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Caution to Investors on Stock Market Scams through Social Media Platforms

The rise and adoption of social media has redefined the way we connect and share information. However, some entities are using Social Media Platforms (SMPs) to entice and deceive gullible investors in the securities market. It has been observed that such entities use strategies to induce investors into trusting them by gaining their confidence.

Such entities usually send unsolicited invitations in the form of links to join WhatsApp Groups (like VIP Group, Free Trading Courses etc.) to prospective clients.

These entities create fake profiles that portray them as experts in the securities market. Many times these entities impersonate SEBI registered intermediaries, well known public figures, celebrities, CEOs/ MDs, etc. of established organisations. They exploit investors by showcasing fake testimonials of achieving huge profits, from other group members who play a supporting role in these scams. Investors are then tricked into transferring funds to the bank accounts of these entities, with false assurances that such unreasonable returns can also be earned by them. In view of the above, investors are advised to not trust such unsolicited messages from unverified people and refrain from joining such Whatsapp Groups/ Communities.

Investors are advised to deal with only SEBI registered intermediaries and through authentic trading apps. Investors are advised to verify the status of registration of entities with SEBI at <https://www.sebi.gov.in/intermediaries.html> before investing and to carry out

transactions only through authentic trading apps of SEBI registered intermediaries at <https://investor.sebi.gov.in/Investor-support.html>.

Investors are hereby alerted to communicate with only genuine social media handles of SEBI registered entities.

SEBI is issuing this Press Release to caution investors about the rampant frauds and scams being carried out by unscrupulous entities and the means with which investors can protect themselves while carrying out transactions in the securities market by dealing with SEBI registered intermediaries.

Mumbai
May 21, 2025