

[Sh. Arjun Singh]

third of the total number of members of the Joint Committee;

that the committee shall make a report to this House by the end of the first week of the Winter Session, 1992;

that in other respects the Rules of Procedure of this House relating to Parliamentary Committees shall apply with such variations and modifications as the Speaker may make; and

that this House do recommend to Rajya Sabha that Rajya Sabha do join the said Joint committee and Communicate to this House the names of 15 members to be appointed by Rajya Sabha to the joint Committee."

*The motion was adopted.*

16.25 hrs.

BANKING COMPANIES (ACQUISITION  
AND TRANSFER OF UNDERTAKINGS)  
AMENDMENT BILL CONTD.

[English]

SHRI A. CHARLES (Trivandrum): Sir, the Banking Companies (Acquisition and Transfer of Undertakings) Amendment Bill, 1992 now before the House, has got a very limited purpose, that of enhancement of the ceiling and the paid-up capital from the present level of Rs. 500 crores to Rs. 1500 crores. This has been brought forward on the basis of one of the recommendations contained in the report of the Narshimam Committee. In Para 9 of the Summary Report, this recommendation has been made. So, I stand to support this Bill. I do not find

and irregularity in increasing the paid up capital.

○ However, with my limited knowledge of finance and operation of the banking system, I would like to draw the attention of the Minister to a few points of may concern in the whole. But while supporting the Bill, I would like to highlight a few points.

Para 3 on page iv of the Summary of Report says, and I quote:

"However, both banks and the DFIs have suffered from excessive administrative and political interference in individual credit decision making and internal management."

At many other places also this statement of political interference is seen. I would like to know how political interference is creating problem in individual cases because with my limited experience as the President of a small Association which looks after the small industries. I am sorry to point out that even the recent liberalisation, I am afraid, will be washed out if they are not protected. The same paragraph continues to say, and I quote:

"The credit target for this redefined priority sector should henceforth be fixed at 10 per cent or aggregate credit which would be broadly in line with the credit flows to these sectors at present."

I totally oppose this. Forty per cent now given for the priority sector cannot be touched under any circumstances because even in the case of 40 per cent, sixteen per cent goes to the agriculture sector. I agree that in the agriculture sector, sixteen per cent be given to the marginal farmers, not to the big farmers, but if we touch the sixteen per cent

for the agriculture sector, what will be the future agricultural production of this country, what about the food materials we have to produce for the 850 million people of this country?

Again, if we touch the tiny sector, and the small industry, how are we going to improve our industry?

So, I would request the hon. Minister that the proposal to bring down the credit of the priority sector by ten per cent should be reconsidered, and I plead that the forty per cent be retained.

It is because as I stated, the small industrial sector is the vital sector in this country. 60 per cent of the total employment opportunities are from this sector. 45 per cent of the total industrial production is in this sector. 35 per cent of the foreign exchange is also in this vital sector. So, to protect this vital sector, their due share should be given. It is a priority sector. On the re-definition of priority sector, I agree but I oppose on the percentage to be given to priority sector.

Then again, what about the concessional rate of interest. I submit that it has to be examined.

Sir, as the time is short, I am rushing through.

I quote from para 23:

"The Committee proposes that Government should indicate that there would be no further nationalisation of banks".

I want to know why? I do not say that the banks shall be further nationalised. I do not oppose if some sort of autonomy is given to them. But to say that in future, under no circumstances, there could be any nationalisation, I do not think that even this House is

competent to do that. This is giving some sort of powers which are beyond the scope of the banking system. That is why I said earlier that we want a meaningful and detailed discussion on this report itself. Then, about recruitment, my friend Shri Shahabuddin has pointed out the details. I feel that the existing recruitment through the Banking Commission is all right. The proposal is to do away with the banking commission. The mistakes are not because of the banking commission. The banking commission should re-define the procedure for making recruitment so that some credit could be given to the local candidates. But to do away with the system of recruitment means that it again goes to the hands of the bureaucrats. I am sure that it will affect the scope of recruitment of the weaker sections.

Sir, I quote from page 8 :

"In the case of State level institutions it is necessary to distance them from the State Governments and ensure that they function on business principles based on prudential norms and you have a management set up suited for this purpose".

I am sorry to point out here that the State level institutions are doing a dis-service to the small industry.

In Kerala there is the Kerala Financial Corporation. I plead with the hon. Minister. If the Ministry of Finance or if Parliament has any power to investigate into the functioning of this Corporation, particularly for the last five years, an impartial investigation may be conducted. If such an investigation is conducted the cruelty caused by the Corporation in respect of the tiny sector the small scale sector will be known.

Sir, Clause 29 of the Kerala Financial Corporation Act gives the indiscriminate

[Sh. A. Charles]

power to the management for the closure of small industries. I can give hundreds of cases where a small industry which has taken a loan of about Rs. 50,000 and there has been delayed payments and in the process on repayment in five years, the small industry, which has taken Rs. 50,000, might have repaid more than Rs. one lakh, but still the balance to be repaid remains more than Rs. one lakh.

Sir, in a small industry where a few families are depending on that industry and if they commit some delayed payment, Clause 29 of the Act is applied and it comes into operation. That industry is closed. After closing the industry, they arrange a security guard, by payment from the treasury. There are cases, I can give many instances, where the book value of the whole industry comes to Rs. 30,000. That industry was surviving and that was closed because of delayed payment.

And two securities are appointed on daily wages, each being was paid Rs. 38 per day. This amount in six months will exceed the total book value of all the assets of that industry. By closing the industry what has the financial institution gained, I cannot understand. So, I plead that something should be done to control and revamp the functioning of the State financial institutions.

Lastly, I may say briefly about the IRDP. Here I would like to draw the attention of the hon. Minister to the second para on page 29 of the Report of the Committee on the Financial System, which I quote:

*"The system of directed credit programmes has contributed to an expansion of credit in the directions that were considered necessary. In purely quantitative terms this expansion must be*

*regarded as a successful fulfilment of the objectives of such redirection. However, this achievement has been brought about at the cost of a deterioration of the quality of the loan portfolio, the growth of overdose and consequent erosion of profitability."*

Who is responsible for this? Is it political interference or some other form of interference?

Again, I quote from page 30:

*"Meanwhile, collateral requirements have been eased and this combined with inadequate appraisal of credit applications in terms of productive use of credit and insufficient post credit supervision has affected recovery of dues and increased on delinquencies."*

This is the nexus, not the political interference. Why the collateral requirements have been eased out? Who is responsible for that. I think this has to be looked into and some broad outline has to be given by this august House.

Again, I quote the last paragraph on page 30:

*"The experience with regard to IRDP is instructive in this regard. In many cases of IRDP lending banks have virtually abdicated their responsibilities in undertaking need based credit assessment and appraisal of potential viability and instead have tended to rely on lists of identified borrowers prepared by Government authorities."*

This is totally wrong. In Trivandrum I used to attend the Committee meeting called by the banks. In the bankers' meeting this issue has come up. The State Corporation used to give 200 applications on a particular day. They will be processed by the District Industries Manager in consultation with banks. They identify the persons. They also have a study of the project and then they are sent to the banks. Finally, it goes to a particular branch of a bank. In that branch it is the discretion of the Manager of that branch that finally decides whether the loan should be given or not. All that I am saying is that it is because of this injustice the political interference comes in if at all there is any. After getting the application a poor man goes for six months knocking every door, spending money from his pocket and giving all the details for the approval of the projects. And finally, after six months the project is approved and thereafter it is sent to a particular branch. The Branch Manager visits the project at that stage and tells the entrepreneur that he is not eligible for the loan. What I would say is that once the study is completed and the persons identified, the project should not be rejected thereafter. A responsible Committee consisting of District Industries Officer and a representative of the Bank finally decides the project and so, the Manager of any particular Bank should not have any discretionary power to reject the loan. So, this is the problem faced by millions of people in this country. Hence, I would plead that this aspect may kindly be looked into. With these observations, I once again request that the report of this Committee may be discussed in detail in this House. With these words, I support this Bill because it has only a limited application.

SHRI R. NAIDU RAMASAMY (Periyakulam): Mr. Chairman, Sir, I thank you very much on behalf of AIADMK for giving me an opportunity to participate in the discussion on the Banking (Acquisition and Transfer of Undertakings) Amendment Bill.

Sir, the cornerstone of our democratic Constitution is socialism. Socialism cannot be realised without effectively deconcentrating wealth. Only with this in view, banks were nationalised two decades ago. Banks were supposed to function as institutions of social transformation. They were supposed to bring about economic parity among the masses. But, today due to certain vested interests, the whole banking industry is in shambles. The securities scam has exposed the loopholes in the banking sector and the leaks in the system which ought to be immediately plugged.

Sir, several hundred crores of rupees of public money which should have gone to build houses for the poor and the downtrodden, which should have gone to poor farmers for increasing the agricultural production, which should have gone to upliftment of the backward classes, Scheduled Castes and Scheduled Tribes for their social and economic advancement, have been siphoned off by a few for gambling in the stock market. Rs. 3,500 crores is not an ordinary amount. It is a matter of grave concern that those high officials who are at the helm of affairs in the banking sector are involved in this securities scam. This has made the country a laughing stock. Though I do not feel happy about the way the Government have allowed such a faulty system to develop, I am however happy that those who have been involved in the scam have been put behind the bars promptly. Even the high officials have not been spared.

Sir, this scandal is an eye-opener to the Government. Pending the investigations and the report of the Joint Parliamentary Committee, Government should take emergent measures to see that the banking industry functions for the welfare of the poor. Capitalism, liberalisation and economic deconcentration of wealth are not opposed to each other. These can co-exist. While the big businessmen have the potential of generat-

[Sh. R. Naidu Ramaswamy]

ing further wealth within their assets at their command, the poor will only have to look to the lending institutions for development. Therefore, even in capitalist society, the lending institutions should first cater to the needs of the poor and then to the big businessmen. Such a dovetailing is required.

As taxation is progressive, the lending rates by banks should also be progressive. The Backward Classes, Scheduled Castes and Scheduled Tribes, the farmers, petty artisans and their like from the developing communities should be charged low and the big businessmen who command wealth should be charged a higher rate of interest. In this country, whether more than 60 per cent of the people live below poverty line, why not a differential interest rate based on the asset holding of the loanee be charged by the banks to bring about economic parity among the contending parties in the industrial development?

In this connection, I am duty bound to inform the House the in Tamil Nadu, under the golden rule of the dynamic leader, Puratchi Thalaivi, a specific directive has been issued to all financial institutions like cooperative banks, land development banks that women, agriculturists and artisans as well as Scheduled Castes and Scheduled Tribes and backward classes should be considered as priority areas for the purpose of grant of loans by these institutions.

To avert scandals, the Government should immediately order that the bank employees should declare all their assets acquired by them and their family members over the past ten years. Such an order would reveal the extent of influence, peddling and corruption in the banking sector.

Sir, with a view to hearing public complaints in the day to day functioning of the

banks and to punish the guilty and to provide relief to the aggrieved, the Government must create by statute, the Banking Vigilance Commission exclusively for this purpose.

Sir, I also urge upon the Government to display as public notice in all the banks, the details of disbursements of all loans on day to day basis with particulars indicating the amount of loan sanctioned, the persons who applied for the loans, the persons granted the loans and the persons whose applications have been rejected with reasons, for public knowledge. This would enable the public to have a close check on the bank officials from indulging in corruption.

I also suggest that in all the nationalised banks, jewel loans should be provided to the poor since jewels are the only assets of the poor. If the existing counters are not sufficient, extension counters may be started in all the nationalised banks for the purpose of providing small loans on the mortgage of jewels. This would also encourage the people to give up the craze for gold.

With these words, I conclude my speech.

SHRI SANDIPAN BHAGWANTHORAT (Pandharpur): Mr. Chairman, Sir, I rise to support this Amendment Bill. The nationalisation of the banks as done by Mrs. Indira Gandhi was meant for the poorer sections of the society. It was designed to make the banks reach small men in the rural areas. This was what late Mrs. Indira Gandhi thought.

Sir, the banking system in this country is the only means through which the country can develop. For the development of the nation, the commercial banks play a major role. This is a main factor for the industrial growth of a country.

The paid up capital is to be enhanced as suggested in this Amendment Bill. While

supporting this Bill, I would like to make some suggestions. The Government is contributing paid up shares to the banks. At this juncture, I would plead with the Finance Minister, when the Central Government is contributing to the paid up share capital of these banks, some portion of this paid up capital should be earmarked for the benefit of the Scheduled Castes and Scheduled Tribes in this country. The population of Scheduled Castes and Scheduled Tribes in this country is 22-1/2 per cent. So, 22-1/2 per cent of the paid up share capital which is going to the banks should be earmarked for the Scheduled Castes and Scheduled Tribes and that too free of interest. The bank should not charge any interest on these amounts because this amount pertains to the Government. The banks have no claim over this amount. My suggestion would be that the Finance Minister should consider this proposal while giving Government share to the banks in the form of share capital. They should impose a condition on the banks that this much portion of 22 1/2 per cent should go to the credit for the Scheduled Castes and the Scheduled Tribes.

The rate of interest being charged on the priority sector, the rural sector, is also high. Recently the RBI has issued directives and the rate of interest has been enhanced to 20 per cent. This is exorbitant. Previously the rate of interest was 14 per cent. it has been changed to 20 per cent. The rural industry cannot survive or cannot even come up. It is very difficult to start a rural industry in the rural areas. Previously the rate of interest for the general was 14 per cent. So, it should now be 14 per cent.

The second suggestion is for the IRDP. The loans which were given to the marginal farmers and artisans in rural areas, were very much helpful for them. But we do not know who issued the guidelines according to which that practice is now going to be stopped. The banks are not financing these poor people in the rural areas.

I request the hon. Finance Minister to see that these guidelines which were previously issued should be implemented properly and there should not be any restriction of the finances of the IRDP to the poor people.

The Board of Directors are to be appointed under Section 7. In the present set up, there is not a single person, according to my knowledge, on the Board of Directors of any nationalised bank who belongs to the Scheduled Caste or the Scheduled Tribe.

I would plead with the Finance Minister that in the next Session, he should come forward with another amendment to Section 7 incorporating in the Act that one person from the Scheduled Castes and one person from the Scheduled Tribes should be on the Board of Directors of the Bank.

There should be come social fund in the banks. it should be applied for the development of the Scheduled Castes and the Scheduled Tribes.

So far as the welfare of the Scheduled Castes and the Scheduled Tribes is concerned, many hon. Members have rightly said that credit does not go to these poor people. Some hon. Members said that there is a corporation, NSFDC for the welfare of Scheduled Castes to give credit to these poor people. But the funds provided for this Corporation are only Rs. 10 crores. The population of the Scheduled Castes and the Scheduled Tribes is 22-1/2 per cent. Almost one-fourth of the nation has been provided with Rs. 10 crores of credit for their development during the year. How is it possible? It is a dole.

I would plead with the Finance Minister that at least the funds which you are provided for the NSFDC should be kindly enhanced for the welfare of Scheduled Castes and the Scheduled Tribes.

With these words, I support this Bill.

[*Translation*]

SHRI BHOGENDRA JHA (Madhubani):  
Mr Chairman, Sir, this Bill has been brought forward for few matters and has been brought at the juncture when there is an atmosphere in the country in which a blow has been dealt to the question of continuance of the ownership of public over banks in the public interest.

Mr. Chairman, Sir, in a meeting of M.Ps. of Bihar last week, top industrialists in the country had said while dealing with two points out of three that the nationalised banks should be privatised and industries in public sector should also be brought under private sector. Everybody has a right to make his suggestion in democracy. But this suggestion was made to M.Ps. after inviting them. It creates some doubt about Government policy. I am saying so because incidentally or fortunately I was in the Fourth Lok Sabha when the nationalisation of banks took place and the employees of the Central Government had called on one day's strike on 19th September, 1968 when 14 employees were shot dead, 23,000 were arrested and 45,000 employees suffered break in service. Fire was opened at Shastri Bhawan also and all of us had opposed it in the circumstances prevailing at that time. Thereafter, when the Plans were pending for want of funds, the plans were not initiated at the instance of the World Bank as there was no money available for initiating the plans for four years. Then, the issue of nationalisation of banks came up. We had also made suggestion and also met the Prime Minister. At that time, the Prime Minister was in a fix as the then Minister of Finance had said that there would be no nationalisation of banks so long as he remained in office. The Prime Minister had shown me the press clipping in this connection. I said that he had not opposed it. She said, "How has he not opposed it?" I said that he had simply said that nationalisation of banks was not possible so long as he re-

mained the Minister of Finance. You might remove him from his office. Then the nationalisation could be possible. She said the Government would not run. We requested her to show courage, order nationalisation of banks and abolish privy purses. We promised to co-operate her in running the Government without any condition. I am recalling this background because some more M.Ps. were also involved in it. In Delhi, a committee was constituted to withdraw the deposited money from the banks. It was talked openly that the banks were going to be insolvent. At the time of nationalisation, the total capital of 14 banks was Rs. 3600 crore but the same has reached to Rs 7000-8000 crore today. There are irregularities. These irregularities were in the past also. But the people of the country, who have no money, have been associated with the banks. They have to borrow loan for purchasing rickshaw, buffalo or for self-employment. These things could not be envisaged at that time. Still there are a number of shortcomings.

When this Bill was brought forward before us, my experience regarding the problems of banks has been that most banks particularly, regional and rural banks, are on the verge of becoming involvement. Now the position is that when a loan of Rs. 10,000 is waived, people again hope for a loan waiver after getting loan of Rs. 10,000/- waived. The Government does not make any categorical declaration. Some M.Ps. also say that loan would be waived next time. The bank money is the original source for use in producing and planting trees but today this source is in danger. The Minister of Finance may explain it categorically before the House and the nation. After all, why there is such position of recovery of bank loan? What steps may be taken to improve this position, particularly both in rural and urban areas.

The other aspect is that when the nationalisation of banks took place, the banks

with a capital of less than Rs. 50 crore were left out.

17.00 hrs.

Later on in eighties, it was raised to Rs. 500 crores in 1988 and now this figure stands at Rs. 1500 crore. Now it is proposed to be raised from Rs. 500 crore to Rs. 1500 crore. In this situation whether other criteria will also be proportionately amended or the private banks will be allowed to jeopardise the nationalised banks and be allowed to effectively control the financial system of the country in the years to come. I am submitting all this because the nationalised banks are the public property and not the personal property of anyone individual. Though it is correct that persons in power used the banks more to serve their own ends. Yet these constitute the public property.

I think the criterion fixed for international banks is reasonable and we would not lag behind in supporting it. When the economy is linked with the world economy and dealings are also taking place with the foreign banks then we should go in for 8 per cent rate fixed for banks by 92 or 1993. However, though suddenly the limit of paid up capital has been raised to Rs. 1500 crore from Rs. 500 crore yet the demands of bank employees, agreement with rural banks employees and the award of the tribunal have not been implemented. The Government is committed. The Supreme Court in its judgment has ordered to implement it. But the Government has not implemented it so far. I would like to submit that the hon. Minister of Finance told me that it will have a financial implication of the order of Rs. 200-250 crore. I am not speaking on behalf of the bank employees but I am submitting on my own that it does not look nice if the award of the Tribunal and the judgement of the Supreme Court are not implemented by the Government. Government of India is totally unjustified. Do not give the money cash into the hands of the employees

put it into the fixed deposits. It will help in checking inflation in the country the money will remain in your own hands and the decision will also be implemented. It will be a practical step.

It will be nice if the hon. Minister of Finance makes an announcement in this regard during the discussion on the Bill itself. Otherwise it is an open violation of the decision of the Tribunal and the Supreme Court. It does not look nice. Therefore, we have strongly pleaded in this House that utmost priority should be given to the implementation of the verdict of the Supreme Court. I hope that the hon. Minister of Finance would not ignore this issue and make clear the Government's stand on it.

Mr. Chairman, Sir, I would like to lay stress on one thing more. The Banks are being misutilised on large scale. Not a single wholesale trader of essential commodities in the country operates with his own finance. He does business with bank money. We have no objection. Actually, they hoard the consumer goods after purchasing them from the farmers with the bank finance. The Consumers do not have any access to these godowns. According to the theories of Marshall, Keynes and Adam Smith when demand exceeds supply price tend to rise. In this situation traders with the help of banks secure the release of goods from godowns and make a profit of 1-1/2 or 2 times. The private wholesale traders in collusion with the banks and with the bank's money are contributing to inflation and price rise in the country.

I would like to submit that in the mixed framework of the economy, where in the capitalists are being thoroughly encouraged, I do not expect the Government to fully take over the wholesale trade. However, I would like the hon. Minister of Finance to categorically state that the banks and nationalised banks in particular will not give loans to



[Sh. Bhogendra Jha]

wholesale traders dealing in essential commodities. So that profiteering in the country could be checked and budgets of crores of families are not disturbed. If they want to take loans from private banks then let them take. If loan is secured for increasing production then it should be utilised for the same. Wholesale trade in the country should be banned. Last year I was elected when the hon. Minister of Finance said that the RBI is already working on the suggestion of Mr. Jha. However, the effects of it are not evident at all. It will be nice if an announcement is made to the effect that the wholesale traders are free to carry on their business, but they should not indulge in hoarding and profiteering with the money of the nationalised banks. They will carry on their business through the FCI or the Jute Corporation or other organisation and the bank's money will be properly utilised. There is another issue relating to rural areas. Last time also I raised this issue and produced receipts of 23 persons of Sahaspur Panchayat of Darbhanga district in Bihar. I had given these receipts to the hon. Minister of State in the Ministry of Finance, Shri Dalbir Singh, in the Parliament. Loans of those persons who never took any loans were written off. From this it is clear that someone else took loans in their names. In place of the previous manager new one was appointed who was totally unaware that 5-10 thousand rupee loans of those persons had been written off, who never borrowed any money. On this no action has been taken yet and now it has become the butt of joke. Loans for planned production and other things were sanctioned to landless persons and harijans of Khojoli in Madhubani district, but not a single penny was paid to them. I am not in favour of bank loans being sanctioned for consumer commodities as it will lead to bankruptcy of banks. However, bank loans were not sanctioned for production purposes. That is why I raised this issue in the House and also despatched a letter in this regard to

the hon. Minister of Finance. The hon. Minister replied that necessary action will be definitely taken. It is believed that an official of NABARD from Delhi paid a visit to the area and in his presence an affidavit was also filed. The persons in whose names the affidavits were filed come to me and told me of all this. If such things happen then people will file the criminal case in the courts. Could not the government machinery do anything in the matter of embezzlement of 100 per cent of funds....*(Interruptions)* Please advise whether the people should attack the banks or should file criminal cases. Nine months ago I wrote the letter to the hon. Finance Minister but nothing has been done whereas a new child comes to the world in this period. But in 9 months the hon. Minister of Finance could not take any action in the matter of swindling of funds by a branch of SBI. Issue of sanctioning of loans for production purposes was discussed and the hon. Minister of Finance had agreed that it will be taken care off. I feel that instead of going in for employment the youth should go in for self employment. Some districts should be earmarked as model districts. Loans at concessional rates should be given for productive activities only. A principle should be involved that bank loans will be given only for productive purposes. This can be extended to whole of the country or atleast to some areas on experimental basis so that the people of the country feel encouraged and also understand the utility of banks. On these issues the hon. Minister of Finance should express his views and also announce some policies. In the face of inflation it is not possible to support the Bill, because the decision to raise capital base limit from Rs. 50 crore to Rs. 1500 crore needs to be opposed. As this will enable the private banks to dominate the scene. It is not proper to oppose introduction of international criterion as I am in favour of the banks standing upto this challenge.

This Bill cannot be whole heartedly supported by me as there are many a thing

to be opposed in it. I do not think that the hon. Minister of Finance will withdraw the Bill and it is not possible for us to support the Bill in its present form too.

Foreign Secretary of Pakistan called on the President and the Prime Minister. I also had a separate meeting with him.

## STATEMENT BY MINISTER\*

17.11 hrs.

### Foreign Secretary level talks between India and Pakistan at New Delhi

[English]

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI R.L. BHATIA): Sir, Hon.able Members are aware that the Sixteen Round of Foreign Secretary level talks between India and Pakistan was scheduled to take place in New Delhi on 17-19 August, 1992. These talks have concluded today.

The Sixth round of talks was to have been held in June, 1992 but was postponed due to the climate of bilateral relations having been vitiated by the abduction and brutal treatment meted to a senior Indian diplomat in Islamabad and Pakistan's conduct in violation of accepted norms of diplomatic functioning.

The Prime Ministers of India and Pakistan during their meeting at Rio de Janeiro on 14th June, 1992 had agreed that, despite recent setbacks, it was necessary to reduce tensions and set the bilateral dialogue back on track. We believe that there is no option but to continue this dialogue. We believe that channels of communication must be kept open with Pakistan and efforts under taken to reduce tensions.

During the visit to New Delhi, the For-

During the course of these meetings, we have reiterated that Pakistan's continued support to terrorism and subversion and interference in our internal affairs must stop and this issue must be put at rest without any further delay. We impressed upon the Foreign Secretary of Pakistan that concrete evidence of this happening alone will provide the atmosphere for building up friendly relations with Pakistan.

The Foreign Secretary of Pakistan has handed over a letter from Prime Minister Nawaz Sharif addressed to our Prime Minister. Our Prime Minister has indicated that after due consideration of the contents of the letter, a reply will be sent.

The Sixth Round of foreign Secretary level talks did not have a fixed agenda but covered the whole range of bilateral issues between India and Pakistan. The views on regional and international issues of mutual interest. During the talks, the Foreign Secretaries have reached agreement on a schedule of official level meetings in the coming months on certain pending issues of bilateral concern. These include Siachen, Sir Creek, the issue of missing Indian defence personnel and civilian prisoners in Pakistan as well as the next round of meeting for the India-Pakistan Committee to Combat Drug Trafficking and Smuggling. At the end of the talks similar agreed press statements were made. A copy of this statement is placed on the Table of the House.

[Placed in Library See No. LT-2603/92]

The bilateral talks with Foreign Secretary of Pakistan were held in a frank and cordial atmosphere. They were useful in that they have afforded us the opportunity to strongly urge that Pakistan must desist from