

(b) Some Central Banks like Swiss National Bank, Bank of Japan, Bank of Indonesia and Central Bank of Brazil are reported to have intervened in the recent past.

(c) The monthly exchange rate of rupee per US dollar during last three months (August to October, 2011) alongwith depreciation is given below:—

Months	₹ per US\$ *	Depreciation (-) over previous month
August, 2011	45.25	(-) 1.8
September, 2011	47.63	(-) 5.0
October, 2011	49.26	(-) 3.3

* Average of buying and selling rates reported by Foreign Exchange Dealers Association of India (FEDAI)

The fluctuation in rupee exchange rate has been due to changing supply-demand balance in the domestic foreign exchange market. The main reason for depreciation of rupee against US dollar is uncertain global economic environment, particularly unfolding of euro zone sovereign debt crisis.

(d) The exchange rate of rupee is basically determined by the demand and supply forces in the foreign exchange market. The Reserve Bank of India constantly monitors the developments in the foreign exchange markets and intervenes through purchase or sale operations only with a view to curbing excessive volatility and to restore orderliness in the foreign exchange market without targeting any specific rate or band.

Rising oil subsidy Bill

821. SHRI A. ELAVARASAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Government is working on a three pronged strategy to tackle the rising oil subsidy Bill in the current financial year;

(b) if so, the details thereof;

(c) whether the plan includes utilisation of savings, reduction in expenditure on big schemes and roll over of a part of burden to the next financial year; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) Government is taking various measures to keep the subsidy expenditure under control and at the same time, insulate citizens from the effect of price rise.

(b) to (d) The petroleum subsidy arising from under recoveries of Oil Marketing Companies is financed through contribution from the budgetary support as well as through burden sharing by Public Sector Oil Companies. Government has also rationalized duty structure recently on various petroleum products to protect the interest of the common man and reduce the under recoveries of Oil Marketing Companies, foregoing substantial amount of revenue receipts, estimated at about ` 49000 crore per annum. The Government has already deregulated the price of petrol.

As regards utilization of savings etc., Government makes appropriate budgetary provision based on resource availability, spending capacity of Ministries/Departments at the time of finalizing the Revised Estimates in a particular financial year. Savings, if any, is utilized for other Ministries/Departments that need additional allocations. A part of the claim of reimbursement of under recovery of Oil Marketing Companies gets rolled over to next year for want of audited accounts of last quarter of the financial year.

Infusion of capital in PSBs

822. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government proposes to infuse additional capital in Public Sector Banks (PSBs) and financial institutions to bolster their capital base; and

(b) if so, the details thereof, bank-wise, and the methods by which this would be done?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) Yes, Sir. In order to maintain a minimum Tier-I CRAR of 8 per cent as on 31.03.2012 in Public Sector Banks, Government has made a provision of Rs. 6000 crore in the Union budget for the year 2011-12. A provision has also been made for a sum of Rs. 1000/- crore and Rs. 300 crore for equity capital to be infused in IIFCL and Exim Bank respectively in the Budget for the year 2011-12. Further, Cabinet has also approved for augmenting the capital base of National Bank for Agriculture and Rural Development (NABARD) by infusing Rs. 3000 crore as Government equity in two tranches of Rs. 1000 crore in 2011-12 and Rs. 2000 crore during 2012-13.

Bank-wise requirement and modalities of capital infusion are being finalized.

Uniform KYC norms

823. SHRI ANIL MADHAV DAVE: Will the Minister of FINANCE be pleased to state:

(a) whether the Financial Stability and Development Council (FSDC) is working towards making Know Your Customer (KYC) norms that will be common across all financial sector products including insurance and pension products; and