

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

**LOK SABHA
UNSTARRED QUESTION NO. 23
ANSWERED ON MONDAY, FEBRUARY 3, 2025/MAGHA 14, 1946 (SAKA)**

LOSS TO RETAIL TRADERS

23. SHRI SRIBHARAT MATHUKUMILLI:

Will the Minister of FINANCE be pleased to state:

- a) whether the recent analysis by SEBI revealed that retail traders collectively made a net loss of 1.81 lakh crore, with 93% of traders incurring losses;
- b) the details of the measures taken by SEBI after the study to address these findings;
- c) whether SEBI has undertaken any study or comparison of countries that have implemented similar regulations and the outcomes from such regulations;
- d) whether the Government has conducted any study on the effectiveness of restrictive measures adopted by SEBI and if so, the details thereof and if not, the reasons therefor; and
- e) whether the Government proposes any awareness programme for traders rather than restrictive measures and if so, the details thereof?

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

a): Securities and Exchange Board of India (SEBI) published a study on 23rd September 2024 on its website wherein it was found that the aggregate losses of individual Futures & Options (F&O) traders exceeded ₹1.8 lakh crore over the three-year period between 2021-22 and 2023-24 and that 93% of individual F&O traders incurred losses during the same period.

b) to d): SEBI has taken various measures, based on the recommendations of an Expert Working Group and consultations with various stakeholders, to strengthen the equity index derivatives framework for increased investor protection and market stability vide its circular dated October 01, 2024. The staggered measures include rationalization of weekly index derivatives products being offered by exchanges, enhanced contract size for index derivatives and increase in margin on short options position on the day of expiry - with effect from November 20, 2024; upfront collection of option premium from buyers and removal of calendar spread treatment on the expiry day - with effect from February 10, 2025; and intraday monitoring of position limits with effect from April 01, 2025.

These measures were undertaken primarily to address the concerns of speculative trading in the F&O segment. The premium turnover and notional turnover data on F&O during October-December, 2024 indicate that such activity in index options has suitably moderated. However, since the measures are staggered, their impact will continue to be monitored.

e): The Government has taken various steps to increase investor awareness and education, through SEBI and various other market intermediary institutions (MIIs). These programs for all investors, including retail F&O traders, cover various topics such as basic investing principles, product features, risks involved, investor rights and responsibilities, common features of investment scams etc. They are conducted free of cost in various regional languages besides Hindi and English. The details of such Investor Awareness and Educational programs conducted during FY 2023-24 are as under

Particulars	Total Programs conducted
No. of Awareness Programs	43,826
No. of participants	27,93,653
States/UTs and Districts covered	36 States/UTs and 687 Districts
