(a) whether the Government is aware that in some of States particularly among western seashore areas, cheaper diesel from gulf countries are smuggled without paying and tax with connivance of customs and excise officials which results in huge revenue loss;

(b) if so, the details thereof;

(c) whether the Ministry would take severe action to curb this anti-national activities and initiate severe action against Government of officials who are involved in this type of scam; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Customs Department has detected few cases of smuggling of diesel from Gulf countries along the western seashore areas in the state of Maharashtra only. The details are as below:

In the year 2009-10, 4 number of cases having value of Rs. 0.245 crores and duty involving of Rs. 0.048 were detected. In the year 2010-11 no case has been detected. In the year 2011-12, 3 number of cases having value of Rs. 1.15 crores and duty involving of Rs. 0.35 were detected. In the year 2012-13 (up to November, 12) no case has been detected. No officials of Customs and Excise were found involved in any of the cases detected.

(c) and (d) "Nil" in view of reply at (a) and (b) above.

Depletion of foreign exchange reserves

2980. DR. JANARDHAN WAGHMARE: Will the Minister of FINANCE be pleased to state:

(a) whether a large amount of country's foreign exchange reserves have depleted in the last six months;

(b) if so, the facts thereof;

(c) whether the fast depletion of foreign exchange reserves has serious implications and depreciation on the value of money; and

(d) if so, the corrective steps Government proposes to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) India's foreign exchange reserves was US $ 294.5 billion at end November 2012 as against US $ 286.0 billion at end May, 2012.

(c) and (d) The exchange rate value of rupee against US dollar is determined by supply-demand conditions in the domestic foreign exchange market and volatility in US dollar exchange rate in the international market. The Government of India and the Reserve Bank of India have taken a number of steps to facilitate capital inflows to augment supply of foreign exchange to stem the decline in rupee exchange rate. The measures, *inter alia*, include hike in FII investment in debt securities (both corporate and Government), enhancing all-in-cost ceiling for external commercial borrowings (ECBs) between 3-5 year maturity, higher interest rate ceiling for foreign currency Non-resident deposits, deregulation of interest rates on rupee denominated NRI deposits and administrative steps to curb currency speculation. The Government has further liberalized FDI policy that *inter alia*, includes allowing foreign direct investment in multi-brand retail. The RBI also intervened in the foreign exchange market through net sale of US dollar amounting to US $ 20.1 billion in 2011-12 (September, 2011 to February, 2012) and US $ 2.1 billion during April, 2012 to September, 2012.

Proposal to ease external commercial borrowings

2981. SHRI BAISHNAB PARIDA: Will the Minister of FINANCE be pleased to state:

(a)   whether Government proposes to ease External Commercial Borrowings (ECB);

(b)   if so, the details thereof;

(c)   how far does it help rural/urban housing sectors;

(d)   whether low cost houses have also been allowed access the above source;

(e)   if so, the details thereof; and

(f)   which are the other sectors that would be benefited out of the above policy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) The External Commercial Borrowings (ECB) policy is reviewed and modified periodically by the Government in consultation with RBI in tune with the evolving macro-economic situation, domestic investment demand and external sector developments to facilitate the flow of funds to key sectors like manufacturing and infrastructure, to augment the growth potential of the economy.