



**Corporate  
Professionals**

**'FRAUDS'  
IN  
INDIAN  
SECURITIES MARKET**





**FEAR**

**GREED**



**Stock Market is the Game of 'Greed' and 'Fear'**



**Greed – Make more Money by  
any means!!**

**Fear – Of Loss or Getting  
Caught!!**



“

लोभः पापस्य कारणम्

# What is Fraud in securities market?

---

- **Deliberate or intentional act of deception**
- **Misrepresentation or omission of facts by any person or entity involved in the securities market**
- **misleading inducement**
- **Interference with the principles of the free market—demand and supply**

# Types of Securities Market Fraud

---

## Intermediaries Fraud

Research Report/  
Investment Advise Fraud

Unauthorized Trading

Dabba Trading

Colocation Fraud

Front Running

## Trading Frauds

Market Manipulation

Insider Trading

Circular Trading

Price/Volume Rigging

Synchronized Trade

LTCG Fraud

Reversal trade in  
F&O Segment

## Company Frauds

Illegal fund raising

IPO Fraud

Ponzi Schemes Fraud

GDR Fraud

Accounts Manipulation &  
Mis-Governance

# Common reason for Frauds and why they are not detected at early stage

---

- Diminishing Ethical Values
- Poor Governance
- Ineffective Internal Control Systems
- Compliances in letter; not in spirit
- Highly Volatile Securities Market
- Lack of Investor Awareness and Activism
- Lack of Protection for Whistleblowers

# PFUTP Investigation Statistics

---

## PFUTP Cases

2019-20		2020-21		2021-22	
New Cases	Completed	New Cases	Completed	New Cases	Completed
35	39	41	46	38	82

## Adjudication Orders (Enquires Conducted- No. of Entities)

2019-20	2020-21	2021-22
984	901	1005



# **Legal aspects of 'Fraud' under Securities law**



# **Surveillance, Investigation and Enforcement**



# **Challenges faced by SEBI in detecting/investigating such 'Fraud' cases**



# Q&A



“

**Law blocks road for  
Fraud;  
And Greed builds  
Tunnel**

“

**Rather fail with honour  
than succeed by fraud**

**-Sophocles**

One of three Ancient Greek Tragedians



# THANK YOU

**Pavan Kumar Vijay**

Founder,  
Corporate Professionals  
pkvijay@indiacp.com  
+91 9810032568

**Follow Us**

