

thing which is illegal from the customs side, certainly, we have power to take action.

The hon. Member would be pleased to know that in one case we have suspended the licence against which they have obtained the stay order from the High Court. We have imposed a penalty of Rs. 5000/-. In another case, a man was found with contraband gold and was detained under FERA and prosecution has been launched and all actions have been taken.

SHRI N. DENNIS: The shipping agents manipulate facts by wrong classification and gradation. Taxable items are classified as non-taxable items and mis-representation is also made. May I know from the hon. Minister what appropriate steps Government would take against such wrong classification and gradation?

SHRI B.K. GADHVI: If there is filing of wrong of false documents or mis-declaration action is being taken. In the first case the bill of entry was based on wrong document and, therefore, action was taken. We scrutinise and find out whether mis-declaration is there or proper documents have been filed or not. If we find proper documents have not been filed, then certainly they are liable to action.

[Translation]

GIRDHARI LAL VYAS: Mr. Speaker, Sir, the penalty of Rs. 5 thousand imposed on the person who produced wrong documents and became an accomplice in tax evasion and cancelation of his licence are very light punishments for a crime of such a severe nature. To my view, the most stringent punishment should be awarded to the persons found abetting in smuggling activities and tax evasion worth crores of rupees. The light punishment awarded to such persons would not deter others, it would, rather, give impetus to them to do such crimes. In this way, the Government would not be able to check this menace. A large number of cases of wrong gradation or classification are being reported in our country and it should be looked into the people

involved in such activities have been cornering huge amount of Government money. Due to the wrong gradation made by house agents, shipping agents etc. the Government have been suffering heavy loss of revenue. I would like to know whether the hon. Minister would take stringent measures against the persons who file wrong declarations, so as to plug the loss of Government revenue.

[English]

SHRI B.K. GADHVI: I very much appreciate the supplementary put by the learned Member. I appreciate his concern, in this case, the duty evasion was to the tune of Rs. 2.20 lakhs. *Prima facie* we found that some forged documents were placed along with the bill of entry.

I also feel that the penalty of Rs. 5000/- is too inadequate. Therefore, today morning itself I asked the Department to find out whether a prosecution could be launched and if it is launchable then they will launch the prosecution.

Expenditure in Government Departments

*446. SHRI P.R. KUMARAMANGALAM: Will the Minister of FINANCE be pleased to state:

(a) whether there is a rush of expenditure during the last three months of the financial year in Government Departments;

(b) whether Government are aware that this malpractice leads to unnecessary purchases, supply of substandard items and corruption; and

(c) whether Government propose to streamline the system so that a balanced expenditure pattern is spread throughout the entire financial year?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) to (c). A statement is given below.

STATEMENT

(a) to (c). Government have issued instructions from time to time to avoid rush of expenditure during the last quarter of the financial year. For this purpose, the Financial Advisers have been asked to review expenditure on month to month basis so that the expenditure is spread throughout the year and no rush of expenditure takes place during the end of the financial year to utilise the budget provisions. The pace of expenditure is relatively speaking, faster in the later part of the year largely because of the position that public sector undertakings draw on Government funds after utilising their internal resources, release of final instalment of assistance to State Governments and autonomous bodies has necessarily to be on the basis of statements of expenditure to be submitted by them.

SHRI P.R. KUMARAMANGALAM: Mr. Speaker, Sir, neither has part (a) nor part (b) of the question been answered. In fact, part (c) has been answered in the usual manner. The hon. Minister has evaded the question. May I seek your protection and ask him firstly to answer the question?

MR. SPEAKER: My protection is there. Not only I can request but I can order him to do it.

SHRI P.R. KUMARAMANGALAM: So, I request the hon. Minister to answer parts (a) and (b) and then I will ask my supplementary.

SHRIB.K. GADHVI: We have said: "(a), (b) & (c). A statement is laid on the Table of the House."

PROF. MADHU DANDAVATE: Sir, there has been a special ruling by the Speaker that as far as possible Ministers should give separate answers to parts (a), (b), (c), etc. whenever they are asked like that by the hon. Members.

MR. SPEAKER: And we stick to that.

PROF. MADHU DANDAVATE: There is a ruling like that.

MR. SPEAKER: I take note of it.

PROF. MADHU DANDAVATE: The Minister should take note of it.

MR. SPEAKER: I will try to fix that up.

SHRI P.R. KUMARAMANGALAM: There is no use of having rulings; there is no use of having anything if questions are not going to be answered. Then, why put the question?

MR. SPEAKER: Don't worry. This question shall be answered. Nobody can evade it. It shall be answered.

SHRI P.R. KUMARAMANGALAM: The most important point in this question is that at the end of the year, there is a rush for expenditure and malpractices take place. It is a well known fact that just somehow or other the Budget allocations are finished and people take this money out. This is a very beneficial method of making a little undue income, maybe above the table or under the table. We cannot classify it. What is the attitude of this Government, specially towards this malpractice? Maybe the system they have built is wrong. They have to review it every month. But on the other hand, the answer reveals that the Government seems to co-operate in totality to see that the exploitation of the system takes place. I wonder as to what is the Minister's stand, specifically on the malpractices. I would like to know whether any analysis has been done as to what is the percentage of expenditure spent during the last three months vis-a-vis in the earlier 9 months today is the last day of the financial year and also whether they have investigated as to what are the purchases that have been done and whether there are any malpractices existent or they have just let it be as there is.

SHRIB.K. GADHVI: The expenditure is being incurred by the various Ministers and they choose in what fashion and manner

they should spend the money allocated to them. But from time to time, we impress upon our Financial Advisors that as far as possible the rush of expenditure in the last part of the year should be avoided and unnecessary spending in that way should be avoided. With regard to malpractices, if there is anybody indulging in them and if it is brought to notice, the concerned Ministry will take action. But to say generally that because all this expenditure in the last three months is entailing the malpractices is not a correct proposition. But at the same time, as I have already stated, we are issuing instructions from time to time to avert rush of expenditure. The hon. Member has asked for the percentage. I would say that in the last three months of the year in 1985-86, it was 41.26 percent, in 1986-87, it was 45.21 percent and in 1987-88, it was 45.86 percent. I can give him the amounts also but I don't because he has asked only for the percentage of expenditure.

KUMARI MAMATA BANERJEE: Sir, we need half-an-hour discussion on this. It is very important.

SHRI B.K. GADHVI: But I agree that as far as possible the Nodal and Administrative Ministries should try to see that there is no rush of expenditure only during the last three months of the year because there will be so many check points and other points which will be hurriedly gone through as proper scrutiny may not be there.

SHRI P.R. KUMARAMANGALAM: It is unfortunate that we seem to get satisfied with platitudes. That is not the idea of putting questions.

PROF. MADHU DANDAVATE: Because he is giving them latitude.

SHRI P.R. KUMARAMANGALAM: Yes, to a great extent. I may submit that the question which I have asked reveals that, when he says that 41 to 45 percent of the expenditure has been in the last three months, there is definite probability of misuse and malpractice. Will the Minister set up

an inquiry into this expenditure and see for yourself that the expenditure is properly done? After all, the Ministry of Expenditure is supposed to ensure that expenditure is properly done. You are not supposed to say that it is not your work and that it is the work of the concerned Ministries. Otherwise, I think, the need for Ministry of Expenditure will not exist. I say that an inquiry must be done. I want to know whether the Minister is willing to do it. Is he going to again adopt the technique of giving advice only?

SHRI B.K. GADHVI: I maintain that all the Ministries are competent; they are vigilant about their financial matters and from time to time, we also give them advice. I cannot set up an enquiry for all the Ministries. That is not within my competence also.

SHRI P.R. KUMARAMANGALAM: Sir, can I ask for half-an-hour discussion? It is a serious matter, because forty five per cent of the allocation is used in the last three months.

KUMARI MAMATA BANERJEE: Kindly allow half-an-hour discussion.

PROF. MADHU DANDAVATE: As mentioned by the hon. Member, Shri Kumaramangalam, during the last three months there is a lot of extravagant expenditure, there is rush of expenditure and as a result of that, the deficit financing is likely to increase. Instead of reducing the extravagant expenditure and bring down the deficit financing, is it not a fact that you are following a new practice of transferring the amounts from the public funds like the All Coordination Committee's funds to the Revenue Account so as to reduce the deficit financing? Therefore, will you give up the practice as directed to you by the Speaker yesterday and in future take up the suggestion made by Shri Kumaramangalam to have more rationalised monitorization of the expenditure so that you are able to control your accounts better?

SHRI B.K. GADHVI: I appreciate the ingenious way of putting irrelevant query on

this question. It is no doubt his talent. But rush of expenditure in the last three months or during the whole year has hardly any relevance with the deficit financing. Deficit financing is altogether something different. A total amount is allocated for the whole year. If it is not spent within five-six months, and it is spent during the last months, it does not add to the deficit *per se*. In some cases, it also happens that purchases might have been made earlier, but the payments are made during the last months of the year. That also happens. To say that the expenditure during last few months is with some motive would not be correct.

PROF. MADHU DANAVATE: What about the operative part of my question? Will you follow the Speaker's direction given day before yesterday?

KUMARI MAMATA BANERJEE: Certain Government officials and Ministers always misuse Government money or their own purposes. May I know whether he would issue instructions to the Central Government and State Government ministers not to misuse public funds for their own purposes.

SHRI B.K. GADHVI: I refute that the Central Government Ministers are misusing the funds. So far as State Governments are concerned, I do not have any information that the Ministers are misusing the funds.

KUMARI MAMATA BANERJEE: I can tell you many specific instances. (*Interruptions*)

PROF. NARAIN CHAND PARASHAR: The Hon. Minister said that theirs is an advisory role with regard to other nodal Ministries. But my complaint is that the role is rather restrictive and it does not allow other Ministries to function properly, and achieve their targets within the stipulated period. With regard to the Department of Posts and Telegraphs, they have not cleared the proposal to set up 3000 post offices, even though today it is 31st March. This is the performance.

SHRI B.K. GADHVI: It is very difficult to

differentiate; there is a very thin line between the advisory role and restrictive role. Whenever a proposal comes to the Ministry of Finance, it certainly scrutinizes it from all angles including financial angles and wherever it is possible, it is cleared.

WRITTEN ANSWERS TO QUESTIONS

Import of Tin Plate Seconds

*433. **SHRI Y.S. MAHAJAN :** Will the Minister of COMMERCE be pleased to state:

(a) whether Government are aware that huge quantity of tin plate seconds and waste have been imported under open general licence (OGL);

(b) if so, the details thereof and the effect of such large quantity of import of tin plate seconds and waste on the production of quality goods:

(c) whether import of tin plate seconds and waste is permissible under OGL; and

(d) if not, the reasons for such import and the steps taken or proposed to check this practice?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH) (a) to (d). While import of tin plate seconds can be made under import licence, only tin plate waste can be imported under OGL. Import of tin plate waste during 1986-87 and 1987-88 has been approximately as under:-

1986-87	(Qnt. MT)	1987-88
47,500		60,300

As regards import of tin plate seconds, data on such imports are not being compiled