

the decades. The demand is estimated to be around 54.80 lakh tonnes in 2005-2006 on the basis of growth rate of 6.5% for the period 2000-20001 to 2005-2006. The Paper industry which grew at the rate of 7.9% in the year 1995-96 witnessed a slump in the year 1996-97 when the growth rate of paper industry came down to 3.1%. The paper industry reported a growth rate of 4.89% in the year 1997-98 which is marginally better than the performance of the last year. The share of imports is still below 10% of the total production of paper and paper board industry in India and the indigenous paper industry enjoys a dominant position in the domestic market.

(e) In order to improve the viability of paper mills in India, Government has provided a fiscal framework which allows import of pulp and waste paper at a basic duty 5%. Further import of wood logs and wood chips are permitted at 'zero' duty. Concessional excise duty is levied on mills using 75% or more non-conventional raw material.

Promote tourism in Indian ocean countries

594. SHRI RAMPAL SINGH : Will the Minister of TOURISM be pleased to state:

(a) whether the countries of Indian ocean have been arrived at an agreement to promote mutual tourism;

(b) if so, details thereof; and

(c) the time by which this agreement come into force?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI OMAK APANG) : (a) No, Sir.

(b) and (c) Does not arise.

[English]

Non-Banking Financial Companies

595. SHRI SANDIPAN THORAT : Will the Minister of FINANCE be pleased to state:

(a) the total number of Non-Banking Financial Companies in Maharashtra and their performance as per quarterly return for the year ending on March 31, 1998;

(b) the general emerging trend in performance in terms of anticipation of securing financial targets set;

(c) the response of the Non-Banking Financial Institution to the newly introduced reporting system of quarterly returns to the Reserve Bank of India for the period upto March 31, 1998;

(d) the total number of non-responding NBFC in the country State-wise; and

(e) the details of action being taken against the defaulting NBFCs with a view to bring them under financial discipline?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) According to Reserve Bank of India (RBI), the data on the number of Non-Banking Financial Companies in the State of Maharashtra is as under:

No. of companies which have applied for registration with RBI

(a) Net owned Fund (NOF) more than 25 lakhs - 1225

(b) NOF less than 25 lakhs - 3887

Total - 5112

The present format of the quarterly return on maintenance of liquid assets (i.e. investment in approved securities) has been recently revised and the first return in the revised format relates to March, 1998. Pending scrutiny of returns by the RBI, it is not possible to comment on the general emerging trends in the performance of the NBFCs.

(b) According to RBI they have not set any financial targets to be achieved by NBFCs.

(c) According to RBI under the extants Directions issued by them only those Non-Banking Financial Companies which hold/accept public deposits are required to submit to the Bank a quarterly return in the specified format showing therein the liquid assets required to be maintained (@ 15 percent of the amount of public deposits outstanding), and the amount of liquid assets actually held. The quarterly return has been specified for monitoring the maintenance of liquid assets by NBFCs. The compliance by NBFCs in respect of submission of the quarterly return is generally satisfactory.

(d) Unless the process of registration of NBFCs with the RBI is completed, it will not be possible to assess the number of non responding NBFCs.

(e) Under the provisions of Section 45 IB, of Reserve Bank of India Act, 1934, the Reserve Bank has been vested with power to require the NBFC which fail to maintain liquid assets, to pay penal interest at the rate of 3 percent per annum above the Bank Rate on the amount of shortfall in maintenance of liquid assets. With a view to ensuring the discipline in regard to maintenance of liquid assets, the RBI recovers penal interest from the defaulting NBFCs.