

LOK SABHA DEBATES

LOK SABHA

Friday, May 29, 1998 / Jyaishta 8, 1920 (Saka)

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER in the Chair]

OBITUARY REFERENCES

[English]

MR. SPEAKER : Hon. Members, I have to inform the House with deep sense of sorrow, of the passing away of Sarvashri Ratansinh Rajda and Purushottam Kakodkar.

Shri Ratansinh Rajda was a Member of Sixth and Seventh Lok Sabhas representing Mumbai South Parliamentary constituency of Maharashtra during 1977-84.

An advocate by profession, Shri Rajda was a well known political and social worker. He was associated with a number of organisations in various capacities. He also participated in the freedom struggle.

An able parliamentarian, Shri Rajda was a member of Public Accounts Committee in Sixth Lok Sabha and Committee on Subordinate Legislation in Seventh Lok Sabha.

Widely travelled, Shri Rajda was India's representative to International Parliamentary Conference for Population and Development in Tunisia during 1978 and attended the World Youth Festival at Edinburgh in 1969.

Shri Ratansinh Rajda died on 10th April, 1998 in Mumbai South, Maharashtra at the age of 71.

Shri Purushottam Kakodkar was a Member of Fifth Lok Sabha representing Panaji Parliamentary constituency of erstwhile Goa, Daman & Diu during 1971-77.

Shri Kakodkar was also a Member of Rajya Sabha during 1985-91.

A veteran freedom fighter, Shri Kakodkar actively participated in the 'Quit India Movement' and suffered imprisonment. He was closely connected with the Goa Liberation Movement and had participated in the Civil Disobedience Movement launched by Ram Manohar Lohia in Goa in 1946. Shri Kakodkar was deported by the Portuguese Government and kept in detention for several years.

An able parliamentarian Shri Kakodkar was a member of Committee on Petitions, Rajya Sabha during 1986-87.

Shri Purushottam Kakodkar passed away on 2nd May, 1998 at Delhi at the age of 85.

We deeply mourn the loss of these friends and I am sure the House will join me in conveying our condolences to the bereaved families.

The House may now stand in silence for a short while as a mark of respect to the deceased.

11.03 hrs.

The Members then stood in silence for a short while.

11.04 hrs.

ORAL ANSWERS TO QUESTIONS

NABARD

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*41. SHRI MADHAV RAO PATIL :
SHRI RATILAL KALIDAS VARMA :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government have reviewed the performance of NABARD during the last three years in various States and particularly in Gujarat;

(b) if so, the details thereof, State-wise;

(c) the details of lapses, if any, observed in implementation of State projects; and

(d) the details of projects cleared with locations during the last three years and the number of projects awaiting clearance/approval by NABARD, State-wise and particularly in Gujarat?

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) to (d) A statement is laid on the Table of the House.

Statement

(a) to (d) While the activities of National Bank for Agricultural and Rural Development (NABARD) are monitored by Government on an on-going basis, an in-depth review of its operations is conducted by its Board of Directors which comprises, amongst others, of senior representatives from the Finance, Agriculture and Rural Development Ministries and the Reserve Bank of India (RBI). The activities of NABARD are also reviewed by the Central Board of Directors of RBI every year. An annual review of NABARD's activities is also tabled on Parliament alongwith the annual report of the institution.

As regards assessment of the performance of NABARD, in the case of its credit-related functions, achievement under investment credit and production credit are analysed in relation to quantified targets, while the assessment of performance in relation to institutional development and promotional functions is made in qualitative terms. The State/Union Territory-wise targets and achievements, for the last three years, under investment credit operations of NABARD are given at Annexure-I. The State/Union Territory-wise details of short-term credits provided by NABARD to State Co-operative Banks (SCBs) and Regional Rural Banks (RRBs) during the last three years are shown at Annexure-II. The details of number of projects sanctioned and loans disbursed to different State Governments under Rural Infrastructure Development Fund (RIDF) - I & II are given at Annexure-III. As far as RIDF-III is concerned, NABARD has sanctioned loans to State Governments to an extent of Rs. 2584 crores for rural infrastructure projects against a corpus of Rs. 2500 crores. The State-wise details of number of projects, amount sanctioned and amount utilised is given at Annexure-IV.

NABARD has a well structured monitoring arrangement covering, *inter-alia*, district oriented monitoring, technical monitoring, scheme-oriented monitoring, mid-term review of implementation of schemes and ex-post evaluation of schemes. It has taken a number of steps to further strengthen its monitoring arrangements. These include, *inter-alia*, appointment of technical consultants for projects, setting up special project monitoring cells at Regional Offices (ROs) as well as field level monitoring. State level deficiencies and implementation difficulties are also reviewed at the State Level Bankers' Committee meetings where State

Governments, commercial banks, RBI and NABARD are represented. Further, NABARD also holds structured discussions with the line departments of the State Governments, wherever considered necessary, to resolve outstanding issues.

As indicated by NABARD for the year 1998-99 the flow of refinance from NABARD under investment credit to participating banks is projected at level of Rs. 4200 crores as against achievement of Rs. 3922 crores for the year 1997-98. NABARD has also tentatively proposed a total allocation of Rs. 6350 crores to co-operative banks and Regional Rural Banks for their short term operations for various purposes as against an achievement of Rs. 6039 crores during the year 1997-98.

As reported by NABARD, 1414 projects located in 18 districts in Gujarat have been sanctioned loan assistance amounting to approximately Rs. 431.71 crores under RIDF-I, II & III. As regards Investment Credit, an amount of Rs. 231.10 crores was provided to Gujarat, during the year 1997-98, against a target of Rs. 216.35 crores. Further, NABARD has tentatively allocated a target of Rs. 238.35 crores for the State under Investment Credit during the current year. As of now, as reported by NABARD, three market yard schemes are pending sanction for want of additional information from the financing banks. Further, for supporting short-term agricultural operations in the State through co-operatives, an allocation of Rs. 245 crores is proposed to be made for the current year as against the refinance assistance of Rs. 223 crores provided last year. Allocation for RRBs has been stepped up to Rs. 40 crores from Rs. 37 crores last year.

Annexure - I

State/Union Territory-wise Targets & Achievements of NABARD under Investment Credit for the years 1995-96, 1996-97 & 1997-98

S. No.	State/Union Territory	1995-96		1996-97		1997-98	
		Target	Achievement	Target	Achievement	Target	Achievement
1	2	3	4	5	6	7	8
1.	A & Nicobar Islands	85	85	100	114	210	156
2.	Andhra Pradesh	33621	33771	35395	35401	36185	40074
3.	Arunachal Pradesh	382	301	838	876	294	509
4.	Assam	4376	4446	6440	6553	7994	8133
5.	Bihar	8281	8281	13987	14079	14736	15967
6.	Chandigarh	16	12	4	4	24	0
7.	Dadra & Nagar Haveli	56	56	20	17	24	17
8.	Goa	403	403	761	762	1040	668
9.	Gujarat	10001	18601	19842	19642	21635	23110
10.	Haryana	17090	17114	20584	20583	24484	25683
11.	Himachal Pradesh	2443	2477	3504	3575	4453	5050

	2	3	4	5	6	7	8
12. Jammu & Kashmir	990	1000	936	943	1644	2036	
13. Karnataka	24421	24289	27772	27764	28526	29085	
14. Kerala	12700	12695	19263	18377	20806	20439	
15. Lakshadweep	9	8	20	0	24	15	
16. Madhya Pradesh	15724	15724	15122	15122	15541	15896	
17. Maharashtra	34500	34501	36000	36003	35362	33260	
18. Manipur	420	428	284	742	424	258	
19. Meghalaya	300	304	295	684	709	788	
20. Mizoram	100	124	256	289	300	222	
21. Nagaland	150	152	154	204	242	203	
22. National Capital Territory of Delhi	400	339	661	669	-	-	
23. Orissa	8400	8510	11590	11611	13068	12825	
24. Pondicherry	309	320	142	150	154	185	
25. Punjab	18900	18898	22427	22456	25041	28692	
26. Rajasthan	16799	16783	23666	23587	29613	27471	
27. Sikkim	95	95	100	89	98	134	
28. Tamil Nadu	26597	26607	30250	29802	30484	31357	
29. Tripura	998	909	1414	1446	1515	1625	
30. Uttar Pradesh	47504	47499	48316	48352	50950	54237	
31. West Bengal	11600	11601	12800	12415	14420	14100	
Total	297670	306423	352893	352311	380000	392195	

Annexure - II

State-wise details of short-term credit provided by NABARD to State Co-operative Banks and Regional Rural Banks during the year 1995-96, 1996-97 & 1997-98.

(Rs. in lakhs)

S. No.	State	Amount of ST refinance provided		
		1995-96	1996-97	1997-98
1	2	3	4	5
1.	Andhra Pradesh	97019	119691	125166
2.	Assam	290	205	199
3.	Bihar	8271	12660	10563
4.	Gujarat	22070	26008	31322
5.	Haryana	52474	54768	60401

	1	2	3	4	5
6. Himachal Pradesh	161	248	270		
7. Jammu & Kashmir	152	65	194		
8. Karnataka	37892	50414	60468		
9. Kerala	24764	23604	22406		
10. Madhya Pradesh	51989	58818	67782		
11. Maharashtra	40829	9024	3435		
12. Manipur	621	609	614		
13. Meghalaya	502	360	198		
14. Nagaland	190	120	120		
15. Orissa	20546	23856	29105		
16. Pondicherry	380	380	-		
17. Punjab	25651	31162	36132		

1	2	3	4	5	1	2	3	4	5
18.	Rajasthan	25259	29320	30960	21.	Uttar Pradesh	63555	60018	63075
19.	Tamil Nadu	60441	52130	43451	22.	West Bengal	14634	16631	17600
20.	Tripura	406	130	436	Total		548096	570221	603897

Annexure - III

Details of Projects sanctioned and loans disbursed to State Governments by NABARD under RIDF-I and II (for completion of rural infrastructure projects) as on 31 March 1998

S. No.	Name of State/ Union Territory	No of Projects sanctioned		RIDF-I		RIDF-II	
		RIDF-I	RIDF-II	Amount sanctioned	Amount disbursed	Amount sanctioned	Amount disbursed
1.	Andhra Pradesh	68	415	20520	17296	33418	7316
2.	Assam	-	44	-	-	6329	-
3.	Goa	1	-	685	685	-	-
4.	Gujarat	44	144	14148	12256	12983	391
5.	Haryana	3	5	1828	1312	6106	372
6.	Himachal Pradesh	77	66	1423	1418	4950	168
7.	Jammu & Kashmir	12	1	622	604	806	57
8.	Karnataka	94	249	14393	11415	17300	390
9.	Kerala	136	184	9972	7091	8943	280
10.	Madhya Pradesh	163	70	19963	14773	20760	570
11.	Maharashtra	105	108	17374	14787	23166	139
12.	Manipur	63	-	175	131	-	-
13.	Maghalaya	19	-	339	279	-	-
14.	Mizoram	21	-	238	202	-	-
15.	Nagaland	18	-	138	138	-	-
16.	Orissa	2557	46	15268	13165	12515	57
17.	Punjab	5	5	6050	6050	6250	330
18.	Rajasthan	38	252	11965	8316	14987	70
19.	Tamil Nadu	-	1589	-	-	27138	9
20.	Uttar Pradesh	34	1611	29235	25211	49165	11
21.	Tripura	36	-	182	32	-	-
22.	West Bengal	23	3459	11337	7529	16951	1
Total		3517	8248	174855	142690	261747	81

Annexure - IV

Details of Projects sanctioned and loans disbursed to State Governments by NABARD during 1997-98 under RIDF-III as on 31.3.1998.

(Rs. in lakhs)

S. No.	Name of State	No. of projects	RIDF-III	
			sanc.	disbursed
1.	Andhra Pradesh	304	27510	1005
2.	Assam	11	1607	-
3.	Bihar	424	915	-
4.	Gujarat	1126	16060	3199
5.	Haryana	45	6287	1775
6.	Himachal Pradesh	29	5011	1159
7.	Jammu & Kashmir	164	3595	418
8.	Karnataka	496	17238	75
9.	Kerala	314	9363	197
10.	Madhya Pradesh	281	24870	2485
11.	Maharashtra	722	25431	572
12.	Meghalaya	21	824	-
13.	Orissa	53	16291	2650
14.	Punjab	53	8885	2060
15.	Rajasthan	266	16333	2216
16.	Tamil Nadu	615	20202	186
17.	Uttar Pradesh	9279	40169	-
18.	West Bengal	151	17785	1161
Total		14454	258376	19158

*SHRI MADHAV RAO PATIL : Mr. Speaker, Sir, I would like to refer to Annexure II, III & IV and mention that though NABARD has sanctioned huge amounts for the State of Maharashtra, not even 10% of the amount is disbursed. Even in respect of other States also more funds have been sanctioned than their targets. If you look at Annexure IV, you will find that for Maharashtra Rs. 254 crore 31 lakh have been sanctioned for the new projects but the disbursement is only Rs. 5 crore 72 lakh. If you look at Annexure II, Item 11, under RIDF 231 crore 65 lakh have been sanctioned but disbursement is only Rs. 1 crore 39 lakh. Annexure II points out that in 1995-96 Rs. 408 crore, 96-97 Rs. 90 crore and 97-98 Rs. 34 crore only are proposed to be allocated for the State of Maharashtra. I have a feeling that NABARD is acting with prejudice against the State of Maharashtra. Hon. Minister should

* Translation of the speech originally delivered in Marathi.

clarify the position in this regard and give necessary instructions to the officials of NABARD. It must ask them as to why less amounts than the target of allocation are sanctioned for Maharashtra and when this injustice will be removed.

SHRI KADAMBUR M.R. JANARTHANAN : Mr. Speaker, Sir, first of all, I want to state to the Hon. Minister that there is no step-motherly treatment being given by the NABARD.....(Interruptions)

SHRI AJIT JOGI : He is an Hon. Member and not the Hon. Minister. He may become a Minister.....(Interruptions)

SHRI KADAMBUR M.R. JANARTHANAN : Yes, I stand corrected. I want to inform him first of all that NABARD is only for refinancing; and it is the banker's bank. The disbursement is done by the commercial banks or the other banks which are in Maharashtra. Therefore, I want to make him clear that it is not the attitude of the NABARD to give step-motherly treatment.

There are some States which are defaulting and so, the disbursement figure is coming down. Here also, it is not the fault of the NABARD but it is the fault of your State. So, the NABARD is not responsible for this default. There is no question of giving any step-motherly treatment by the NABARD.

SHRI MADHAV RAO PATIL : Is it in the case of Maharashtra only?

SHRI KADAMBUR M.R. JANARTHANAN : No, it is about Maharashtra and Orissa.

MR. SPEAKER : You can put your supplementary.

SHRI MADHAV RAO PATIL : Thank you, Sir. I do not have any supplementary to ask.

[Translation]

DR. LAXMINARAYAN PANDEY : Mr. Speaker, Sir, the spending the funds which are being given by the Central Government to states for agriculture and rural development is also reviewed. But there are many states which have diverted these funds to some other works. Madhya Pradesh is one such State. I would like to know, through you, whether the Central Government is aware of such a thing? If so, what steps have been taken by the Government in this regard?

[English]

SHRI KADAMBUR M.R. JANARTHANAN : The RIDF (Rural Infrastructure Development Fund) is given by the NABARD to the concerned States. The NABARD is giving this amount to finance the States. The NABARD is giving this entire amount to the States. So, it is the concern of the State to see that it is spent on the correct head.

About the monitoring of the NABARD, we have to wait and see.

[Translation]

SHRI LAKSHMAN SINGH : Mr. Speaker, Sir, the Government has stated in the reply that indepth review of NABARD's operations is conducted by its Board of Director which comprises senior representatives from Finance Department, Agriculture and Rural Development Ministries. It is clear that indepth review is conducted only by higher officials. You as well as we know as to how they conduct review. I would like to know from the Hon'ble Minister that since the funds sanctioned by NABARD are spent mostly in rural areas whether he is considering to include elected representatives also on the Board of Directors of NABARD?

[English]

Are you planning to include elected representatives in your Board of Directors of NABARD?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : Sir, it is a suggestion for action.....(Interruptions)

SHRI LAKSHMAN SINGH : I did not hear, Sir.

SHRI KADAMBUR M. R. JANARTHANAN : It is a good suggestion.

SHRI KONIJETI ROSAIAH : In order to give NABARD funds, schemes are taken up. I do not know about the rest of the States, but in the State of Andhra Pradesh they are restricting the schemes to the proposals given by the members of the ruling party. Is there any guideline from the Government of India to the States to see that only schemes on merit are taken up?

SHRI KADAMBUR M. R. JANARTHANAN : I would like to tell the Hon. Member that only schemes on merit are taken up under NABARD.

SHRI KONIJETI ROSAIAH : Let him kindly repeat the answer.

[Translation]

SHRI SHAILENDRA KUMAR : Mr. Speaker, Sir, I would like to tell the Hon'ble Minister through you that mostly it has been seen that funds allocated to the States for agriculture and rural development scheme through NABARD are misused by the State Governments. The State officials ignore the Members of Parliament in such matters. For instance the funds for the Employment Assurance Scheme of NABARD are sent by the Government of India but the officials and the local public representatives interfere in that as a result of which we, the M.Ps. are given no importance. Will the Hon'ble Minister give an assurance to formulate any scheme for constituting a direct Committee of M.Ps. so that we are able to participate in the implementation of such schemes?

[English]

.....(Interruptions)

MR. SPEAKER : The Hon. Minister is there. Why are you standing up?

SHRI KADAMBUR M. R. JANARTHANAN : If the Hon. Member brings a particular report to the Ministry, certainly it will be taken notice of.

[Translation]

SHRI SHAILENDRA KUMAR : I want to say that in such schemes direct participation of M.Ps. should be ensured and they should be consulted before its implementation. But it is found that we are ignored by officers and local public representatives. They grossly misuse that funds and no importance is given to us.

SHRI YASHWANT SINHA : Mr. Speaker, Sir, I assure the House that we will ensure participation of M.Ps. in schemes which are implemented at the local level.

[English]

SHRI K. YERRANNAIDU : I would like to know from the Hon. Minister as to which are the States that have been getting more money right from the inception of NABARD and which are the States that have been repaying the money perfectly.

DR. T. SUBBARAMI REDDY : I would like to ask a clarifactory question from the Hon. Minister.

MR. SPEAKER : You cannot ask questions like this. Please taken your seat. There is a procedure to be followed.

SHRI K. YERRANNAIDU : I would like to know which State is using more funds and is performing well out of these funds and which State is repaying it perfectly well.

SHRI KADAMBUR M. R. JANARTHANAN : The Hon. Member must know that NABARD is only a refinancing institution. As far as refinancing is concerned, of course, Andhra Pradesh is doing well.

MR. SPEAKER : If you have any information, you can give it.

SHRI KADAMBUR M. R. JANARTHANAN : Funds under RIDF are not yet due for repayment. I will collect the information and give it to the Hon. Member.

[Translation]

SHRI THAWAR CHAND GEHLOT : Mr. Speaker, Sir, in Annexure-IV, the number of projects sanctioned by NABARD during 1997-98 is given. I would like to know as to how many projects were submitted by Madhya Pradesh Government for approval and till date how many projects were approved? In Gujarat 1226, in Karnataka 496, in Maharashtra 722 and in Uttar Pradesh 9279 projects were approved whereas in Madhya Pradesh only 281 projects

were approved. According to my information many projects proposed by Madhya Pradesh are pending. May I know the timely by which these projects will be approved?

[English]

MR. SPEAKER : Mr. Minister, would you like to say anything?

SHRI KADAMBUR M.R. JANARTHANAN : Sir, the number of pending schemes is for the States to look after.

Further, if you see the case of Madhya Pradesh, the number of RIDF projects sanctioned under RIDF-I was 163 and under RIDF-II, it was 70. It is for the State Government to fulfil the schemes.

SHRI KAMAL NATH : Sir, the statement which was laid by the Hon. Minister in the House shows two things: one that over the last three years, in investment credit, while all other States have had an incremental amount varying between 20 per cent and almost 100 per cent, Madhya Pradesh has remained static - on the other hand, this statement shows a very strange situation - and that the amount of loans disbursed is less than the per cent of the sanctioned amount. Is there something wrong? Between what has been sanctioned and what has been disbursed, there is a difference of 90 per cent. Why is this difference there? This means, either the figure of sanctioned amount is not correct or the figure of disbursal is not correct or the whole statement itself is not correct.....*(Interruptions)*

SHRI KADAMBUR M.R. JANARTHANAN : The figures are correct. We disburse the money, again I repeat, we give the money to the States. It is the States that do the disbursement. Sanctions under RIDF-III were accorded only last year and the disbursements have started picking up. If the disbursement has slowed down according to you, you are a veteran politician from Madhya Pradesh and you may see how your State is spending the money.....*(Interruptions)*

SHRI KAMAL NATH : This is an incorrect answer. The statistics given in Annexure-IV are for every State including Tamil Nadu.*(Interruptions)*

SHRI VARKALA RADHAKRISHNAN : In disbursing loans, is there any guideline issued by the Government, any principle adopted? The Hon. Minister may please refer to Annexure-IV. Take the case of Kerala, where only Rs. 197 lakh have been disbursed whereas the sanctioned amount is nearly Rs. 10,000 lakh.....*(Interruptions)*

MR. SPEAKER : Please put your supplementary.

SHRI VARKALA RADHAKRISHNAN : This State is far away and you are not disbursing the money.

There is also another issue. In the matter of disbursing short-term loans also, this discrimination is patent. So, I would like to know from the Hon. Minister whether there has been any discrimination and if so on what grounds. Is

there any principle adopted by the NABARD in disbursing loans? You sanction very huge amount but the disbursement is very negligible. This is something which cannot be tolerated. Mr. Minister, please answer.

SHRI KADAMBUR M.R. JANARTHANAN : The purpose of allotment of funds is for rural development. Under the guidelines given, funds are disbursed to the States only for rural development.....*(Interruptions)*

MR. SPEAKER : Please take your seat.

SHRI VARKALA RADHAKRISHNAN : He is not answering the question.....*(Interruptions)*

SHRI KADAMBUR M.R. JANARTHANAN : I am answering your question.....*(Interruptions)* It is given to the States for the development of the rural areas. That is the direction given by the NABARD. It is for the State Governments to look out.

[Translation]

SHRI THAWAR CHAND GEHLOT : Mr. Speaker, Sir, please allow Half-an-hour discussion on this question.

[English]

SHRI KADAMBUR M.R. JANARTHANAN : You, as a Member of Parliament can monitor whether the money is spent properly or not.....*(Interruptions)*

SHRI AJIT JOGI : Mr. Speaker, Sir, please allow Half-an-hour discussion on this question.....*(Interruptions)*

MR. SPEAKER : After so many supplementaries on this question you are suggesting for Half-an-hour discussion.

.....*(Interruptions)*

SHRI KADAMBUR M.R. JANARTHANAN : As a Member of Parliament you can visit your constituency and see for yourself whether the funds allotted for rural development are spent properly or not. You can monitor this.....*(Interruptions)*

SHRI VARKALA RADHAKRISHNAN : Sir, the question is regarding the funds sanctioned.....*(Interruptions)*

MR. SPEAKER : Shri Radhakrishnan, please take your seat.

.....*(Interruptions)*

SHRI VARKALA RADHAKRISHNAN : Sir, let the Hon. Minister answer my question. My question is regarding the disbursement of funds.....*(Interruptions)*

MR. SPEAKER : This is not proper. Shri Radhakrishnan, please take your seat.

.....*(Interruptions)*

SHRI KADAMBUR M.R. JANARTHANAN : Sir, we are not discriminating against any State. Under RIDF, NABARD sanctions funds mainly according to the rural population of the State.....(*Interruptions*). As a Member of Parliament you can monitor in your constituency whether the fund is properly spent by your State or not.....(*Interruptions*)

Patent Right for Basmati Rice to an American Company

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*42. SHRI MOTILAL VORA :
DR. T. SUBBARAMI REDDY :

Will the Minister of INDUSTRY be pleased to state:

(a) whether an American company 'Ricetech' has illegally got the patent of Basmati rice in its name;

(b) if so, the reaction of the Government thereto;

(c) the steps taken by the Government so far to raise this issue before World Trade Organisation and other International forums in order to get the above mentioned patent cancelled; and

(d) the measures taken by the Government to prevent other countries from taking out Patents on Indian Products?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) to (c) A patent under title "Basmati Lines and grains" was granted to Rice Tec. Inc. Alvin Texas on 02.09.1997 by the Commissioner of Patents and Trademarks, United States of America. An Inter-ministerial Committee has been set up under the Deptt. of Industrial Development, Ministry of Industry to prepare a challenge of the Patent accorded of M/s. Rice Tec., Inc. Basic material and scientific data to contest the award of Patent granted by the Commissioner of Patents and Trademarks, United States of America is also being compiled. The revocation of the patent would have to be carried out under the United States Patents and Trademarks law. Therefore, raising the matter for cancellation of patent before the World Trade Organisation and before other international fora does not arise.

(d) Patents are granted by respective Governments under their Patents laws. Whenever information is received about patents being taken on certain products which are of commercial interest to India and which in our view do not satisfy the criteria of patentability, steps are taken to assess whether the grant of patent can be challenged. When sufficient material is gathered, steps are taken for filing a petition for re-examination and ultimate revocation of patent in that country.

[Translation]

SHRI MOTILAL VORA : Mr. Speaker, Sir, I would like to know from the Hon. Minister whether the Commissioner of Patents and Trademarks of United States of America had sought any information from the Government of India before granting Patent of "Rice Tec. Incorporated, Alvin, Texas" on 2.9.97?

[English]

Let the Hon. Minister answer this part of my question.

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : No.

[Translation]

SHRI MOTILAL VORA : Mr. Speaker, Sir, if no information was sought from the Government of India, is the hon. Minister aware of the fact that in the name of basmati rice the company has started selling coarse rice produced under the patent Basmati Lines and Grains in USA.

SHRI SIKANDER BAKHT : We did get this information but it was received on 11.2.97 and we constituted a Committee on 12.2.97 to inquire into the matter to find out as to how we can persuade USA for re-examining the matter.

SHRI MOTILAL VORA : Sir, in reply to the (b) part of my question it has been mentioned that an inter-Ministerial Committee was constituted for it. I would like to know as to when this inter-Ministerial Committee was constituted and what action has been taken by this Committee so far?

SHRI SIKANDER BAKHT : I have stated that we got this information on 11.2.98, prior to that we had no information because such matters are kept secret in U.S.A. till an announcement is made in this regard. After the announcement was made we constituted the Committee on 12.2.98 itself and convened meetings and this process is still going on. I hope that finally we will be able to persuade USA for re-examination of this matter. But so far no final decision could be taken as it was a complicated matter.

[English]

DR. T. SUBBARAMI REDDY : Mr. Speaker, Sir, it is a very important thing for the country. 4.5 lakh tonnes of rice is being exported every year thereby earning a foreign exchange to the tune of Rs. 1,200 crore. It is very strange and surprising that the reply is so vague. It states: "When sufficient material is gathered, steps are taken....."

The situation is that basmati rice which is being produced in our country is accepted all over the world. It is a very famous rice particularly in America. They have very tactfully patented the name 'basmati'. There is every possibility of growing rice in Texas and in other parts of U.S.A. and sell it in the name of basmati.