112.70	81.78	96.74	74.41	101.94

(b) to (d): The expenses on management of the public sector general insurance companies are governed by Section 40 C of the Insurance Act. As per the provision under this Section, no insurer shall spend, as management expenses, an amount in excess of the

prescribed limit unless otherwise permitted by Insurance Regulatory & Development Authority.

(e): Internal Audit Department strives to attain cost control and cost reduction through various budgetary techniques such as head-wise budgetary allocations, periodical review of expenses incurred against the budgets sanctioned, etc.

(f) & (g): The Financial Advisers are appointed on deputation basis in the public sector general insurance companies. Since the responsibility on the part of the individual general insurance companies to exercise financial prudence and develop strong internal controls has assumed increased significance, the posts of Financial Adviser in these companies were suitably strengthened by enlarging the scope of their work handled by them by placing the Accounts department also under their charge.