

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

**LOK SABHA  
UNSTARRED QUESTION NO. 3984  
TO BE ANSWERED ON MONDAY, AUGUST 18, 2025/SRAVANA 27, 1947 (SAKA)**

**MARKET MANIPULATION CASES**

**3984. Shri Manickam Tagore B:**

Will the Minister of Finance be pleased to state:

- (a) whether the Government is considering setting up a specialised task force or fast-track mechanism within SEBI to detect, investigate and prosecute market manipulation cases such as pump-and-dump schemes more effectively;
- (b) the risk mitigation protocols or early-warning systems are in place within SEBI to detect unusual price-volume movements in illiquid stocks or small-cap stocks that may signal pump and-dump activity;
- (c) the steps taken by SEBI to regulate the role of social media, paid influencers and online trading groups, who mislead investors and amplify pump-and-dump schemes;
- (d) whether the Government proposes to enhance surveillance over unregulated financial advisors and telegram groups misleading retail investors; and
- (e) whether SEBI has mandated higher disclosure norms and investor risk warnings for companies listed on SME exchanges and those with low liquidity?

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

Ans(a) and (b): Securities and Exchange Board of India (SEBI) has put in place regulatory and surveillance frameworks for effecting stable operations and development of the securities markets.

It conducts continuous surveillance across asset classes, market segments, and stock exchanges using in-house systems to monitor trends, detect unusual price/volume movements and identify abnormal price rises that are not aligned with the fundamentals of the company. These systems generate a variety of alerts indicating possible instances of insider trading, front running, price-volume manipulation, and other irregularities. Such alerts, along with investor complaints, serve as inputs for detailed examinations, on the basis of which SEBI conducts investigations and takes enforcement action under the SEBI Act, 1992.



Ans(c) and (d): SEBI has taken various steps to reduce the risk arising out of advices given by unregistered finfluencers on social media through posts and videos that are violative of SEBI Regulations by escalating unlawful securities-related content to social media platforms for takedown, publishing whitelisted broker app lists on stock exchanges' website, and use of Application Programming Interface (API) to ensure only SEBI registered intermediaries can advertise on social media platforms. It regularly coordinates with government agencies to detect and counter emerging frauds, and has directed exchanges to bar trading members, regulated persons, and their agents from associating with entities offering unauthorised investment advice or return claims.

Ans (e): SEBI has provided a dedicated framework under the SEBI (Issue of Capital and Disclosure Requirements) Regulations to enable SMEs to raise funds through SME platforms of stock exchanges. In March 2025, SEBI amended these regulations to further strengthen SME listings, introducing measures such as revised minimum application size, promoter holding lock-in, applicability of Related Party Transaction norms, and mandatory appointment of a monitoring agency which collectively reduce avenues for manipulation in the SME segment.

Additionally, trading members are mandated to display scrip-specific cautionary messages, such as ongoing surveillance actions, non-compliance with listing norms, or high price-to-earnings ratios, on trading terminals at the time of order entry, to raise awareness and caution investors.

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