

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:2287

ANSWERED ON:11.03.2013

SCAM IN EXPORT OF DIAMOND

Argal Shri Ashok;Shekhar Shri Neeraj;Singh Shri Yashvir

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether there has been any irregularity in the export of diamond resulting in a loss of revenue of upto Rs. 500 crore to the public sector banks and insurance companies;
- (b) if so, the details thereof;
- (c) whether the Government has conducted any enquiry in the matter;
- (d) if so, the details thereof along with the action taken against those found guilty in the matter; and
- (e) the preventive mechanism being initiated by the Government to avoid any such incident in the matter?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. D. PURANDESWARI)

(a) No such irregularity has been reported to the Government.

(b) to (d) Do not arise.

(e) Export Credit Guarantee Corporation of India Limited (ECGC), which provides insurance cover for exports, has introduced risk mitigation measures in respect of risks covered for the sector. Some of these measures are:

(i) All Accounts with scheduled banks with a limit of Rs.25 Crores and above are subject to ECGC prior approval.

(ii) All incremental limits will have coverage of 50% only.

(iii) Banks should ensure that buyers are credit worthy before discounting bills drawn on them by obtaining latest credit information reports on overseas buyers from credit rating agencies.