

quently, certain Sindhi scholars and educationists including the associations of heads of the recognised Sindhi Secondary Schools represented to this Ministry urging that the Arabic script and not the Devanagari script should be used in schools for educational purposes.

2. The matter was therefore re-examined and taking into consideration the provisions of Art. 29(I) of the Constitution, a revised circular was issued to all State Governments in 1951 intimating that it would be desirable to allow the use of both Urdu (Arabic) and Devanagari script for the Sindhi language leaving it to the students to choose either, subject to the condition that arrangements will be made for teaching in that script provided the requisite number of students as envisaged in the Resolution of the Central Advisory Board of Education passed in 1949, i.e. at least 40 students in the schools or 10 in each class desire to study through that script. It is, therefore left to the Sindhi students to decide in which script he would like to study his language. Recently this Ministry consulted Ministry of Law with regard to the writing of university level books in Sindhi language. The Ministry of Law drew attention of this Ministry to the provisions of Article 29(I) of the Constitution and held that there would be no legal objection to certain selected works being produced in Sindhi language in Devanagari script as they felt that every author has a right to publish his book in any script he likes.

#### Printing of Denominations on Currency notes in Sindhi Language

5349. SHRI V. NARASIMHA RAO : Will the Minister of FINANCE be pleased to state :

(a) whether representations have been received from some Sindhi organisations urging upon Government to print denominations on currency notes in Sindhi language ; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI VIDYA CHARAN SHUKLA) : (a) Yes, Sir.

(b) The value renderings in Sindhi have not been included in the currency and bank notes so far because of the absence of a

fair measure of agreement among the Sindhi speaking population regarding the script to be adopted. The matter is, however, under the consideration of the Government.

#### Accumulated Provident Fund Dues in Pakistan

5350. SHRIMATI JYOTSNA CHANDA: Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware of the distress of the Indian Nationals and Pakistan minorities serving in Pakistan whose Provident Fund accumulations were frozen in that country even after the termination of their services after 1st July, 1955 ;

(b) if so, what steps are proposed to be taken to ensure payment of their dues as most of them either returned to India or came as displaced persons after 1959 ; and

(c) in view of the Pakistan Government's refusal to do anything in this matter, whether Government propose to take effective counter measures with a view to ensuring early release of the accumulated Provident Fund dues ?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN) : (a) Yes, Sir.

(b) and (c). The question of settlement of provident fund claims has been the subject matter of prolonged discussions with the Government of Pakistan but no solution has yet been reached. However, Government are constantly exploring the possibility or arriving at some feasible solution.

#### Replacement of Sales Tax by Excise Duty

5351. SHRI LOBO PRABHU : Will the Minister of FINANCE be pleased to state :

(a) how Government consider it fair to States, which will lose their present shares in Excise, when statistical calculations are not made on the present basis of sale commodities subject to Excise ;

(b) since sales must take place at the factory except of supplies to their own agencies, whether sales tax will now accrue to manufacturing States, with loss to other States, which are receiving their share now partly on population basis ;

(c) the rough calculations on this basis and whether they have been brought to the notice of the States which will be losing, if not, the reasons therefor; and

(d) whether the consuming States add further Sales Tax and if so, whether it will not increase the price particularly of cloth?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI VIDYA CHARAN SHUKLA): (a) to (c). The proceeds of additional duties of excise in lieu of sales tax levied on textiles (other than silk fabrics), sugar and tobacco are distributed amongst States on the basis of the recommendations of the Finance Commission from time to time. The Fifth Finance Commission recommended as under:—

"Considering all the circumstances we have come to the conclusion that the excess of proceeds of additional excise duties over the guaranteed amounts should be distributed partly on the basis of sales tax collections (excluding inter-State sales tax) during the years 1965-66 to 1967-68, and partly on the basis of population. We have accordingly worked out the percentage shares of States (other than Jammu and Kashmir and Nagaland) on this basis with equal weightage to sales tax collections and population."

These recommendations of the Fifth Finance Commission, which were accepted by Government, were given effect to through the Additional Duties of Excise (Goods of Special Importance) Amendment Act, 1970 (Act No. 3 of 1970) enacted by Parliament. The State Governments are aware of this position.

(d) Does not arise in view of the fact that no sales tax is levied by the State Governments on the above commodities.

#### Participation Certificates of Foreign Banks

5352. SHRI VIRENDRAKUMAR SHAH: Will the Minister of FINANCE be pleased to state:

(a) whether some commercial banks, especially foreign banks, have been raising short-term funds from the public, including

public sector institutions, like Life Insurance Corporation and Unit Trust of India, by issuing 'participation certificates';

(b) whether it is a fact that though technically different from a deposit, the amount raised through the issuance of participation certificates is a short-term deposit for all practical purposes;

(c) whether through the mechanism of 'participation certificates', the provisions of liquidity requirements and interest rate ceiling can be avoided; and

(d) whether it is a fact that the Reserve Bank by permitting banks to raise funds (and to lend) through participation certificates has blunted the effects of its own credit policy?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): (a) The Reserve Bank of India has introduced a scheme under which banks (both Indian and foreign) and financial institutions like Life Insurance Corporation, Unit Trust of India or other financial institutions incorporated in India can issue participation certificates to represent inter-institutional transactions.

(b) Since the participation certificates are issued only to the financial institutions, the funds that become available to banks through the issue of such certificates represent inter-institutional transactions and are analogous to the funds that become available through the money market.

(c) Both the statutory as well as the net liquidity requirements of banks are related to the aggregate demand and time liabilities. The issue of Participation Certificates is not reflected in the liabilities and hence the liquidity requirements are not applicable to such funds. Similarly as the amounts raised through these certificates are not in the nature of deposits, the Reserve Bank's directive in respect of rates of interest on deposits is not applicable to those funds.

(d) By permitting banks to raise funds through Participation Certificates, the Reserve Bank has reduced bank's recourse to refinance from itself since banks can obtain their credit requirements to a certain extent from financial institutions and need resort to the Reserve Bank only when they