

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

**RAJYA SABHA  
UNSTARRED QUESTION NO. 866  
ANSWERED ON TUESDAY, JULY 30, 2024/ SRAVANA 8, 1946 (SAKA)**

**AWARENESS REGARDING THE VOLATILITY OF F&O SEGMENT IN INDIAN  
STOCK MARKET**

**866. Shri Milind Murli Deora:**

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

- (a) the steps undertaken by Government to increase awareness and regulate volatility in the Futures and Options segment of Indian Stock Markets;
- (b) whether Government has considered tightening regulations for the futures and options segment of Indian stock markets, if so, the details thereof and if not, the reasons therefor; and
- (c) the total amount of funds allocated and utilized from the Investor Education and Protection Fund for raising awareness about the Futures and Option Segment of the Indian Stock market over the last five years and educational programs, if any, conducted in regards to the same?

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

**(a) and (b):** The Securities and exchange Board of India (SEBI), along with other Market Infrastructure Institutions (MIIs), undertakes various investor awareness programmes on an ongoing basis, to increase awareness with respect to the risks and volatility associated with the Futures &Options (F&O) segment, for the potential investors.

Some of the key measures taken by SEBI are as below:

- i. As part of the account opening process, with a Trading Member, clients are required to mandatorily sign a Risk Disclosure Document (RDD) that contains information with respect to various types of risks which clients may face while trading in the F&O segment including volatility risks, liquidity risks, and systemic risks.
- ii. Statutory warning is shown on broker trading screens with respect to risk of probable losses that an investor could suffer while trading in F&O segment.
- iii. Stock Exchanges have created various investor awareness videos, which are disseminated on different social media platforms to make investors aware of the risks in trading in the F&O contracts.

(c): During 2023-24, SEBI, along with its regulated entities, conducted 43,826 investor awareness programmes across 687 districts covering more than 27.93 Lakh participants/potential investors. Additionally, SEBI through its digital platform, i.e., SEBI Investor Website and Saa᳚thi App, creates awareness for all about investing in securities market including risk and volatility in the F&O segment.

The details of expenses incurred from SEBI's Investor Protection and Education Fund (IPEF) on investor awareness and education activities, including for awareness on risks and volatility in F&O segment, during last five years are as follows:

<b>Sr. No.</b>	<b>Financial Year</b>	<b>IPEF Expenses (in ₹ Crores)</b>
1	FY 2019-20	11.84
2	FY 2020-21	28.84
3	FY 2021-22	06.81
4	FY 2022-23	11.93
5	FY 2023-24	2.73

*Source: SEBI*

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