

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 3938  
TO BE ANSWERED ON MONDAY, AUGUST 18, 2025/SRAVANA 27, 1947 (SAKA)**

**FRAUDULENT SCHEMES IN THE SECURITIES MARKET**

**3938. SHRI VIJAYKUMAR ALIAS VIJAY VASANTH:**

Will the Minister of Finance be pleased to state:

- (a) the measures taken/to be taken by the Government and SEBI to protect small and retail investors from fraudulent pump-and-dump schemes in the securities market;
- (b) the manner in which the Securities and Exchange Board of India (SEBI) plan to ensure that the investigation into the recently reported Rs. 300 crore pump-and-dump scam, reportedly affecting over 4,000 investors is done in a time-bound and transparent manner and that all perpetrators, including market manipulators and colluding intermediaries are held accountable;
- (c) the regulatory reforms or technological interventions are being proposed or implemented by the Government to detect and prevent pump-and-dump activities in listed stocks, particularly in the small-cap and micro-cap segments; and
- (d) whether the Government has data on the number of pump-and-dump cases reported and investigated by SEBI during the last five years, including the total estimated investor losses and penalties or enforcement action taken in this regard?

**ANSWER  
MINISTER OF STATE FOR FINANCE  
(SHRI PANKAJ CHAUDHARY)**

Ans(a) & (c): Securities and Exchange Board of India (SEBI), has put in place regulatory and surveillance frameworks for effecting market stability and for the protection of interest of investors in the stock market,

1. It conducts regular surveillance of trends in the securities markets to enhance market integrity and safeguard interest of investors. Surveillance systems are put in place to check the abnormal rise in the prices of securities which are not aligned with fundamentals of companies.
2. The alerts generated by SEBI's surveillance mechanism along with complaints alleging non-compliance with Regulations are treated as inputs for market intelligence by SEBI.
3. Trading members have also been mandated to disseminate scrip specific cautionary messages so as to increase awareness and caution the investors.

4. 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, cover various topics such as basic investing principles, product features, risks involved, investor rights and responsibilities, common features of investment scams, pump and dump schemes, healthy digital practices, etc
5. SEBI has also taken steps to increase investor protection and market stability with respect to the risks and volatility associated with the Futures & Options (F&O) segment.

Ans (b): In view of market intelligence received with regard to pump and dump in certain scrips, detailed examination by SEBI in this matter is underway.

Ans (d): SEBI administers the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations) and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (PFUTP Regulations), which includes pump-and-dump schemes, front running etc. The number of pump and dump cases reported during the last five financial years is as given below:

Particulars	No. of cases reported				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Pump and dump	43	11	34	41	25
Note: The data is based on the number of complaints received					

Between April 2020 and March 2025, SEBI, under the SEBI PFUTP Regulations, 2003, levied penalties totalling ₹1,860.03 crore and passed directions of disgorgement of unlawful gains for ₹452.60 crore.

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