

Central Government has also set up a Middle Office in order to have a more prudent management of government debt.

**Steps to control the menace of foreign remittance**

2037. SHRI C.M. RAMESH: Will the Minister of FINANCE be pleased to state:

(a) whether Government is contemplating to take any aggressive steps to control the menace of foreign remittances without Tax-deduction at source (TDS); and

(b) if so, the steps proposed to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Sir, monitoring and scrutinizing high foreign remittances without tax deduction at source (TDS) is one of the stipulated activities of the Income Tax Department which is reflected in the Central Action Plan of Income Tax Department for Financial Year 2012-13. Appropriate action is taken regularly in accordance with the provisions of the Act, whenever there is a shortfall in deduction of tax at source.

**Fluctuation in the value of Rupee**

†2038. SHRI RAMCHANDRA PRASAD SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the fluctuation in the value of Rupees in the country has also a bearing on the foreign capital investment in the country;

(b) if so, the reaction of Government thereto; and

(c) the other factors in the country which are believed to play major role in fluctuation of value of Indian currency *i.e.* Rupee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) Capital flows into the country depend upon “push” and “pull” factors. The push factors include global liquidity and investors’ perception, while the pull factors include a set of macroeconomic factors such as expected growth, interest rate differential, inflation, expected exchange rate movement and corporate performance. The fluctuations in exchange rate might create uncertainty about the expected returns on capital and hence has a bearing on the capital inflows.

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† Original notice of the question was received in Hindi.