

(a) whether the Government propose to bring the film actors with in the purview of service tax;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Service provided by film actors is not specified as taxable service. At present, there is no proposal under the consideration of the Government of specify the said service as taxable service.

(b) Does not arise in view of (a) above.

(c) Widening of service tax base is considered taking into account all material factors, including revenue and administrative considerations.

Scams in Stock Market

125. SHRI MULE VENKATA MYSURA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that scams in the stock market have taken place before and even after the formation of SEBI; and

(b) if so, the steps Government propose to take to prevent such scams in future in order to save poor investors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The existence of a regulator cannot rule out the possibility of persons taking liberties with the laws or with regulations. Regulatory action encompasses taking anticipatory or proactive steps to minimize mis-conduct and to take effective action when mis-conduct takes place. Regulatory violations do occur from time to time and often result in market misconduct. Securities and Exchange Board of India (SEBI) has been taking proactive measures for market reforms aiming at greater level of investor protection.

Whenever any violation of SEBI rules and regulations are observed in the market, appropriate action as warranted is taken by SEBI against concerned entities. Such actions include debarring from the securities market and initiation of enquiry and adjudication proceedings.

SEBI is keeping a constant vigil on the market and has initiated demonstrative actions wherever warranted. Several surveillance initiatives

have been taken to check the extraordinary movements in illiquid scrips. In addition, the regulations and guidelines are regularly being streamlined and strengthened to ensure effective deterrence.

Volatility In Capital Market

126. SHRI S.S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) the details of the volatility witnessed in India capital market during the months of May-June, 2006;

(b) if so, the reasons therefor;

(c) the details of probe conducted, if any, by the market regulators, besides the authorities of the respective stock exchanges, especially for detection of manipulations;

(d) if so, the findings thereof; and

(e) the measures taken/contemplated to strengthen protection of small retail investors in the secondary market against impact of volatility?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The details of the average intra-day volatility in Indian capital market witnessed during the months of May-June 2006 is as under:

Index	April 2006 Volatility	May 2006 Volatility	June 2006 Volatility
Sensex	1.62	2.60	3.94
Nifty	1.67	2.77	3.32

It is observed that Sensex and Nifty have shown increase in volatility in the month of May and June 2006.

(b) Movements in share prices and consequently in indices are caused by variety of factors both domestic and international. In the recent past some of the significant factors included the fall in commodity prices, rise in inflation, rise in oil prices and increase in interest rates, decrease in fund flows to emerging markets and relative valuations of emerging markets.