

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

**LOK SABHA
UNSTARRED QUESTION NO. 2473
TO BE ANSWERED ON MONDAY, DECEMBER 15, 2025/AGRAHAYANA 24, 1947
(SAKA)**

REGULATIONS FOR RETAIL INVESTORS

2473. SHRI RAO RAJENDRA SINGH:

Will the Minister of Finance be pleased to state:

- (a) whether the Government has taken note of SEBI's recent findings that nearly 90% of individual traders in the futures and options (F&O) segment incur losses, with retail investors collectively losing over 1.06 lakh crore in FY 2024–25, if so, the details thereof;
- (b) the details of SEBI's action against entities allegedly involved in manipulative trading practices that create abnormal volatility in index options;
- (c) whether the Government proposes to strengthen regulatory safeguards to protect retail investors from such speculative and high-risk trading activities; and
- (d) if so, the measures being considered by the Government to improve investor education, curb excessive speculation and ensure greater transparency in algorithmic and derivatives trading?

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

Ans (a) Securities and Exchange Board of India (SEBI)'s report states that individual traders incurred net losses of Rs. ₹1,05,603 crore in FY25 in the futures and options (F&O) segment.

Ans(b): SEBI has initiated enforcement action against four entities for their alleged involvement in price and volume manipulation in the equity and equity derivatives segments during the period January 1, 2023 to March 31, 2025.

And (c to d): 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. To strengthen the F&O segment, SEBI has undertaken a set of measures from October 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.

2. SEBI has also 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.
3. SEBI has stipulated a regulatory framework for all algorithmic trading in Indian securities markets, including prior registration of Algo with stock exchanges, maintenance of detailed logs and audit trails to track algorithmic activity, real-time monitoring systems to prevent algo misuse etc.
4. SEBI, in coordination with stock exchanges and depositories, also carries out regular investor education and awareness programs across different parts of the country. These free-of-cost programs, inter alia, cover various topics such as basic investing principles, product features, risks involved, investor rights and responsibilities, common features of investment scams, pump and dump schemes, healthy digital practices, etc.
5. In FY25 35,734 investor awareness programs have been conducted by SEBI in coordination with Market Infrastructure Institutions (MIIs), covering 724 districts across 36 States and Union Territories.
