

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 2011

ANSWERED ON TUESDAY, MARCH 18, 2025/ 27 FALGUNA, 1946 (SAKA)

STOCK TRADING FRAUDS

2011. Shri Randeep Singh Surjewala:

Will the Minister of **Finance** be pleased to state:

- (a) the number of cases of stock trading frauds in the past five years, year-wise, across the country;
- (b) the economic loss incurred by the investors in these frauds over the last five years;
- (c) the measures that have been implemented to detect and prevent stock trading frauds in the country; and
- (d) the investor protection mechanisms in place to prevent stock trading frauds and scams in the Indian financial markets?

ANSWER
MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): The total number of cases of stock trading frauds for violation of Securities and Exchange Board of India (SEBI) Act, 1992 under SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and SEBI (Prohibition of Insider Trading) Regulations, 2015 are as follows,

Financial Year	No. of Cases
2019-20	2071
2020-21	1763
2021-22	1813
2022-23	435
2023-24	635

(b): SEBI, as the securities market regulator, has the power to direct any person, who made a wrongful gain or averted a loss by indulging in any transaction or activity in contravention of the provisions of the SEBI Act, 1992, or regulations made thereunder, to disgorge an amount equivalent to such wrongful gain made or loss averted by such contravention. Over the past five years between FY 2019-20 to FY 2023-24, SEBI has issued directions to disgorge amounts totalling over Rs. 1083 crores.

(c) & (d): SEBI has put in place regulatory and surveillance frameworks for effecting stable operations and development of the securities markets. It conducts regular surveillance of trends in the securities markets to enhance market integrity and safeguard interest of investors. In order to detect and prevent stock trading frauds, the surveillance mechanism generates alerts on insider trading and price/market manipulation, on the basis of which SEBI conducts further investigation and takes appropriate enforcement action under the powers given by the SEBI Act, 1992.

SEBI, in co-ordination with stock exchanges and depositories, also carries out regular investor education and awareness programs across different parts of the country. These free of cost programs, *inter-alia*, illustrate common features of investment scams, caution against unsolicited investment schemes and unauthorized trade through unregistered intermediaries and create awareness on identification of fake entities/ schemes.
