

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

**RAJYA SABHA
UNSTARRED QUESTION NO. 2789**

TO BE ANSWERED ON TUESDAY, MARCH 17, 2026/PHALGUNA 26, 1947 (SAKA)

RISK ASSESSMENT OF RETAIL PARTICIPATION IN LEVERAGED FINANCIAL PRODUCTS

2789. SMT. SUMITRA BALMIK:

Will the Minister of Finance be pleased to state:

- (a) whether Government has commissioned any systemic risk assessment concerning the exponential rise of retail participation in leveraged financial products;
- (b) whether data indicates disproportionate exposure of small-income investors to high volatility instruments;
- (c) whether a unified suitability and risk-classification framework across financial intermediaries is under active consideration; and
- (d) whether simplified statutory disclosure norms in plain language will be mandated to prevent asymmetric risk transfer to uninformed investors?

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

(a): SEBI has not conducted a study specifically assessing systemic risk arising from the rise in retail participation in leveraged financial products. However, SEBI has undertaken the below given studies to examine the profitability outcomes and growth of individual traders in the equity derivatives segment.

Date	Study Title
Jul 07, 2025	Analysis of profit and loss of individual traders in FY 2024-25 (Section C of the study on Comparative study of growth in Equity Derivatives Segment vis-à- vis Cash Market after recent measures)
Sep 23, 2024	Analysis of Profits & Losses in the Equity Derivatives Segment (FY22-FY24)
Jan 25, 2023	Analysis of Profit and Loss of Individual Traders dealing in Equity F&O Segment

(b): As per the SEBI study titled “Analysis of Profits & Losses in the Equity Derivatives Segment (FY22-FY24)” dated September 23, 2024, the proportion of low-income traders in the equity derivative segments (declared income less than ₹5 lakh), has increased from 71 per cent in FY 2021-22 to 76 per cent in FY 2023-24.

(c): No, there is no such proposal under consideration by SEBI. However, SEBI introduced a series of measures, for ensuring stability in the market like rationalisation of weekly derivatives, increase in contract size, higher margin requirements, upfront collection of option premium, removal of calendar spread treatment on expiry day, and intraday monitoring of position limits etc.

(d): Under Regulation 4(1)(e) of SEBI (LODR) Regulations, 2015, the listed entities are required to ensure that disseminations made are adequate, accurate, explicit, timely and presented in a simple language.

Further, SEBI has mandated stock brokers to display prescribed risk disclosures to derivatives clients upon login, covering at least 50 per cent of the screen, providing data on the incidence of losses in F&O trading, which must be acknowledged by clients before proceeding with trading. Further, stock exchanges and depositories have also been directed to display “Risk Disclosures” related to equity F&O trading on their respective websites.
