

are under the administrative control of various Ministries/Departments of Government of India. The Law Commission of India has undertaken a study on the functioning of the Tribunals.

(d) A statement showing the details of the number of cases pending and the year-wise break-up of the pending cases in respect of the Income-tax Appellate Tribunal and the Foreign Exchange Regulations Appellate Board which are under the administrative control of the Ministry of Law and Justice is enclosed.

STATEMENT

The number of cases pending before the Income-tax Appellate Tribunal and Foreign Exchange Regulations Appellate Board

Year	Cases pending in the Income-tax Appellate Tribunal (As on 01-11-96)	Cases pending in the Foreign Exchange Regulations Appellate Board (As on 01-12-96)
1975	1	-
1976	1	-
1977	-	3
1979	5	-
1980	8	-
1981	22	-
1982	31	5
1983	118	5
1984	118	23
1985	208	26
1986	306	93
1987	592	63
1988	1903	124
1989	4485	292
1990	14604	656
1991	31377	465
1992	44447	586
1993	47689	705
1994	50268	520
1995	56465	306
1996	46699	333
	(as on 1-11-96)	(as on 1-12-96)
Total	299347	4205

Recommendations of Padmanabhan Committee

2239. DR. T. SUBBARAMI REDDY : Will the Minister of FINANCE be pleased to state :

(a) the details of the recommendations of the

Padmanabhan Committee which have been accepted and rejected by RBI;

(b) the number of recommendations that have been implemented so far; and

(c) the time by which the remaining recommendations are likely to be implemented?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) The Reserve Bank of India (RBI) is reported to have accepted almost all the recommendations of the Padmanabhan Committee. No recommendation has been rejected. One recommendation relating to the differential periodicity of the on-site inspection based on the rating of banks has been referred to the Government for consideration before implementation. The major recommendations of the Committee are listed below :

- (i) Strategy: The Working Group has recommended a shift in supervisory strategy from the current system of periodical inspections to a system of continuous on going supervision and periodical inspections. The system envisaged intergration of the newly introduced off-site monitoring system with periodical on-site inspections. There should also be target specific supplementary or bridge exercises on critical areas on an on-going basis.
- (ii) Focus of Inspections: The focus of inspections has to be on solvency, capital adequacy, liquidity, operational soundness and managerial prudence.
- (iii) Periodicity - The group has recommended on-site inspections to be conducted in two cyclical tracks viz annual biennial by dividing banks into two categories based on their reported/assessed financial and operational condition, and compliance record. The rating of banks would be an important factor for deciding the periodicity of inspections.
- (iv) Inspecting outputs : Inspection should focus and produce output relating to assessments on three broad areas, viz financial condition, operating condition (system and controls) and quality of management and regulatory compliance. Assessment of Financial condition would consist of separate assessment on asset quality, solvency, capital adequacy, liquidity and earning performance.
- (v) Supplementary vehicles : The group has recommended four types of supplementary on-site assessments between the inspections, viz. targeted appraisals, targeted appraisals at control sites, commissioned audits and monitoring visits.

- (vi) Follow-up and enforcement : After the on-site inspection action plan for the banks would be prepared based on the identified concerns and to be monitored by the Department of Supervision (DOS).
- (vii) Rating on Banks : The group has recommended to adopt a rating system for banks based on CAMEL model emphasising different rating factors. Banks would be rated on a five score scale of A to E based on their strength and soundness on rating factors viz capital adequacy, asset quality, management, earnings, liquidity, systems and controls (CAMELS) for Indian banks and capital adequacy, asset quality, compliance, systems and controls (CACs) for foreign banks.

(b) and (c). The modalities for implementation of the recommendations are being worked out and the revised inspection of banks by RBI is expected to be introduced from the Annual Inspection cycle of banks to be taken up with reference to the banks' financial position as on March 31, 1997. The revised Inspection Manual is also expected to be in place before this date.

[Translation]

Participation in World Economic Forum Conference

2240. SHRI RAVINDRA KUMAR PANDEY : Will the Minister of COMMERCE be pleased to state :

(a) whether India has participated in the World Economic Forum Conference organised in October, 1996;

(b) if so, the details of issues discussed and the outcome thereof;

(c) whether the position of India in the field of information regarding world trade has been described in this conference as less than 0.1 repeat by the officers of World Trade Organisation; and

(d) if so, the achievements made by India in obtaining modern techniques in different fields from the above mentioned conference?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). Sir, World Economic Forum, Geneva - a non-Governmental organisation - and the Confederation of Indian Industry had organised a meeting in October 1996 on "India: a global partner in the marking". It was also addressed *inter-alia* by the Prime Minister and Finance Minister of India. Trade and Industry participated at the Conference.

(c) It is learnt that at this conference a WTO official stated that India's share in world trade of information technology products is less than 0.1%.

(d) Sir, the Conference was a brain-storming meeting and provided an opportunity to Indian

participants to interact with their foreign counterparts in various areas of mutual interest.

Consumption and Export of Paper and Newsprint

2241. SHRI JAGDAMBI PRASAD YADAV : Will the Minister of INDUSTRY be pleased to state :

(a) the total consumption and export of all type of papers and news print in the country; and

(b) the steps being taken to boost its production?

THE MINISTER OF INDUSTRY (MURASOLI MARAN) : (a) Total consumption of Paper and Newsprint in the country during the year 1995-96 was as under :

	Indigenous Production (lakh tonnes)	Import (tonnes)
Paper	27.10	1,10,041
Newsprint	4.10	3,45,000

There has been only marginal export of paper as well as newsprint to the neighbouring countries.

(b) The policy of the Government is to provide fiscal incentives to induce more investment in order to boost production of all types of papers and newsprint in the country. Some of the fiscal incentives are :

1. To obviate the shortage of raw material, Government is encouraging use of non-conventional raw materials for manufacturing paper by way of lower excise duty of 10% on paper manufactured by using atleast 75% non conventional raw material.
2. Exemption from Excise Duty on writing and printing paper used by State Text Book Publications Corporations/Boards for NCERT for printed educational text books.
3. Newsprint has been exempted from excise duty and on procurement of raw materials like wood pulp there is reduced customs duty.
4. Peak rate reduction in customs duty on inorganic/organic chemicals.
5. Reduction in customs duty on caustic soda and soda ash from 40% to 30%.
6. Reduction in customs duty on wood pulp and waste paper.

Moreover, procedures have been liberalised for attracting investment in paper industry. Paper and newsprint industry have been partially delicensed since July, 1991. Paper units based on use of minimum 75% pulp from bagasse and other agricultural residues and non-conventional raw materials including waste paper are exempted from industrial licensing subject to satisfaction of locational criteria.