GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 2633
TO BE ANSWERED ON TUESDAY, AUGUST 11, 2026/ 20 SHRAVANA, 1948 (SAKA)

RETAIL INVESTOR PROTECTION IN F&O TRADING

2633 SMT. JEBI MATHER HISHAM:

Will the Minister of Finance be pleased to state:
(a) whether Government has assessed the number of retail investors, trading volume and turnover, aggregate losses, average loss per participant and debt burden in Futures and Options (F&O) trading during the last five years, year-wise;
(b) whether SEBI's risk warnings and regulatory measures reduced retail participation and losses, if so, the details thereof;
(c) whether Government has examined the impact of algorithmic and high-frequency trading on market fairness and retail investors, if so, the findings thereof;
(d) the securities Transaction Tax collected from F&O trades and any revenue loss due to tax evasion or non-compliance during said period, the details thereof; and
(e) whether Government proposes suitability norms, eligibility criteria, broker accountability or safeguards to protect retail investors, the details thereof?

ANSWER
MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) SEBI has done an analysis of individual/retail participation in the F&O segment and their profitability outcome during the last five financial years. The summary table on the same is as follows:

Financial Year	Traders in F&O (Lakh)	Total Turnover (₹ Lakh Crore)	Net P&L (₹ Crore)	Avg Per Person Loss (₹)
FY22	42.74	115	-40,824	-95,517
FY23	58.35	149	-65,747	-1,12,677
FY24	86.26	172	-74,812	-86,728
FY25	98.1	213	-1,11,788	-1,13,913
FY26	78.6	202	-91,685	-1,16,654

Note: *The above data is based on information collected from the top 15 brokers in the equity derivatives market. The sample used in the study represents approximately 90% of all individual investors in this segment. Total turnover refers to notional turnover in futures and premium turnover in options.*

(b) and (e)SEBI has put in place regulatory and surveillance measures for effecting market stability and for the protection of the interests of investors in the stock market:

1. SEBI has mandated risk disclosure to individual traders- mandated brokers to make a disclosure that ‘9 out of 10 Individual traders made losses in F&O in FY22’, when the users log in to the trading platform.
2. To strengthen the F&O segment, SEBI has undertaken a set of measures from November 2024 onwards including rationalization of weekly index derivatives products, increase in tail risk coverage on the day of options expiry, increased contract size for index derivatives, rationalization of monthly index derivative products, upfront collection of option premium from buyers, removal of calendar spread treatment on the expiry day and intraday monitoring of position limits. In May 2025, SEBI took further measures aimed at streamlining the expiry days of various derivative contracts across multiple exchanges and implementing appropriate risk metrics for position limits for better monitoring and disclosure of risks in F&O.

Following the regulatory measures, SEBI has observed a year-on-year decline in the number of unique individual investors from 98.10 lakhs to 78.60 lakhs and net losses of the individuals from Rs. 1,11,788 crores to Rs. 91,685 crores in the equity derivatives segment in 2025-26, compared to the previous year.

(c) No such examination has been carried out by SEBI.

(d) STT is structured as a technology driven, intermediary-based collection mechanism that embeds automatic tax collection into the regulated securities market infrastructure itself, thereby materially curbing opportunities for pilferage and tax evasion.

The annual Securities Transaction Tax (STT) collected from F&O trades across the NSE and BSE from FY 2021–22 to FY 2025–26 is given below:

Total STT Paid by Exchanges (Values in Rs. Crore)

Segment	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**	**FY 2025-26**
Options (including physical settlement)	3,687	6,194	10,235	14,884	19,802
Futures	2,947	2,859	4,124	7,340	7,893
Total F&O Segment	6,634	9,053	14,359	22,225	27,695

Source: SEBI

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