

For the period after 1975 no remittance has so far been allowed.

(d) Remittance applications to the extent detailed below are pending consideration by the Reserve Bank of India:

(i) Service charges & H.O. expenses—US \$ 11.52 lakhs.

(ii) Profits—Rs. 142.86 lakhs.

Loss Incurred due to Diamond Smuggling

918. DR. SAROJINI MAHISHI:

SHRI PRADYUMNA BAL:

SHRI SHIV SAMPATI RAM:

SHRI MUKHTIAR SINGH
MALIK:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item which appeared in the *Blitz* dated the 23rd September, 1978 wherein it has been stated that Government has been incurring loss of Rs. 100 crores due to diamond smuggling;

(b) whether it is also a fact that is diamond smuggling has been carried on with the collusion of Custom authorities with the diamond gangs; and

(c) what steps have been taken by the Government to stop such evil practices from the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGRAWAL): (a) Yes, Sir. Sir, However, reports received by Government do not suggest any large scale smuggling of diamonds from or into the country. The value of diamonds and precious stones seized by the Customs authorities during 1976, 1977 and 1978 (January to September, 1978) is reported to be Rs. 164 lakhs, Rs. 114.00 lakhs and Rs. 95.00 lakhs respectively.

(b) Except for a solitary case relating to seizure in 1976 of diamonds worth about Rs 58 lakhs in which there was suspicion of collusion of officers and in which necessary action against the officers has been initiated, no other instance indicating collusion of customs staff in the smuggling of diamond has come to the notice of the Government.

(c) Although smuggling of diamonds continues to be under check, the field formations have been kept on alert to thwart any attempt at smuggling of diamonds. Government have also liberalised the import of rough diamonds and have exempted them from import duty.

Branches of State Bank not functioning in North Bihar

919. PANDIT D. N. TIWARY: Will the Minister of FINANCE be pleased to state:

(a) whether State Bank Branches are not functioning at seventeen places in North Bihar in the districts of Begusarai, Madhubani, Samastipur, Siwan, Saran, Gopalganj, Sitamarhi, Vishali, Darbhanga, Muzafrapur and East and West Champaran;

(b) whether tenders were called by the Regional Director, State Bank of India, Patna for construction of suitable houses for the location of Branch Offices of the Bank at those seventeen places in Bihar;

(c) whether the last date of the offer was 4th March, 1978;

(d) whether any decision has been taken for the construction of suitable accommodation at these places; and

(e) if not the reasons for the delay?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) to (c). Offers of accommodation were invited by Patna Local Head Office of the State Bank of India by