

Profitability of Individual Traders in the Equity Derivatives Segment (FY25–FY26)

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EXECUTIVE SUMMARY

Participation in Equity Derivatives Segment

- Active individual¹ traders in the Equity Derivatives Segment (EDS) declined 18% year-on-year, from 106.2 lakh in FY25 to 87.5 lakh in FY26, the first year-on-year decline in the trader base since FY16.
- The decline in participation was more pronounced among smaller traders with annual turnover below ₹10,000.
- New trader entries into the EDS fell by ~40% year-on-year to 20.8 lakh in FY26, down from 34.3 lakh in FY25 and well below the FY24 peak of 43.1 lakh.
- The pace of exits accelerated in FY26. Nearly 46 lakh traders who participated in EDS in FY25 did not trade in FY26, up from 26 lakh traders exit in FY25, representing an increase of about 76%.

Turnover in Equity Derivatives Segment

- Growth in the equity derivatives segment moderated in FY26, with notional turnover increasing by 4.2%, compared with 20.4% growth in FY25.
- The moderation reflected both a contraction in Futures and a slowdown in Options growth. Futures activity declined by 15%, while Options premium turnover grew by 7%, resulting in lower overall expansion in EDS activity.
- The pace of growth in Options has decelerated significantly over recent years, from 73% in FY23 to 31% in FY24, 14% in FY25, and 7% in FY26.
- Within segments, Index Options continued to drive Options growth (+9%), while both Index Futures (-16%) and Stock Futures (-15%) declined; Stock Options also contracted (-10%).

Individual Category Profits and Losses (FY26)

- Aggregate net losses declined 18% to ₹91,685 crore in FY26, from a revised ₹1.12 lakh crore in FY25 (revised²).
- Despite lower aggregate losses, the average loss per person increased marginally by 2%, from ₹1.13 lakh to ₹1.17 lakh, indicating that while fewer individuals traded, those who did lost more on average.
- The share of loss-making individuals declined 3.2 percentage points, to 87.7% in FY26 from 90.9% in FY25. Loss-maker incidence remained substantially higher in options (87.7%) than in futures (66.0%), consistent with options' outsized share of overall losses.
- The average loss among loss-makers was ₹1.47 lakh, compared with an average profit of ₹1.22 lakh among profit-makers, indicating that the average loss was 21% higher than the average profit.

¹ **Individual Traders** include both **retail** and **HNI** traders, and comprise resident individuals, Hindu Undivided Families (HUFs), Non-Resident Indians (NRIs), sole proprietorships, Individual investors under PMs.

² FY25 net loss figure has been revised due to expansion of broker sample from 13 to 15

- While the number of loss-makers declined in FY26, losses continued to be concentrated, with about 23% of traders accounting for nearly 90% of total losses.
- Options trading accounted for 92% of aggregate individual losses.

Global Evidence on Derivatives Trading Outcomes

- The high incidence of retail losses observed in India is consistent with global evidence, with around **two-thirds** to **nine in ten** retail participants in several derivatives and leveraged-product markets incurring losses.

Major Category-wise P&L Pattern³

- In FY26, Proprietary traders continued to record the highest gross trading profit⁴ at about ₹44,000 crore, followed by FPIs (₹14,000 crore), Corporates (₹8,000 crore), Mutual Funds (₹3,000 crore) and Partnership Firms/LLPs (₹3,000 crore). The gross trading loss of Individual traders narrowed to about ₹72,000 crore.
- However, the gross trading profits of most non-individual categories declined in FY26, with the decline particularly pronounced among FPIs (55%), Mutual Funds (54%), Partnership Firms/LLPs (38%) and Corporates (22%); proprietary traders recorded a relatively modest decline of 3%. At the same time, the gross trading loss of individual traders declined by 26%, from about ₹98,000 crore in FY25 to ₹72,000 crore in FY26.
- 99% of profits for FPIs and Proprietary traders were made by “Algo entities”⁵.
- Profitability among proprietary traders remained highly concentrated. In FY26, the top 10 entities earned about 75% of the PROP category's gross profits, broadly reflecting their dominant share of trading activity (85% in options and 65% in futures).

Product Preference

- Options dominate retail participation. 99.3% of individuals in EDS traded options at least once and 93% traded only options, while just 6.6% traded futures and under 1% traded only futures.
- The percentage share of EDS traders, who traded Futures at least once during a year, has come down to 6.6% in FY26 from 10.6% in FY22.

Demographics

- **Age:** Young investors continue to dominate participation in the equity derivatives segment. Traders below 30 years of age accounted for 43% of all individual traders in

3. This analysis is based on the entire population of EDS traders (106.30 lakh in FY25 and 87.71 lakh in FY26). Further, the P&L represent only squared off gross P&L (i.e. not adjusted for transaction costs and not considering the open positions at the end of FY26).

⁴ Gross trading profits means trading profits before accounting for transaction costs

⁵ Algo entities are considered as those entities, who have done at least one trade in a year using algorithmic order.

FY26, up from 31% in FY22. This cohort also showed a higher incidence of losses, 89% of traders below 30 were loss-makers in FY26, compared with 81% among traders above 60.

- **Income⁶:** About three-fourths of individual derivatives traders fell in the below-₹5 lakh annual income category. In FY26, this group accounted for 43% of turnover but 53% of aggregate losses, a share of losses ten percentage points higher than their share of trading activity. Loss incidence was also higher within this cohort: 88% of below-₹5 lakh traders were loss-makers in FY26, versus 81% among traders with income above ₹1 crore.
- **Geography:** Derivatives trading has expanded well beyond the top-30 (T30) cities. Beyond-30 (B30) investors made up about two-thirds of individual traders and nearly half of derivatives turnover in FY26, even though this segment accounts for only about one-fourth of individual mutual fund assets, pointing to markedly higher derivatives risk appetite relative to their broader investment behaviour.

Weekly Expiries and '0DTE'⁷ Options

- Trading in Index Options remained concentrated in contracts nearing expiry. In FY25, 70% of turnover occurred on the expiry day itself ('0DTE'), 80% within one day of expiry ('1DTE'), and 98% within one week of expiry ('7DTE'). Following the introduction of measures by SEBI, these proportions moderated to 59%, 75% and 97%, respectively, in FY26, indicating a modest shift away from very near-expiry contracts.
- Longer-dated contracts accounted for only a negligible share of trading, with just 3% of turnover occurring in contracts having more than seven days to expiry, and only 1% in contracts with more than ten days to expiry.

Transaction Costs (TC)

- Despite a 5% decline in premium derivatives turnover in FY26, aggregate transaction costs remained broadly unchanged. Individual traders incurred transaction costs of about ₹25,000 crore in each of FY25 and FY26.
- The amount of STT paid by Individuals in EDS increased by 35% from ₹4,920 Crore in FY25 to ₹6,645 in FY26.
- Over FY22–FY26, cumulative transaction costs amounted to about ₹1 lakh crore, with brokerage accounting for nearly half of the total.
- Over FY22–FY26, Individuals paid total STT amount of more than ₹18,500 crore, nearly 20% of total transaction cost. The composition of transaction costs has shifted towards statutory levies. STT collections from individual traders in EDS increased more than five-fold during FY22–FY26, raising STT's share of total transaction costs from 13% to 27%, while the share of brokerage declined from 52% to 44%.

⁶ Income – Indicates declared Income. Findings in this section based on 55% of Individuals traders sample in FY26, due to limited availability of data.

⁷ 0DTE (Zero Days-to-Expiry): Options contracts traded on their expiry date, with no remaining days to maturity

Equity Portfolio⁸ of Derivatives Traders:

- Out of 122.6 lakh EDS traders in FY25-FY26, about 43 lakh traders (35%) had no underlying equity portfolio at the end of FY26, indicating participation in derivatives without any cash equity holdings.
- Around 95 lakh EDS traders (78%) had equity portfolios below ₹1 lakh. Despite contributing only 51% of turnover, they accounted for 70% of total losses during FY25–FY26.
- Traders with portfolios below ₹1 lakh and turnover above ₹1 crore represented 13% of traders, but accounted for 52% of aggregate losses, indicating that losses were disproportionately concentrated in this segment.
- The incidence of losses declined consistently with portfolio size, suggesting that traders with larger equity portfolios experienced comparatively lower loss rates.

Participation (Pre and Post-November 2024 Measures in EDS)

- The November 2024 measures were followed by a significant but differentiated decline in retail participation, with the reduction more pronounced in index options than in other product segments. The analysis, however, does not establish a causal relationship.
- Between Q2 and Q4 FY25, options participation declined by 25.8%, compared with 16.7% for futures. Within these segments, index options declined by 26.8%, while stock futures and stock options declined by 10.4% and 9.4%, respectively.
- The decline in participation was accompanied by higher trading intensity among the remaining index-derivatives traders. Average turnover per trader increased by 12% in index options and 20% in index futures, despite the fall in participation. This suggests that the decline was relatively more pronounced among smaller or less-active traders, while more active traders continued to account for a substantial share of activity.

Turnover in Index Options (Pre and Post-November 2024 Measures in EDS)

- **Initial contraction followed by recovery in premium turnover:** Following the implementation of SEBI's November 2024 measures, average premium ADT declined by 17% from about ₹66,000 crore during Apr–Nov 2024 to ₹55,000 crore during Dec 2024–Mar 2025. Turnover subsequently recovered by +8% to about ₹59,000 crore during first half of FY26 (Apr–Sept 2025) and further increased strongly by +38% to around ₹82,000 crore during second half of FY26 (Oct 2025–Mar 2026). Thus, the data indicates an initial contraction in premium turnover following the measures, followed by a gradual and eventually strong recovery.

⁸ Equity Holdings/ Equity Portfolio means market value of equity shares and equity oriented mutual funds in demat form.

1. INTRODUCTION

India's equity derivatives market has grown steadily since index futures were introduced in June 2000, followed later by index options, stock futures and stock options. Over the past two decades, it has become one of the largest derivatives markets in the world by trading volume, serving a wide range of participants including domestic institutions, proprietary trading firms, foreign portfolio investors (FPIs), corporates and individual investors. Along with its core role in price discovery and risk transfer, the segment has also seen a sharp rise in retail participation for speculative trading.

Rapid Growth in Retail Participation

The structure of the equity derivatives market changed considerably between FY21 and FY25. A long bull run in the cash market, the rise of mobile-first trading platforms, lower transaction costs, and easier access to financial markets together drove a sharp rise in retail participation.

During this period, exchanges introduced weekly expiry contracts on several indices and cut contract lot sizes, lowering the capital needed to trade. By FY24, weekly expiries were available on different indices on almost every trading day, creating what came to be known as the "everyday expiry" cycle. Trading increasingly shifted towards very short-duration index options, especially contracts expiring on the same day (0DTE), leading to a sharp rise in speculative activity.

The number of active individual traders in the segment nearly doubled between FY22 and FY25. Over the same period, aggregate losses incurred by individual traders also rose significantly, showing that growing participation came with rising financial risk.

Regulatory Developments

Against this backdrop, SEBI introduced a set of measures during FY25 to strengthen risk management in the equity derivatives segment. These were rolled out in phases between November 2024 and April 2025, and included:

- a) restricting weekly derivative contracts to one index per exchange;
- b) increasing the minimum contract size;
- c) requiring upfront collection of options premium from buyers;
- d) withdrawing calendar spread benefits on expiry day; and
- e) introducing additional Extreme Loss Margin (ELM) requirements for short options positions on expiry day.

Separately, the Government of India increased the Securities Transaction Tax (STT) on equity derivatives with effect from October 1, 2024.

These measures aimed to curb excessive speculation, strengthen market integrity and improve investor protection, while preserving the core role of the derivatives market.

Need for the Present Study

Given these changes in market structure, the rapid growth in retail participation, and the new regulatory measures, it is necessary to reassess trading outcomes in the equity derivatives segment.

This study examines trading activity, participation by individuals, profitability and investor characteristics across different categories of market participants during FY25 and FY26. It focuses mainly on individual traders, who make up the large majority of participants in the segment. The study also compares outcomes with earlier years and looks at whether the recent regulatory measures have changed trading behaviour, market activity and investor outcomes.

Unlike the earlier studies, this report goes beyond profit and loss. It also looks at how trading outcomes relate to behavioural and demographic factors such as trading activity, portfolio size, age, gender and location, to give a fuller picture of participation in India's equity derivatives market.

2. OBJECTIVES OF THE STUDY

This study builds on SEBI's earlier work on the profitability of individual traders in the equity derivatives segment (EDS):

- a) **"Profits and Losses in the Equity Derivatives Segment (FY19–FY22)"** published in January 2023 ([link](#))
- b) **"Analysis of Profits and Losses in the Equity Derivatives Segment (FY22–FY24)"** published in September 2024 ([link](#))
- c) **"Comparative study of growth in Equity Derivatives Segment vis-à-vis Cash Market after recent measures"** published in July 2025 ([link](#))

These earlier studies found that most individual traders consistently lost money in the equity derivatives segment. During FY22–FY24 alone, individual traders lost more than ₹1.8 lakh crore in aggregate, with about 93% of traders making losses after transaction costs. These findings pointed to the need for continued monitoring of trading outcomes and behaviour in this fast-growing segment.

The objectives of this study are to:

- a) Study the profitability of different categories of investors in the equity derivatives segment, with a particular focus on individual traders;
- b) Examine trends in trading activity, participation and profitability across different products viz. Futures and Options, investor categories and demographic segments;
- c) Assess value of equity portfolio for the equity derivatives traders;
- d) Study the relationship between trading outcomes and equity portfolio size;
- e) Assess changes in market structure, including product preferences, expiry-day trading, concentration of trading activity and the mix of investors; and
- f) Evaluate the impact of the regulatory measures introduced by SEBI and the Government of India during FY25–FY26 on trading behaviour and investor outcomes.

3. LITERATURE REVIEW

Retail Outcomes in Derivatives and Leveraged Products – Global Evidence

International evidence indicates that retail investors frequently incur losses when trading derivatives and other leveraged products. This finding is not limited to a particular country or market. Studies using transaction-level data, as well as regulatory reviews of retail accounts, have reported high loss rates among retail participants in futures, options, contract for differences (CFDs) and foreign-exchange products.

Brazil - The evidence is particularly strong for **short-term and leveraged trading**. In Brazil, Chague, De-Losso and Giovannetti (2020) followed individuals who started day trading equity-index futures. Among those who continued trading for more than 300 days, **97% incurred a net loss**. Only 1.1% earned more than the Brazilian minimum wage from day trading. The study also found that longer participation did not improve outcomes.

South Korea - Similar findings have been reported in Asian futures markets. In the KOSPI 200 futures market, Choe and Eom (2009) found that only about **25% of retail day traders were profitable net of fees**, implying a loss rate of approximately **75%**. Ryu (2012), using transaction-level data from the KOSPI 200 futures market, also found that individual day traders incurred substantial losses and that more frequent and intensive trading was associated with poorer outcomes.

Taiwan - Evidence from Taiwan points in the same direction. Kuo and Lin (2013) examined 3,470 individual day traders in the Taiwan futures market. The traders incurred an average loss of **NT\$61,500 after transaction costs** during the study period. The study also found that greater experience did not translate into superior trading skills or lower losses.

United States - Evidence from the United States is also consistent with these findings. Jordan and Diltz (2003), studying US day traders, found that **about 67% traders lost money**, with only around 20% being more than marginally profitable.

Europe - Regulatory evidence from leveraged retail products provides a similar picture. ESMA's review of retail CFD markets across European jurisdictions found that **74–89% of retail CFD accounts typically lost money**, with average losses ranging from €1,600 to €29,000. (ESMA) In France, the AMF found that more than **89% of retail investors lost money** in CFD and forex trading over a four-year period, with an average loss of approximately €10,900 per client.

UK - The UK FCA similarly found high rates of retail losses in CFDs. An earlier FCA analysis found that **82% of clients lost money**, and subsequent regulatory intervention required firms

to disclose the proportion of retail accounts that lose money. The FCA continues to describe CFDs as complex, leveraged derivatives with a high risk of rapid losses.

Australia - More recent evidence from Australia shows that the pattern has persisted. ASIC reported that **68% of retail CFD investors lost money in FY2024**, with total losses exceeding A\$458 million, including A\$73 million in fees. ASIC describes CFDs as complex, leveraged products in which relatively small price movements can result in substantial losses. (ASIC) US regulatory data on retail forex accounts also show that losses are widespread. The CFTC requires registered retail foreign-exchange dealers to disclose the proportion of profitable and unprofitable accounts each quarter. The CFTC notes that **about two out of three retail forex accounts lose money in a typical quarter**, although the exact proportion varies across firms and periods.

Taken together, the international evidence shows a **consistent pattern of poor outcomes among retail participants in short-term and leveraged derivatives trading**. Loss rates vary across products, countries, time periods and methodologies, and therefore should not be interpreted as directly comparable measures. Nevertheless, the evidence from both academic studies and securities-market regulators indicates that **a majority of retail participants have historically incurred losses in several major derivatives and leveraged-product markets**.

This broader international evidence provides useful context for the findings of the present study. The high incidence of losses observed among Indian individual traders in equity derivatives is therefore **consistent with patterns documented across several other markets**, particularly where retail participation is concentrated in short-term, leveraged and speculative trading.

Table 1: Retail Loss Outcomes in Derivatives and Leveraged Products

Jurisdiction	Product	Loss rate	Source / study
European Union	CFDs	74–89%	ESMA (2018)
France	CFDs / Forex	89%	AMF (2014)
United Kingdom	CFDs	~82%	FCA (2016)
Australia	CFDs	~68%	ASIC, Report 828 (2026)
United States	Retail Forex	~67%	CFTC quarterly disclosures
Brazil	Equity-index futures	97%*	Chague, De-Losso & Giovannetti (2020)
South Korea	KOSPI 200 futures	~75%	Choe & Eom (2009); Ryu (2012)
Taiwan	Futures	>50%	Kuo & Lin (2013)
United States	Day trading	~67%	Jordan & Diltz (2003)

* Among traders who continued day trading for more than 300 days.

4. DATA COLLECTION AND OVERVIEW

This study draws on the following datasets.

3.1. Exchange-level population data

- The first dataset contains category-wise aggregate data from the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE), covering the entire equity derivatives market. It is used to study market-wide trends in turnover, participation, open interest and profitability across investor categories.
- Unless otherwise specified, all tables and figures in Sections 1 to 4 are based on aggregate daily/monthly data collected from BSE, NSE and SEBI database.
- Source - BSE, NSE, SEBI
- Coverage – entire population of traders
- Period – FY25 and FY26 (profit and loss data); FY22-FY26 (market trends)
- Frequency – Daily (expiry data), Monthly (market trends), Annual (profit and loss data)

3.2. Individual trader-level profit and loss data

- The second dataset contains client-level information from the top 15 brokers, ranked by their turnover in the equity derivatives segment during FY22-FY24. It includes realised trading profit and loss, transaction costs, turnover, trading frequency, and demographic details such as age, gender, pincode and city.
- Unless otherwise specified, all tables and figures in Sections 5 to 9 are based on Client-level data collected from a sample of the top 15 Stock Brokers, KYC and aggregate data from SEBI, and PAN level data from Clearing Corporations.
- Source – Top 15 brokers selected for earlier SEBI study (published in September 2024)
- Coverage – about 90% of total population
- Period – FY25 and FY26 (profit and loss data)
- Frequency – Quarterly
- The sample covers approximately **90% of all individual traders and about three-fourths of individual turnover** in the equity derivatives segment, making it broadly representative of retail participation.

Table 2: Sample Coverage – Top 15 Brokers by Individual Trader Turnover

Year	No of Individual Investors in EDS (in lakh)		
	Sample	Actual	% of Total
FY22	42.74	51.35	83.2%
FY23	58.35	66.96	87.1%
FY24	86.26	95.75	90.1%
FY25	98.10	106.30	92.3%
FY26	78.60	87.71	89.6%

3.3. Individual trader-level holding dataset and KYC dataset

- The equity portfolio is calculated as the market value of all listed equity and equity-oriented mutual fund holdings, at the end of FY25 and FY26, using depository holdings data on those two dates.
- Demographic details, and other KYC details also obtained from SEBI dataset
- Source – SEBI database (based on holding data from NSDL and CDSL)
- Coverage – 1.23 crore investors, who traded during FY25-FY26
- Period – March 31, 2025 and March 31, 2026 (holding data)
- Frequency – Annual

3.4. Computations by SEBI

- These datasets are linked together using each investor's unique PAN
- SEBI has computed all totals, aggregates, proportions, averages, ratios and other derived figures using this granular data.

3.5. Assumptions for Section 4 – Gross Profits and Losses of all categories

- Source data collected from BSE and NSE; aggregated by SEBI
- Profit/loss has been computed for all contracts expiring during April 01, 2024 to March 31, 2026.
- Stocks affected by corporate actions such as bonus issues, consolidations, splits, mergers or acquisitions have been excluded from the profit/loss calculation.
- A client has been classified as an Algo client if even one trade of the client was executed through an algo terminal.
- The algo classification is based on the 13th digit of the CTCL ID (Computer-to-Computer Link ID) that trading members report when placing an order. Exchanges have relied on this reporting to provide the data.
- In certain client categories, particularly individuals, trades flagged as algo may also include auto square-off triggers at the Trading Member level, as such triggers may carry an algo flag in the CTCL ID.
- Proprietary trades have been identified where the Trading Member Code is the same as the Client Code.
- Individual clients have been identified based on PANs where the 4th character is “P” or “H”. For other clients, categorisation is based on the Unique Client Code (UCC) category mapped by Trading Members in the Exchange UCC system.
- UCC categorisation has been considered consistent with the methodology used in SEBI's September 2024 study.

5. METHODOLOGY

- This study is based on transaction-level and client-level data from stock exchanges and a sample of leading brokers, combined with holding and KYC data from the SEBI database and clearing data from Clearing Corporations. Together, these datasets are used to examine trading activity, profitability, trading behaviour, demographic characteristics and equity holdings of participants in the equity derivatives segment (EDS).
- The study has two parts. The first uses aggregate exchange-level data covering all investors trading in the equity derivatives segment of NSE and BSE. This is used to study market-wide trends in turnover, participation, product preferences, trading concentration across investor categories, algorithmic trading, and the impact of the regulatory measures introduced during FY25-FY26.
- The second part is based on client-level data from the top 15 brokers, ranked by their share of individual investor turnover in the equity derivatives segment of NSE during FY24. This sample covers around 90% of individual traders and 80-85% of individual turnover in India's equity derivatives segment, giving a representative view of retail trading behaviour. The analysis covers individual investors - resident individuals, HUFs and NRIs - and excludes proprietary trading firms, institutional investors, corporates and other non-individual entities.
- Client-level records from brokers, exchanges, SEBI and the Clearing Corporation were combined using PAN as the common identifier to build a single analytical database. Trading profit and loss, transaction costs, turnover, demographic details (age, gender, location), cash equity portfolio, trading history and cash-market activity were all analysed together to understand investor behaviour from multiple angles.
- For each individual, realised profit and loss was calculated after adjusting for transaction costs. Where relevant, profitability was analysed separately for futures and options, and across different periods - annually from FY22 to FY26, and combined for FY22-FY24 and FY25-FY26. Aggregate profit/loss, average profit/loss per trader, and the share of profit-making and loss-making traders were calculated for each investor segment.
- To better understand behavioural patterns, traders were grouped into categories based on:
 - * trading turnover,
 - * equity portfolio size,
 - * trading frequency,
 - * trading experience,
 - * product preference (futures/options),
 - * age, gender, city and state,
 - * new versus regular traders, and
 - * historical trading performance.

- The study mainly uses descriptive statistics - distributions, averages, percentages, ratios, concentration measures and trend analysis. It looks both across trader categories at a point in time and over time, to see how trading outcomes evolve. Where relevant, it also compares periods before and after the regulatory measures introduced during FY25-FY26.
- The findings in this report are intended to provide factual evidence on participation patterns, profitability, trading behaviour and market structure in the equity derivatives segment. The analysis is descriptive and does not establish cause-and-effect relationships between investor characteristics, regulatory measures and trading outcomes.

Data Fields and Sub-Categories Used in the Analysis

The categorical variables used in this report are as follows,

Table 3: Data Fields and Sub-Categories Used in the Analysis

Sl. No.	Data Fields/ Parameters	Sub-category
1	Product Category	Index Options, Stock Options, Index Futures, Stock Futures
2	Age	<30, 30-40, 40-50, 50-60, >60 (years)
3	Income	<5 Lakh, 5-10L, 10-25L, 25-50L, 50-100L, >100L
4	Gender	Male/ Female
5	Tier_Cities	Tier I, Tier II, Tier III * a) Tier I (The following 7 cities considered - Bangalore, Delhi, Chennai, Hyderabad, Mumbai, Pune, Kolkata). b) Tier II (The following 20 cities considered - Amritsar, Bhopal, Bhubaneswar, Chandigarh, Faridabad, Ghaziabad, Jamshedpur, Jaipur, Kochi, Lucknow, Nagpur, Patna, Raipur, Surat, Visakhapatnam, Agra, Ajmer, Kanpur, Mysuru, Srinagar), c) Tier III (The following 19 cities considered - Etawah, Roorkee, Rajahmundry, Bhatinda, Hajipur, Rohtak, Hosur, Gandhinagar, Junagadh, Udaipur, Salem, Jhansi, Madurai, Meerut, Mathura, Bikaner, Cuttack, Vijayawada, Nashik).
6	T30_B30_Cities	Top 30 Cities (T30), Beyond 30 Cities (B30) a) Top 30 cities classification is as per the pin code mapping provided by AMFI. b) Beyond 30 Cities, all other cities, towns and villages City Names are mapped using Pincodes
7	State	State / UT Names as per the PIN Code directory available at https://data.gov.in/ and mapped using Pincodes
8	Gross Turnover	Notional Turnover for Futures; Premium Turnover for Options
9	Gross Profit/ Loss	Realized profit or loss, on the squared off equity derivatives positions during the quarter a) Exclude positions involving physical delivery

Sl. No.	Data Fields/ Parameters	Sub-category
		b) Exclude positions not squared off during the period (i.e. excluding outstanding open positions)
10	Net Profit / Loss	Gross Profit or Loss – Transaction Costs; (Trading Profit / Loss after adjusting for the transaction costs;
11	Pincodes	PIN Codes correspondence address (as per the latest KYC)

Notes* - A pin code mapping has been done for these cities as per the information available in <https://data.gov.in/> in order to maintain consistency across all the brokers.

- Client-set: Individual Clients (which includes HUF and NRIs; excludes Proprietary traders, institutions, partnership firms etc.)

Table 4: Investor Category Definitions

Category	Major Investor Categories
Proprietary (PROP) Traders	Trading Member, who itself trade in EDS in its own account; It also includes global participants who operate in the capacity of “Trading Member – Proprietary” in India and are owned by foreign entities
Foreign Portfolio Investors (FPIs)	FPI-all categories, FVCI, QFI, etc.
Mutual Funds	Mutual Funds
Domestic Institutional Investors (DIIs)	Banks, NBFC, Insurance Companies, AIFs, Domestic Financial Institutions, etc.
Corporate	Body corporates and trusts, all entities other than DIIs and Prop Trading Firms
Partnership / LLP firm	Partnership Firm, Limited Liability Partnership Firm
Individuals	Individuals (both Retail and HNI), Hindu Undivided Family (HUF), Non-Resident Indian (NRI), Sole Proprietorship, and Individuals trading through Portfolio Management Services (PMS)

- Open positions at the end of the period are excluded. Where one leg of a trade falls inside the study period and the other falls outside it, the treatment is clarified below:
 - **Example 1: Period: FY 2025-26; Consider Contract-A with expiry in April 2025.**
Contract-A purchased & sold during March 2025 - will not be considered
Contract-A purchased during March 2025, sold during April 2026/ settled on expiry - will be considered.
 - **Example 2: Period: FY 2025-26; Consider Contract-B with expiry in April 2026.**
Contract-B purchased & sold during March 2026 - will be considered
Contract-B purchased during March 2026, sold during April 2026/ settled on expiry - will not be considered.

6. DATA ANALYSIS AND FINDINGS

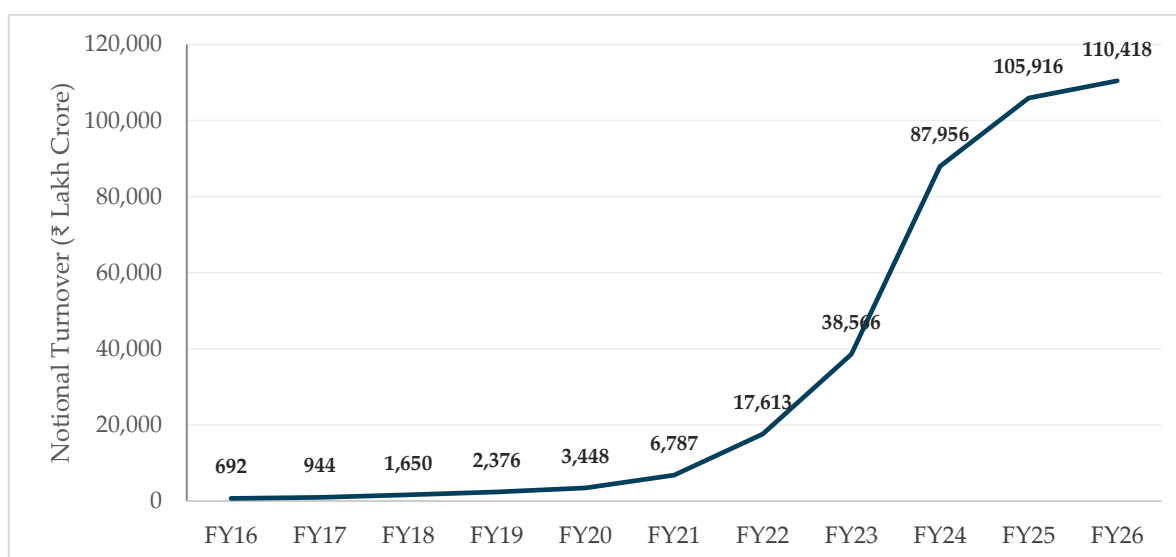
SECTION 1: GROWTH IN EQUITY DERIVATIVES SUBSEGMENTS

6.1. Trend in Equity Derivatives Turnover

Notional Turnover in EDS:

- Over the last ten years, notional turnover in India's Equity Derivatives Segment (EDS) has risen sharply from ₹692 lakh crore in FY16 to ₹1,10,418 lakh crore in FY26. Growth was strongest between FY21 and FY24, with annual increases of 97%, 159%, 119% and 128% in successive years.
- However, growth in the EDS has moderated in the last couple of years. After rising 20.4% in FY25, notional turnover grew by only 4.2% in FY26 - well below the exceptionally high growth rates seen in earlier years.

Chart 1: Notional Turnover in EDS of India

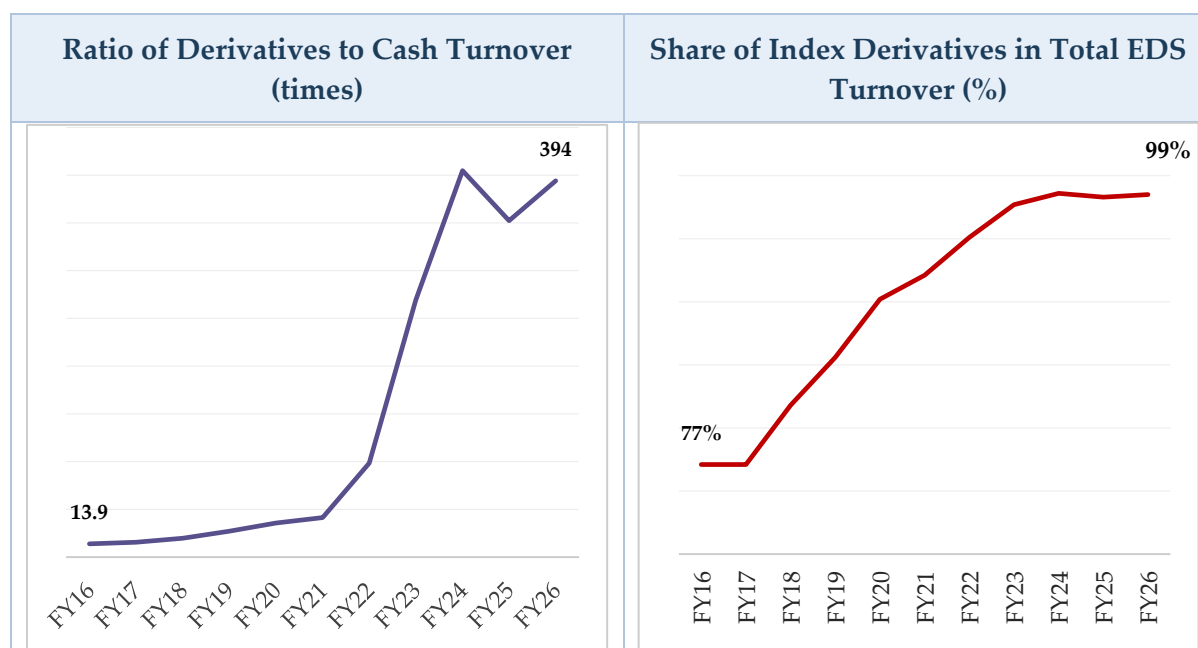


Note: Both Futures and Options turnover is based on notional turnover, Data is combined for both BSE and NSE

- The equity derivatives segment has grown substantially faster than the cash segment over the last decade. In FY16, derivatives turnover was about 14 times the cash market turnover; by FY26, this ratio had increased to 394 times. Although the ratio has moderated from its peak of 405 times in FY24, it remains at a historically elevated level. As explained in subsequent sections, the ratio of notional turnover in EDS to cash market appears steep, primarily due to trading activity in short tenure index options, a sub-segment within EDS that has shown maximum growth over the years. In terms of traded turnover, the annual turnover in EDS, during the aforesaid period, is broadly in the range of 2 times to 3 times of turnover in cash market.

- The rise in derivatives is mainly driven by the Index derivatives. Their share in the total equity derivatives turnover, in the notional terms, rose from 77% in FY16 to 99% in FY26, and has stayed at 98-99% every year since FY23. The share of traded turnover of index derivatives as percentage of overall traded turnover in EDS rose from 24% in FY22 to 43% in FY26.

Chart 2: Growth in Derivatives / Index Derivatives Share



Note: Both Futures and Options turnover is based on notional turnover, Data is combined for both BSE and NSE. In terms of traded turnover, the ratio of derivatives to cash turnover is broadly in the range of 2 to 3.

Premium Turnover in EDS:

- The moderation in EDS activity in FY26 reflected slower growth in Options as well as a decline in Futures. Futures turnover declined by 15% in FY26, after increasing by 41% in FY25, while Options premium turnover grew by 7%, significantly slower than the 14% growth in FY25 and the higher growth recorded in earlier years.
- The relative resilience of Options, however, continued to shape the overall EDS activity. While Futures activity contracted in FY26, Options premium turnover continued to increase, albeit at a more moderate pace.
- Overall, the EDS remained substantially larger than in earlier years, but the pace of expansion moderated in FY26, with both segments contributing to the slowdown in activity.

Table 5: Growth in Turnover in the Equity Derivatives Segment, FY22–FY26

Year	Futures		Options		Total	
	Notional Turnover (₹ Lakh Crore)	YoY Growth	Premium Turnover (₹ Lakh Crore)	YoY Growth	Traded Turnover (₹ Lakh Crore)	YoY Growth
FY22	295	-	69	-	364	-
FY23	286	-3%	119	73%	405	11%
FY24	329	15%	156	31%	485	20%
FY25	463	41%	178	14%	641	32%
FY26	394	-15%	191	7%	585	-9%

Note: Data represent premium turnover for Options and notional turnover for Futures, Combined for NSE and BSE.

Segment-wise Growth in EDS:

- The segment wise data points to a continued structural shift towards index-based derivatives, although the pace and direction varied across segments.
- **Index Futures** activity declined by 16% in FY26, following a 19% increase in FY25. In contrast, Stock Futures declined by 15% in FY26, after a much stronger 47% increase in FY25. Thus, both Futures segments contracted in FY26, with Index Futures remaining the larger component of the Futures segment.
- **Index Options** continued to grow, increasing by 9% in FY26, although the growth moderated from 11% in FY25 and much higher rates in FY23–FY24.
- **Stock Options** declined by 10% in FY26, mirroring a 10% decline recorded in FY23 and reversing the 44% growth observed in FY25. This decline indicates that individual equity options performance diverged from the 9% expansion seen in the Index Options during FY26.
- Index Options continued to dominate the Options segment, accounting for 91% of Options activity in FY26, marginally higher than 89% share in FY25. The share of Index Futures in the Futures segment declined to 19% in FY26 from 33% in FY23.

Table 6: Trends in Activity across EDS Sub-segments, FY23–FY26

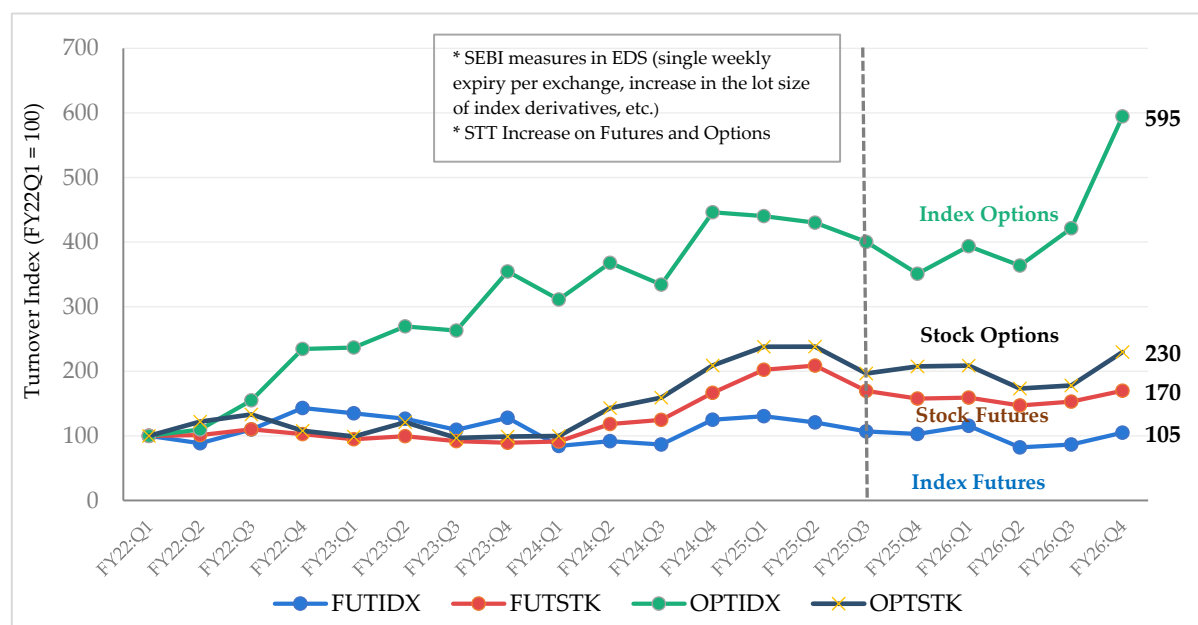
Year	YoY Growth Rate (%)				% Share	
	Index Futures	Stock Futures	Index Options	Stock Options	Index Futures in the Futures Segment	Index Options in the Options Segment
FY23	13%	-9%	87%	-10%	33%	92%
FY24	-22%	33%	30%	47%	23%	91%
FY25	19%	47%	11%	44%	19%	89%
FY26	-16%	-15%	9%	-10%	19%	91%

Note: Data represent premium turnover for Options and notional turnover for Futures, Combined for NSE and BSE.

Segment-wise Growth in EDS (Quarterly):

- The equity derivatives market continued to grow in FY26, though growth slowed significantly after the regulatory and tax changes introduced during the year. Index Options remained the main driver of market activity.
- Following the increase in Securities Transaction Tax (STT) from 01 October 2024 for Futures and Options contracts and SEBI's measures from 20 November 2024, mainly intended to address heightened activity in index options on expiry day, the **turnover fell across all derivatives sub-segments**. In Q4 FY26, Index Options turnover fell about 15% year-on-year, while Stock Futures, Index Futures and Stock Options each fell by around 30%.
- The impact varied by product. Index Options held up far better than other segments: despite the regulatory measures, Q4 FY26 turnover in Index Options was still about six times its FY22 level (roughly 495% higher), while Index Futures turnover was only about 5% above FY22 levels. This confirms that the long-term growth of India's derivatives market has been driven overwhelmingly by Index Options.
- In other words, the regulatory measures slowed growth but did not reverse the shift towards Index Options. Trading activity fell across products, but Index Options kept its dominant share.

Chart 3: Growth in Turnover in EDS Sub-Segments

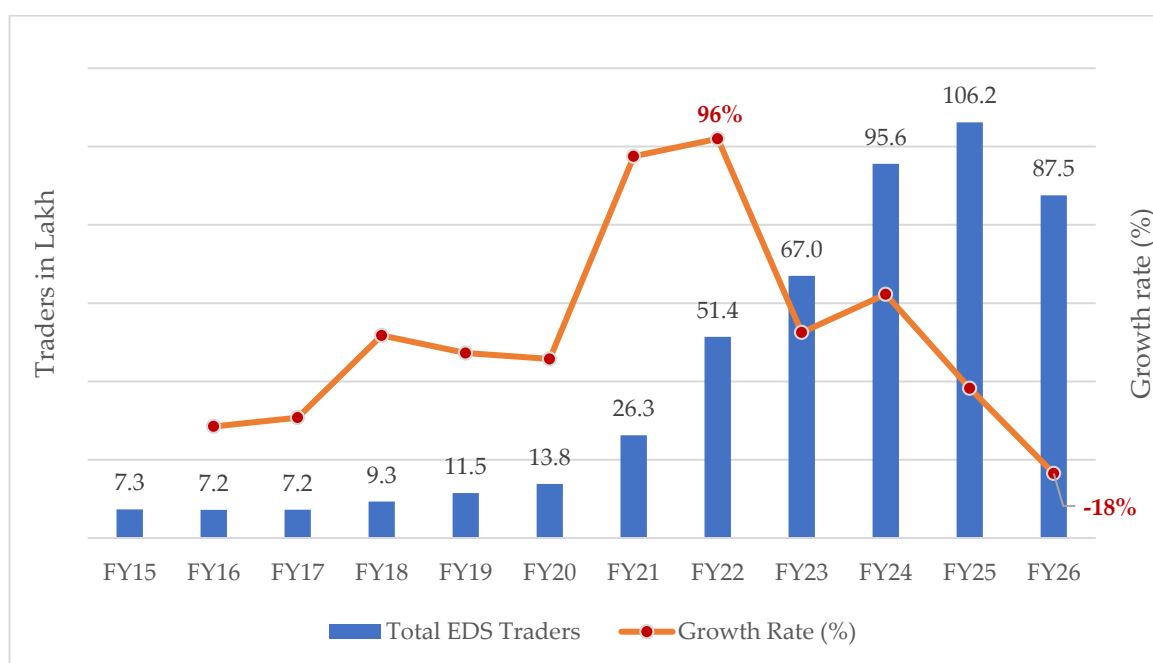


Note: Futures turnover is based on notional turnover, while Options turnover is based on premium turnover. Values are indexed to FY22 Q1 = 100 for comparability. Data is combined for both BSE and NSE

6.2. Unique Traders in the Equity Derivatives Segment

- The number of individual traders participating in the equity derivatives segment increased substantially over the past decade, rising from around **7 lakh in FY15** to over **1 crore in FY25**. The expansion accelerated markedly after FY21, resulting in a significant broadening of retail participation in the segment.
- FY26 marked the first annual reversal in this long-term expansion. The number of active individual traders declined by about **18% year-on-year to around 88 lakh**, from over 1 crore in FY25. The decline indicates a significant moderation in retail participation following several years of rapid expansion.
- The moderation, however, did not reverse the structural expansion in participation. The FY26 trader base remained more than twelve times the FY15 level, indicating that participation in equity derivatives continues to be substantially higher than its pre-FY21 levels.
- The annual decline was concentrated primarily in options participation, which accounts for the overwhelming majority of individual EDS traders. Futures participation remained much smaller in absolute terms, although the decline in index futures participation was particularly pronounced.
- Importantly, the FY26 decline appears to have been a partial retrenchment rather than a complete reversal of the post-FY21 expansion.

Chart 4: Trend in Number of Active Individual Traders in the EDS (in Lakh)



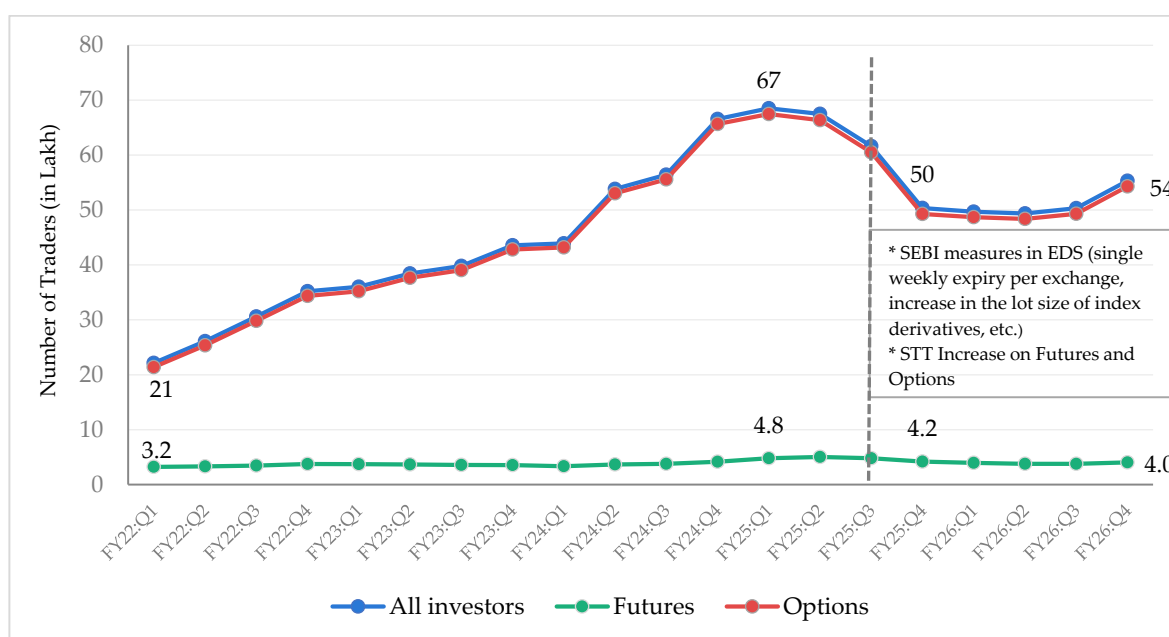
Note: Represent unique traders in EDS, aggregated across BSE and NSE

6.3. Segment-wise Unique Traders in the Equity Derivatives Segment (Quarterly)

Futures vs Options:

- Quarterly participation increased more than threefold from **22.1 lakh unique traders in Q1 FY22 to a peak of 68.5 lakh in Q1 FY25**, reflecting the rapid expansion of retail participation in equity derivatives following FY21.
- Participation began to moderate during FY25, with total unique traders declining from **68.5 lakh in Q1 FY25 to 67.5 lakh in Q2, 61.7 lakh in Q3 and 50.4 lakh in Q4**. Thus, the decline accelerated during the second half of FY25, with quarterly participation falling by about **26% between Q2 and Q4 FY25**.
- The decline was driven predominantly by **options participation**. Options traders fell from **67.5 lakh in Q1 FY25 to 49.3 lakh in Q4 FY25**, a decline of about 27%. Futures participation was much smaller and relatively more stable in aggregate, although index futures recorded a significant decline.

Chart 5: Trend in Number of Active Traders in the EDS (in Lakh) (Quarterly, Segment-wise)



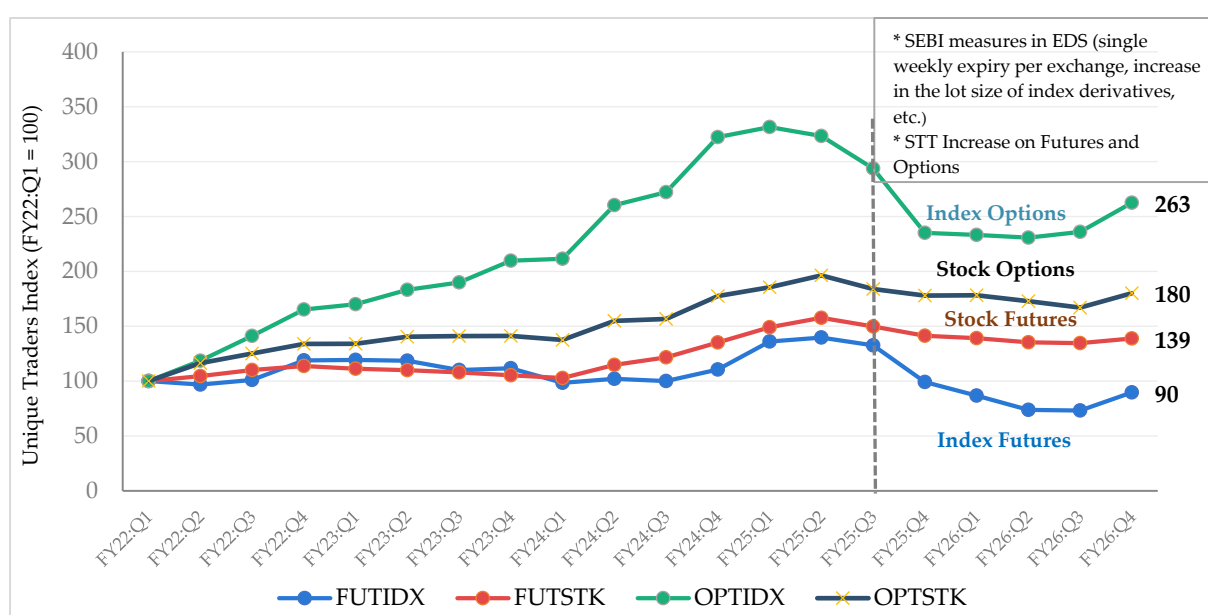
Note: Represent unique traders in EDS, aggregated across BSE and NSE

Index Options, Index Futures, Stock Futures, Stock Options:

- Index Options:** Participation increased strongly from FY22 Q1, reaching a peak in FY25 Q1 of about **3.3 times the FY22 Q1 level**. Despite the subsequent correction, participation in FY26 Q4 remained about **2.6 times the FY22 Q1 level**, indicating that the long-term expansion remained substantial.

- **Stock Options:** Participation increased to a peak of about **95% above the FY22 Q1 level**. Despite the subsequent correction, FY26 Q4 participation remained about **80% higher than FY22 Q1**, indicating a relatively limited decline from the peak.
- **Stock Futures:** Participation rose to a peak of about **58% above the FY22 Q1 level** and, after a moderate correction, remained about **39% above the FY22 Q1 level** in FY26 Q4.
- **Index Futures:** Participation initially increased, reaching a peak of about **38% above the FY22 Q1 level**, but subsequently declined sharply. By FY26 Q4, participation was about **10% below the FY22 Q1 level**, making index futures the only product to fall below its FY22 Q1 participation level and the product showing the most persistent contraction.

Chart 6: Unique Traders in EDS Sub-Segments



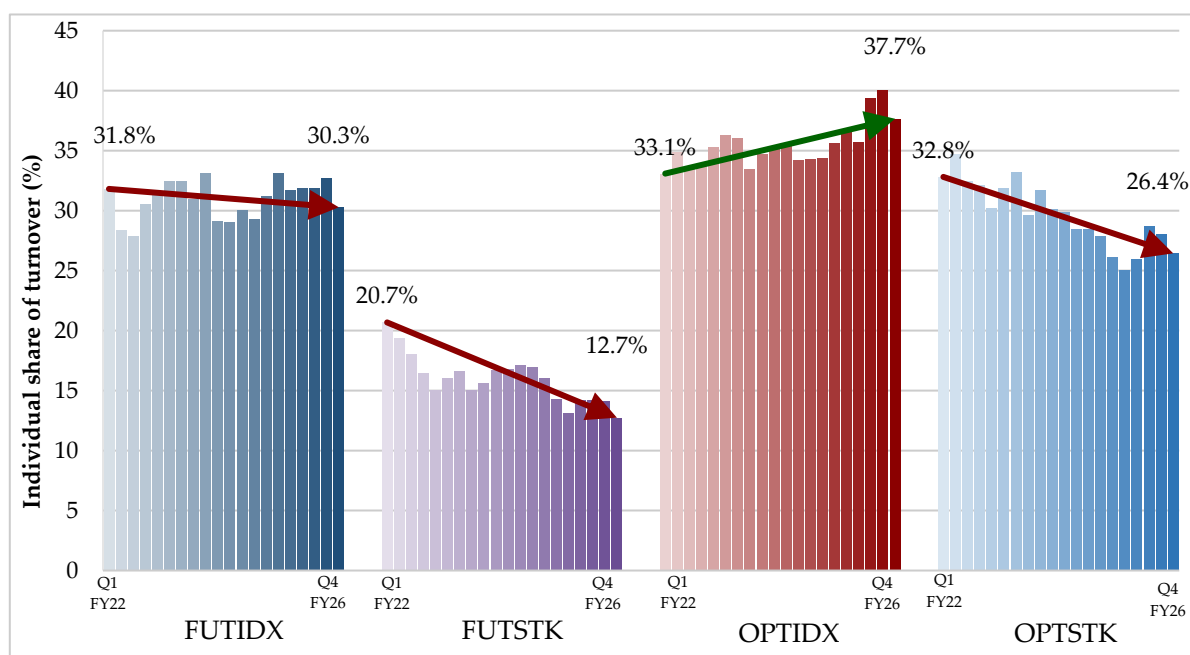
Note: Represent unique traders in EDS, aggregated across BSE and NSE

6.4. Share of Individual Traders in Equity Derivatives Turnover

- Retail participation is increasingly concentrated in Index Options. Individuals' share of turnover was highest in Index Options (38%), followed by Index Futures (30%), Stock Options (26%) and Stock Futures (13%).
- Index Options was the only sub-segment where the retail share of turnover increased over the study period - from 33% in Q1 FY22 to a peak of 40% in Q3 FY26, before easing slightly to 38% in Q4 FY26.
- In every other product, the individual share of turnover declined. Stock Futures saw the biggest fall, from 21% to 13%, while Stock Options fell from 33% to 26% and Index Futures from 32% to 30%.

- This shows that the rapid growth in retail participation has come almost entirely from Index Options, not from the derivatives market as a whole.

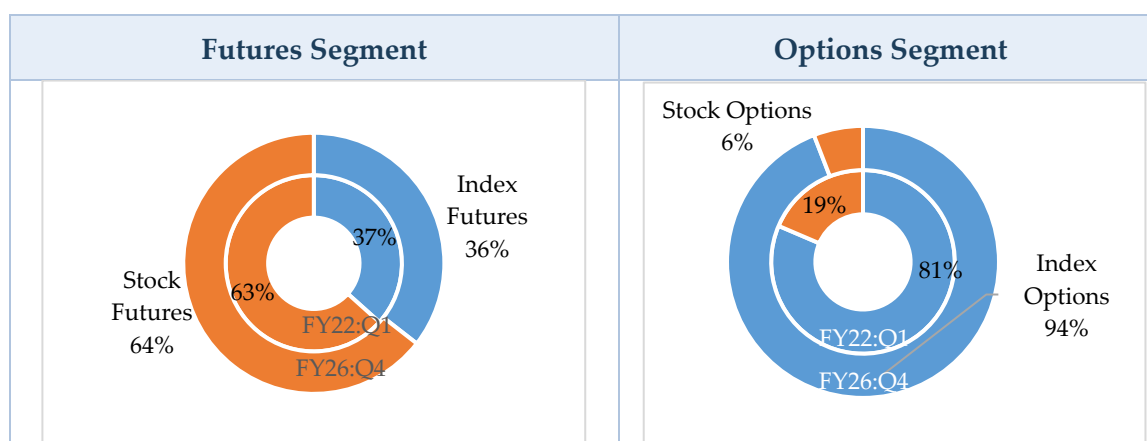
Chart 7: Individual Share of Turnover, by EDS Sub-Segment



6.5. Composition of Futures and Options Segment Turnover – For Individuals

- Within the options segment, trading shifted markedly towards index-based instruments. The share of index options in options turnover rose from 81% in Q1 FY22 to 94% in Q4 FY26, while the share of stock options fell from 19% to 6%.
- The futures segment stayed broadly stable over the same period. The share of index futures turnover eased slightly from 37% to 36%, while stock futures edged up from 63% to 64% - little change in trader preference within futures.

Chart 8: Composition of Futures and Options Segment Turnover for Individual Investors

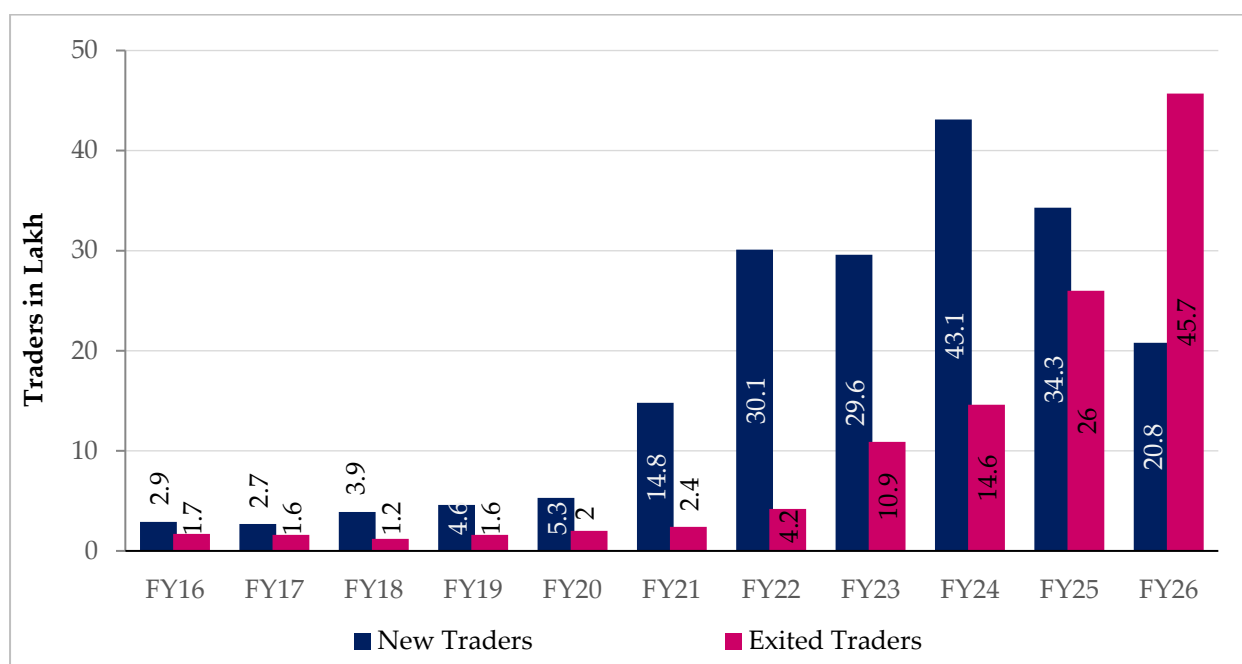


Note: Percentage shares are computed using *premium turnover* for Options and *notional turnover* for Futures. Turnover figures relate to **Individual investors only**.

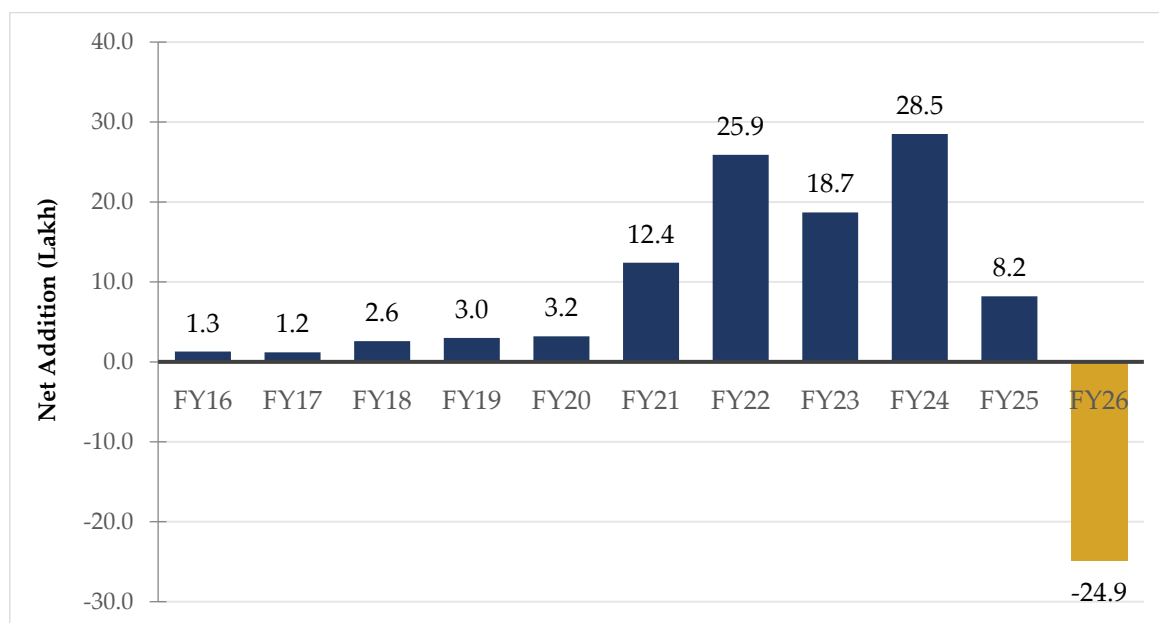
6.6. Growth in New Entrants and Exiting Traders

- Over the past **11 years (FY16–FY26)**, around **2 crore unique investors** traded in the equity derivatives segment.
- Of these, nearly **87%**, about **1.73 crore investors**, entered the equity derivatives market during the post-COVID period (FY21–FY26).
- The number of **new (first-time) traders** entering the segment peaked at **43.1 lakh in FY24** and has fallen in each of the two years since, to 34.3 lakh in FY25 and 20.8 lakh in FY26, a decline of about 39% in FY26 alone.
- Traders exiting the segment have risen significantly over the same period. The number of exits grew from 4.2 lakh in FY22 to 45.7 lakh in FY26, more than tenfold, and the exit rate, measured as a share of the previous year's trader base, rose from 16% to 43% over the same period.

Chart 9: New Entrants and Exiting Traders in the Equity Derivatives Segment

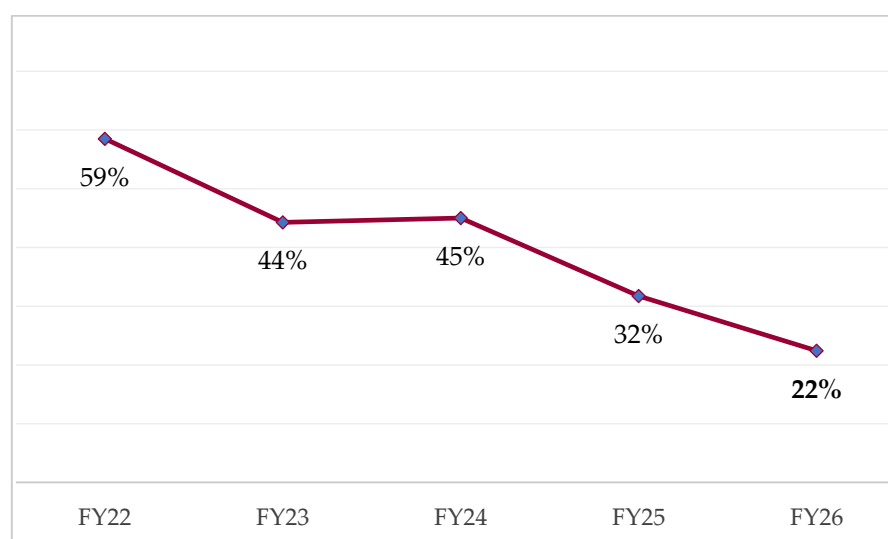


- Taken together, new entrants and exits produced a negative net addition to the trader base in FY26, the first such reversal in the period studied. Net addition (new traders minus exited traders) was positive in every year from FY16 to FY25, including FY25 itself (+8.2 lakh), before turning to -24.9 lakh in FY26.
- The decline in new entrants and the rise in exits have moved together since FY24, rather than FY26 being an isolated year: exits grew 33% in FY24 and 79% in FY25, ahead of the 76% growth recorded in FY26.

Chart 10: Net Addition of Traders in the Equity Derivatives Segment (FY16–FY26)

Note: "Net addition" means **new traders minus exited traders** in a given year and is not the same as the year-on-year change in the total active trader base (Chart 4). The total base also reflects traders who were Intermediate Traders (not the first time traders), so the two measures move together directionally but will not tie out arithmetically, e.g., in FY26, net addition was -24.9 lakh, while the total active base declined by 18.7 lakh (106.2 to 87.5 lakh). Remaining 6.2 lakh were Intermediate Traders, who did not trade in FY25, but were not the first time traders either.

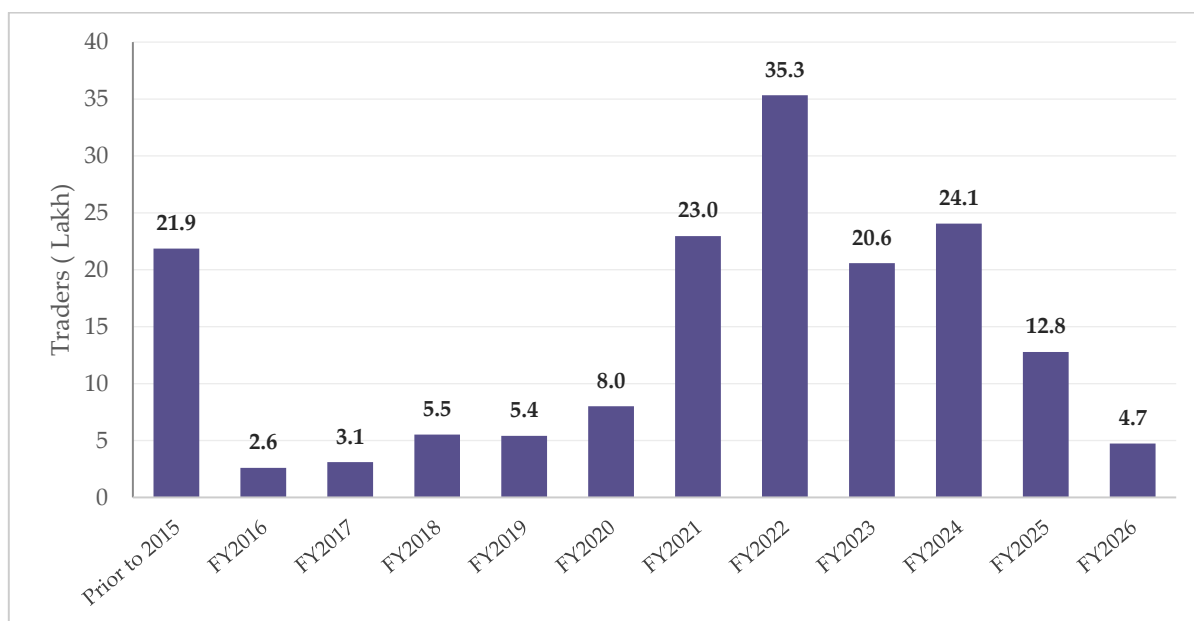
- The share of first-time traders in the total trader base has fallen every year since FY22, from 59% then to 24% in FY26. The market is now made up predominantly of traders who have been active before: repeat traders account for roughly three out of every four derivatives traders in FY26, up from about two out of every five in FY22.

Chart 11: % Share of New Traders in the Equity Derivatives Segment

6.7. Trend in Demat Account Opening for Derivatives Traders

- An analysis of 1.67 crore individual EDS traders indicates a significant shift in market demographics, with the post-COVID period witnessing a sharp surge in investors opening their first-ever demat and trading accounts.
- The post-pandemic period was the principal driver of new market entry: about 72% of all EDS traders opened their first demat and trading account during this period.
- Over the last six years following the pandemic, more than 1.20 crore unique individual investors who had newly opened demat and trading accounts went on to participate in the EDS market.
- However, the pace of such fresh account-based entry into EDS moderated in FY26. The number of investors opening their first demat and trading account and trading EDS for the first time declined to 4.7 lakh, compared with 12.8 lakh in FY25 and 35.3 lakh in FY22. These first-time entrants accounted for only 6% of FY26 EDS traders and 2.8% of the total active trader base.

Chart 12: First (Oldest) Demat Account Opened by EDS Traders



Note: Based on a sample of 1.67 crore traders who traded in EDS during FY22–FY26, Data shows year in which currently active EDS traders first opened a demat account, in lakh traders

SECTION 2: IMPACT OF THE REGULATORY MEASURES: Q3 FY25

On October 01, 2024, SEBI stipulated several measures to address heightened activity in index options on expiry day for increased investor protection and market stability. Amongst them following three measures were made effective from November 20, 2024.

- Weekly expiry restricted to just 1 index per exchange
- Minimum contract value of derivatives contracts increased to ₹15-20 lakh
- Extreme Loss Margin on short options increased by 2 percentage points on expiry days

6.8 Changes in the Number of Participants

- Participation declined during Q3 FY25, with the decline more pronounced in **options than in futures**, particularly in index options. This is consistent with an immediate decline in '0DTE' contracts turnover in the Index Options segment following the rationalisation of weekly index expiries. However, the decline cannot be attributed solely to the regulatory measures, as participation had already begun moderating before their implementation.
- The decline became more pronounced post SEBI measures. **Between Q2 FY25 and Q4 FY25, the number of unique EDS traders declined by 25.4%**. The decline was concentrated in options, where participation fell by **25.8%**, while index options declined by **26.8%**. In comparison, futures participation declined by **16.7%**, with stock futures and stock options declining by **10.4%** and **9.4%**, respectively.
- The pattern suggests that the measures were followed by a **significant but differentiated impact in retail participation**, with the impact more pronounced in index options than in the other product segments. The findings, however, should be interpreted as an **association in timing rather than evidence of causation**.

Table 7: Segment-wise Active Unique Traders (Number in Lakh)

Product	Q2 FY25	Q4 FY25	Change	% Change
All EDS traders	67.50	50.37	-17.13	-25.4%
Futures	5.03	4.19	-0.84	-16.7%
Options	66.38	49.27	-17.11	-25.8%
Index Futures (IF)	2.58	1.83	-0.75	-29.0%
Index Options (IO)	63.70	46.31	-17.09	-26.8%
Stock Futures (SF)	3.75	3.36	-0.39	-10.4%
Stock Options (SO)	1.96	1.78	-0.18	-9.4%

6.9 Changes in the Average Turnover Per Trader

- The decline in the number of participants between Q2 and Q4 FY25 was accompanied by an increase in average trading intensity among the remaining index-derivatives participants, particularly in index options and index futures.
- **Options:** traders declined substantially (decline by 26%) between Q2 and Q4 FY25, but average turnover per options trader increased 10.8%. This suggests that the small size traders left and remaining traders, who were active, became more active in Q4 FY25.
- **Index Options:** participation fell 26.8%, while average turnover per trader increased 12.3%.
- **Index Futures:** participation fell 29%, but average turnover per trader increased 20.0%.
- **Stock Futures:** both participation and average turnover declined, with average turnover falling 15.8%.
- **Overall Futures:** average turnover declined only 7.3%, despite the fall in participation.

Table 8: Segment-wise Average Turnover per Trader (Amount in ₹ Crore)

Product	Q2 FY25	Q4 FY25	% Change
Futures	51.41	47.64	–7.3%
Options	1.42	1.58	11%
Index Futures (IF)	17.86	21.43	20%
Index Options (IO)	1.32	1.48	12%
Stock Futures (SF)	56.60	47.67	–15.8%
Stock Options (SO)	0.54	0.52	–3.8%

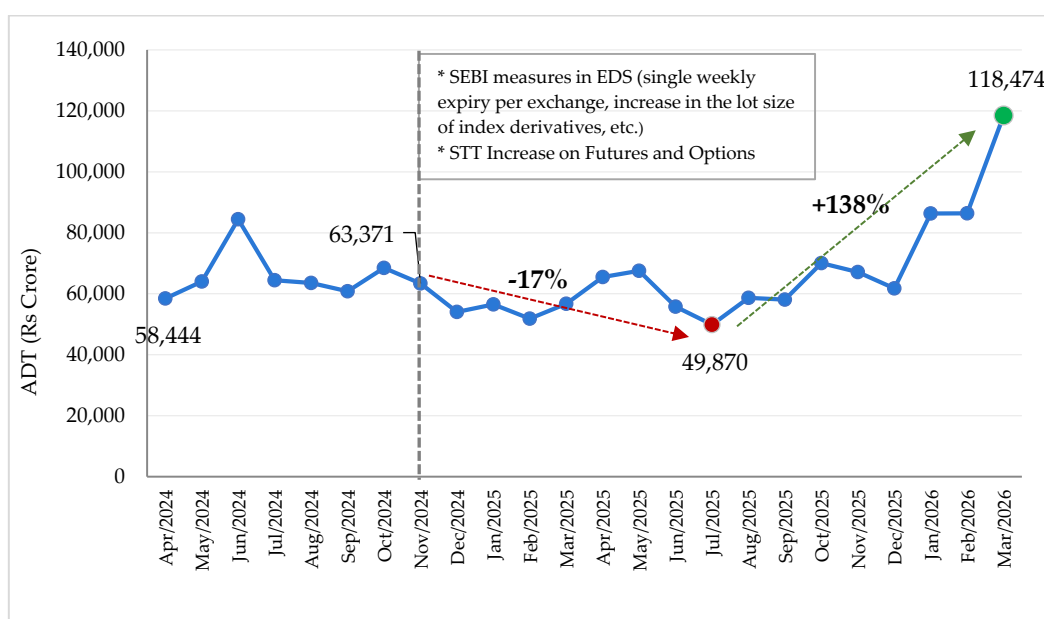
6.10 Average Daily Turnover in Index Options

- Average Daily Turnover in the Index Options, across NSE and BSE, declined by 17.4% following the November 2024 measures, from ₹65,935 crore in the pre-policy period to ₹54,771 crore during December 2024–March 2025. It remained relatively subdued during the subsequent adjustment period, before recovering strongly by 38% to ₹81,696 crore during October 2025–March 2026.
- Overall, the data indicates a **three-stage pattern of initial contraction, prolonged adjustment and subsequent recovery** in ADT.

Table 9: Average Daily Turnover in the Index Options (Amount in ₹ Crore)

Phase	Period	Average ADT (₹ crore)	Change vs. Previous Phase
Pre-Policy Phase	Apr–Nov 2024	65,935	-
Initial contraction	Dec 2024–Mar 2025	54,771	-17.4%
Adjustment Phase	Apr–Sep 2025	59,237	+8%
Subsequent recovery	Oct 2025–Mar 2026	81,696	+38%

- The monthly data shows, ADT declined after the implementation of the November 2024 measures, falling from ₹63,371 crore in November 2024 to a low of ₹49,870 crore in July 2025, a decline of about 21%. Thereafter, ADT recovered steadily, reaching ₹1,18,474 crore by March 2026, about 87% above the November 2024 level.
- By March 2026, ADT had increased to ₹1,18,474 crore, representing an increase of about 103% over April 2024. Thus, while the measures were followed by an initial decline, the later increase in premium ADT more than offset the earlier contraction.

Chart 13: Average Daily Turnover in the Index Options

Note: Data combined for NSE and BSE

6.11 Expiry vs Non-Expiry Trends in Average Daily Turnover (ADT)

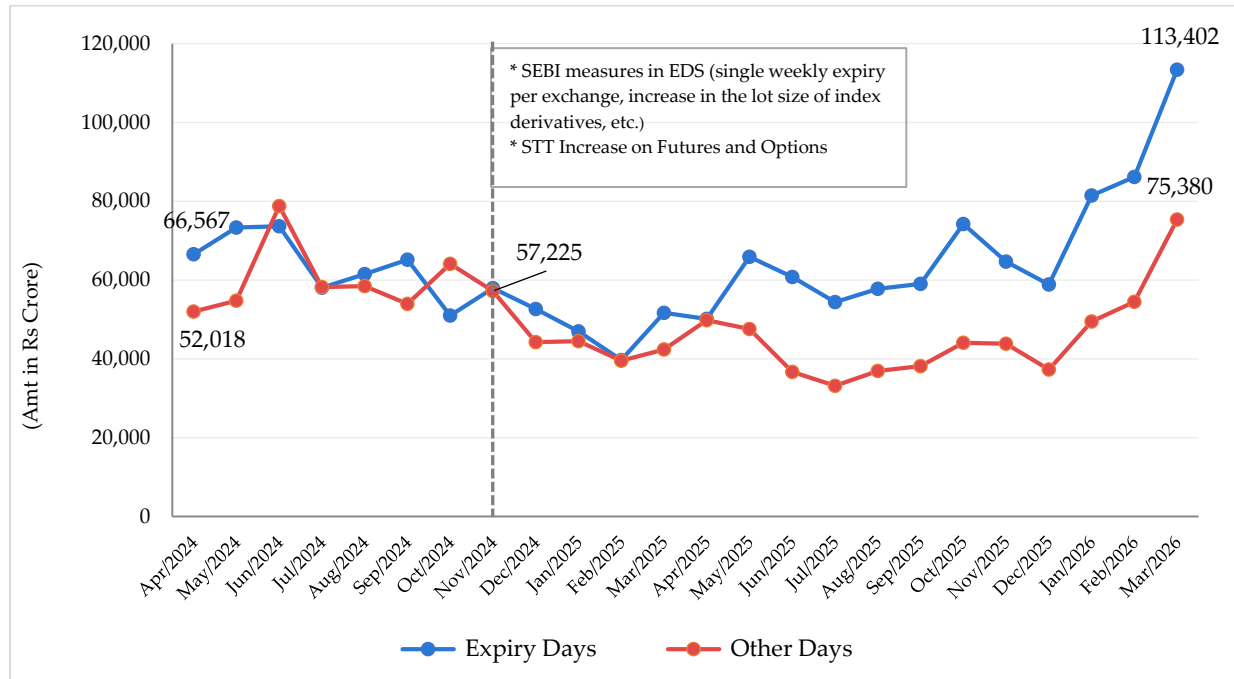
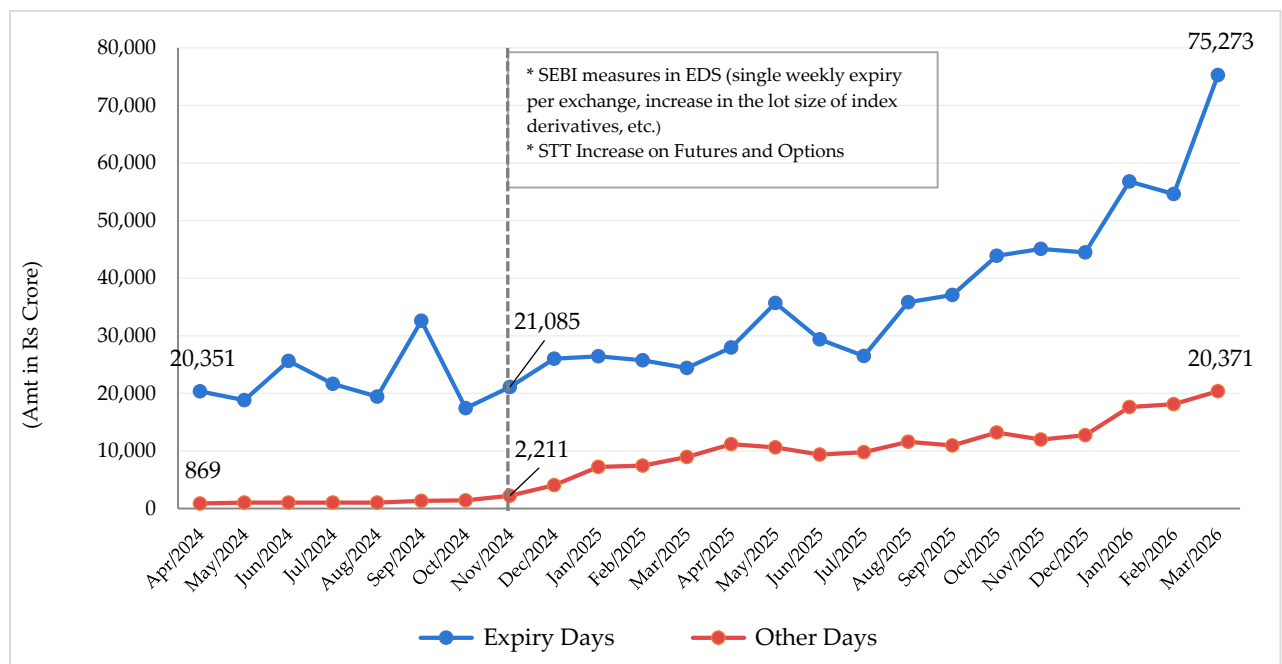
- Following the implementation of SEBI's November 2024 measures and the October 2024 increase in STT, premium turnover showed a differentiated pattern across the two exchanges. In the immediate post-policy period (December 2024–March 2025), NSE

recorded a decline in both expiry-day and non-expiry-day premium turnover, while BSE recorded an increase in both.

- **NSE premium Average Daily Turnover (ADT)** declined by **25.6%** on expiry days, from ₹64,181 crore to ₹47,761 crore, and by 29.0% on non-expiry days, from ₹60,048 crore to ₹42,659 crore. Expiry-day ADT reached a low of ₹39,717 crore in February 2025 before recovering in subsequent months, indicating that the initial decline extended beyond expiry-day activity.
- **BSE premium turnover** increased in both categories, although the increase was substantially larger on non-expiry days. Expiry-day ADT increased by 15.2%, from ₹22,271 crore to ₹25,648 crore, while non-expiry-day ADT increased by **528.4%**, from ₹1,101 crore to ₹6,917 crore. Consequently, the earlier concentration of BSE activity on expiry days declined substantially.
- The concentration of premium turnover around expiry days evolved differently across the two exchanges. On NSE, the expiry-to-non-expiry ADT ratio increased from **1.1x** in the pre-policy period to **1.6x** in the recent period (October 2025–March 2026). On BSE, the ratio declined from **20.2x** to **3.4x**, as non-expiry-day activity increased substantially faster than expiry-day activity.
- By the recent period (October 2025–March 2026), NSE expiry-day premium ADT had recovered to ₹79,802 crore, above the pre-policy average, while non-expiry-day ADT remained lower at ₹50,760 crore. BSE also recorded higher premium turnover in both categories, with expiry-day ADT at ₹53,357 crore and non-expiry-day ADT at ₹15,667 crore. Thus, premium turnover recovered across both exchanges, although the pattern of recovery differed between expiry and non-expiry days.

Table 10: Average Daily Turnover on Expiry Days vs Non-Expiry Days (₹ Crore)

Metric	Pre-Policy (Apr–Oct 2024)	Immediate Post-Policy (Dec 2024–Mar 2025)	Recent (Oct 2025–Mar 2026)
NSE expiry-day premium ADT	64,181	47,761 (–25.6%)	79,802 (+60.0%)
NSE non-expiry-day premium ADT	60,048	42,659 (–29.0%)	50,760 (+84.0%)
BSE expiry-day premium ADT	22,271	25,648 (+15.2%)	53,357 (+48.1%)
BSE non-expiry-day premium ADT	1,101	6,917 (+528.4%)	15,667 (+44.2%)
NSE expiry / non-expiry	1.1x	1.1x	1.6x
BSE expiry / non-expiry	20.2x	3.7x	3.4x

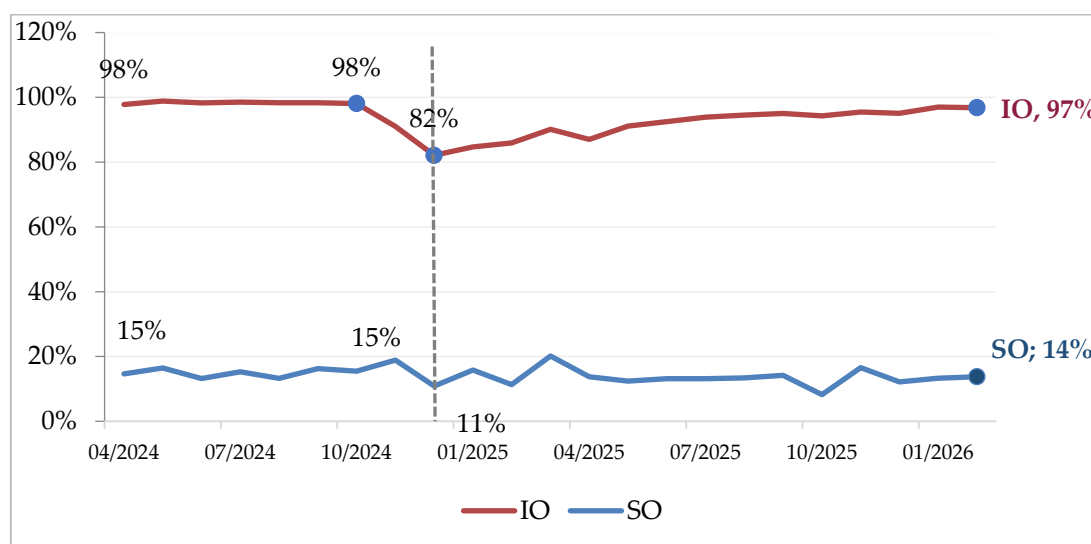
Chart 14: ADT in Index Options on Expiry vs Non-Expiry Days - NSE**Chart 15: ADT in Index Options on Expiry vs Non-Expiry Days - BSE**

SECTION 3: GROWTH IN WEEKLY AND '0DTE' CONTRACTS IN EDS

6.12 Share of Weekly Expiries

- Before November 2024, index options trading was concentrated mainly in weekly expiry contracts. Because index derivatives on NSE and BSE expired on different weekdays, the market effectively had expiry events on almost every trading day.
- From 20 November 2024, SEBI limited each exchange to offering weekly derivative contracts on only one index, cutting the number of weekly expiry events in the market.
- The share of weekly expiry contracts in total index options turnover fell from about 98% in October 2024 to around 82% in December 2024 after the change, then gradually recovered to around 97% over the following months.
- This recovery, despite fewer weekly expiry events, shows that trading stayed concentrated in short-tenor contracts and simply shifted to the remaining weekly expiries.
- As of March 2026, around 97% of index options turnover was in contracts with seven days or less to expiry, compared with only about 14% for stock options - showing that the preference for short-dated contracts is largely specific to index options.

Chart 16: % Share of Weekly Expiries in the Options Segment



Note: Data aggregated across BSE and NSE; IO means Index Options; SO means Stock Options

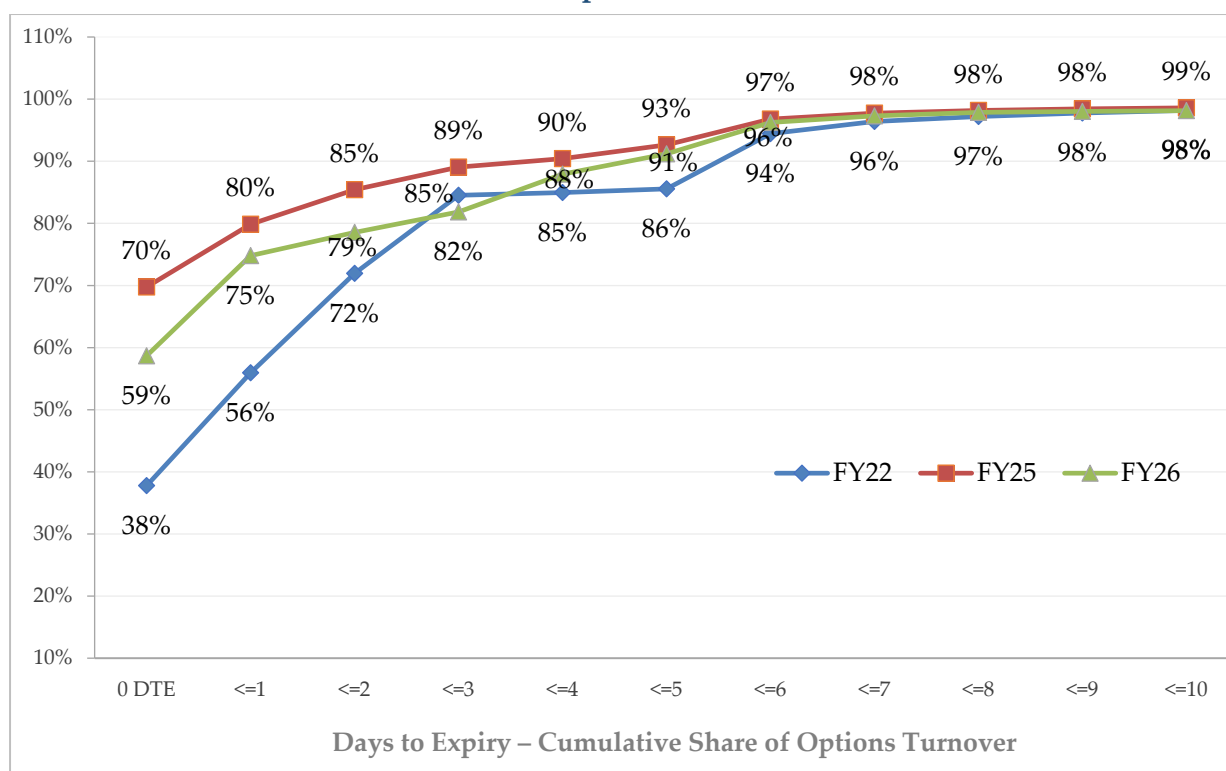
6.13. Share of '0DTE' (Zero Days-To-Expiry) Options

- '0DTE' (Zero Days-to-Expiry) options are contracts traded on the day they expire. With only a few hours of life left, their prices are highly sensitive to movements in the index -

making them the shortest-ten or options contracts available.

- Trading has become increasingly concentrated in contracts close to expiry. The share of '0DTE' contracts in total index options turnover rose from 38% in FY22 to 70% in FY25, then eased to 59% in FY26.
- Trading within one day of expiry ('1 DTE' or less) accounted for 56% of turnover in FY22, rose to 80% in FY25, and eased to 75% in FY26. In other words, three out of every four index options trades in FY26 happened on the expiry day or the day before.
- Even with the FY26 moderation in 0DTE activity, trading stayed highly concentrated in short-tenor contracts: about 82% of turnover occurred within three days of expiry, around 90% within four days, and 97% within one week.
- Over the study period, turnover has shifted markedly towards shorter maturities. The share of '0DTE' trading rose 21 percentage points between FY22 and FY26, while the share of trading within one week of expiry stayed above 95% throughout - showing that the rise in activity has been concentrated in contracts expiring within a few days, not in longer-dated ones.
- Longer-dated contracts remain a very small part of trading. In FY26, only about 3% of turnover was in contracts with more than seven days to expiry, and just 1% in contracts with more than ten days to expiry - underlining how concentrated trading is in very short-tenor index options.
- Near-expiry options need a relatively small premium outlay, but their prices are highly sensitive to small moves in the underlying index as expiry nears. As a result, even a small index move can cause a large percentage change in the option's price - a feature that makes '0DTE' and 1DTE contracts especially attractive for short-term trading.

Chart 17: “Days-to-Expiry” wise Cumulative Distribution of Turnover in the Index Options



Note: Data aggregated across BSE and NSE

6.14. Impact of Regulatory Measures on Weekly Expiry Trading

- After weekly index expiries were limited to one index per exchange, the share of ‘0DTE’ trading in Index Options fell from 70% in FY25 to 59% in FY26.
- At the same time, the share of weekly expiry contracts recovered to around 97%, showing that trading stayed concentrated in weekly contracts even with fewer weekly expiry events.
- While expiry-day concentration eased in FY26, trading remained focused mainly on contracts nearing expiry: around 75% of Index Options turnover occurred within one day of expiry, and 97% within one week.
- The data shows a moderation in expiry-day concentration after the regulatory measures. Trading, however, remains concentrated in very short-dated index options.

SECTION 4: PROFITABILITY ACROSS INVESTOR CATEGORIES

This section covers the entire population of traders in the equity derivatives segment of BSE and NSE combined- 106.3 lakh in FY25 and 87.7 lakh in FY26. The profit-and-loss figures are squared-off gross realised P&L, i.e. realised trading profit or loss before transaction costs, and exclude positions still open at the end of FY26.

6.15. Investor Category-wise Profit and Loss (FY25-FY26 Combined)

- Over FY25–FY26, Proprietary (PROP) traders earned the highest gross profit - more than ₹90,400 crore - followed by Foreign Portfolio Investors (FPIs) at about ₹45,000 crore, Corporates at about ₹14,200 crore, Mutual Funds at about ₹8,200 crore, and Partnership/LLP firms at about ₹7,700 crore.
- Individual traders were the only major category to record an aggregate loss. During FY25–FY26, individual traders together incurred gross losses of about ₹1.70 lakh crore in the equity derivatives segment.
- Derivatives trading is largely a zero-sum activity before transaction costs, so one participant's loss broadly corresponds to another's gain. The aggregate losses of individual traders were broadly matched by the aggregate profits of corporate and institutional participants.

Chart 18: Category-wise Gross P&L in EDS during FY25–FY26 Combined (₹Crore)



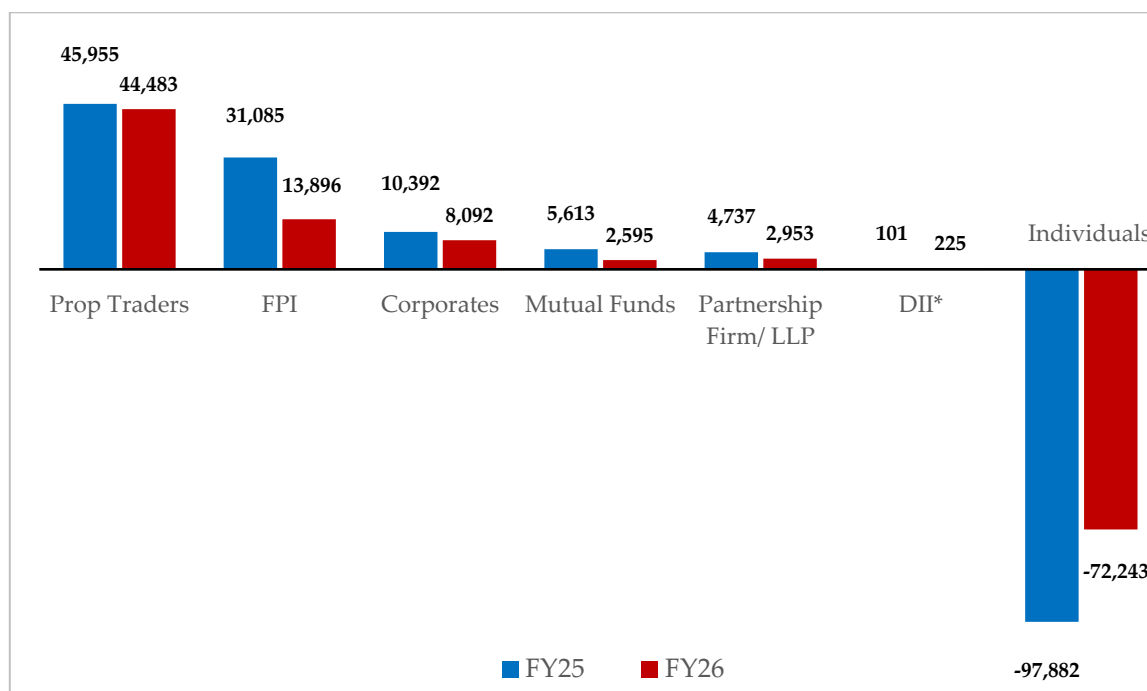
Note: 1) DII excludes Mutual Funds. 2) Prop Traders category also includes global participants who operate in the capacity of "Trading Member – Proprietary" in India and are owned by foreign entities 3) Corporates include Body Corporates and Trusts, 4) Clients means Individuals.

Source: BSE and NSE.

6.16. Investor Category-wise Profit and Loss (Yearly Trends)

- In FY26, Proprietary traders continued to record the highest gross trading profit⁹ at about ₹44,000 crore, followed by FPIs (₹14,000 crore), Corporates (₹8,000 crore), Mutual Funds (₹3,000 crore) and Partnership Firms/LLPs (₹3,000 crore). The gross trading loss of Individual traders declined to about ₹72,000 crore.
- The gross trading profits of most non-individual categories declined in FY26, with the decline particularly pronounced among FPIs (55%), Mutual Funds (54%), Partnership Firms/LLPs (38%) and Corporates (22%); proprietary traders recorded a relatively modest decline of 3%. At the same time, the gross trading loss of individual traders declined by 26%, from about ₹98,000 crore in FY25 to ₹72,000 crore in FY26.

Chart 19: Gross P&L in the Equity Derivatives Segment (₹ Crore)



Note: 1) DII excludes Mutual Funds. 2) Prop Traders category also includes global participants who operate in the capacity of “Trading Member – Proprietary” in India and are owned by foreign entities 3) Corporates include Body Corporates and Trusts, 4) Clients means Individuals.

Source: BSE and NSE.

6.17. Investor Category-wise Profit and Loss (Futures versus Options)

- Institutional profit comes almost entirely from options. PROP traders earned about 98% of their FY26 gross profit from options, and FPIs about 77%. On the other side, more than

⁹ Gross profit means trading profits before accounting for transaction costs

90% of individuals' gross trading losses also came from options - the options segment is where both institutional gains and retail losses are concentrated.

Table 11: Gross P&L in the Equity Derivatives Segment - Futures vs Options (₹ '000 crore)

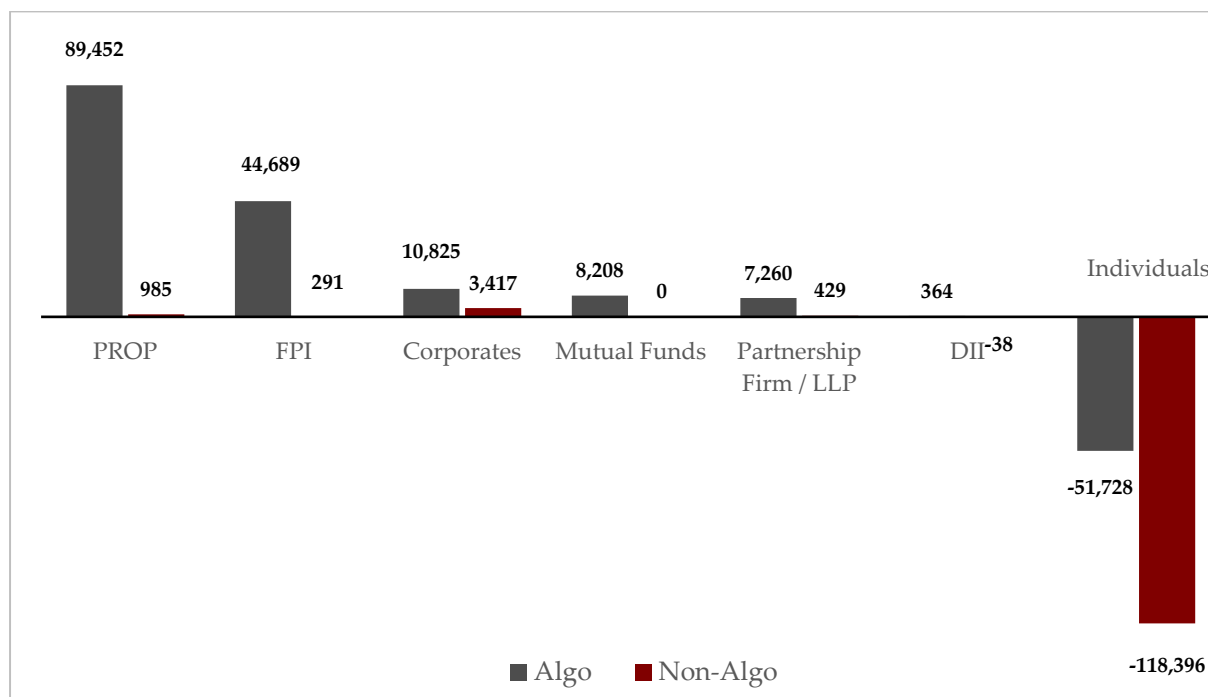
Category	Futures		Options		Total	
	FY25	FY26	FY25	FY26	FY25	FY26
Clients (Individual)	-9.19	-6.16	-88.69	-66.08	-97.88	-72.24
Prop Traders	2.30	1.07	43.66	43.42	45.95	44.48
FPI	-3.33	3.15	34.41	10.74	31.08	13.90
Corporates / Trusts	4.28	0.17	4.00	5.79	8.28	5.96
Mutual Funds	5.87	1.96	-0.26	0.64	5.61	2.59
DII	-0.20	-0.15	0.30	0.37	0.10	0.22
Partnership Firm / LLP	0.27	-0.04	4.46	2.99	4.74	2.95

Note: 1) DII excludes Mutual Funds. 2) Prop Traders category also includes global participants who operate in the capacity of "Trading Member – Proprietary" in India and are owned by foreign entities 3) Corporates include Body Corporates and Trusts, 4) Clients means Individuals.

Source: BSE and NSE.

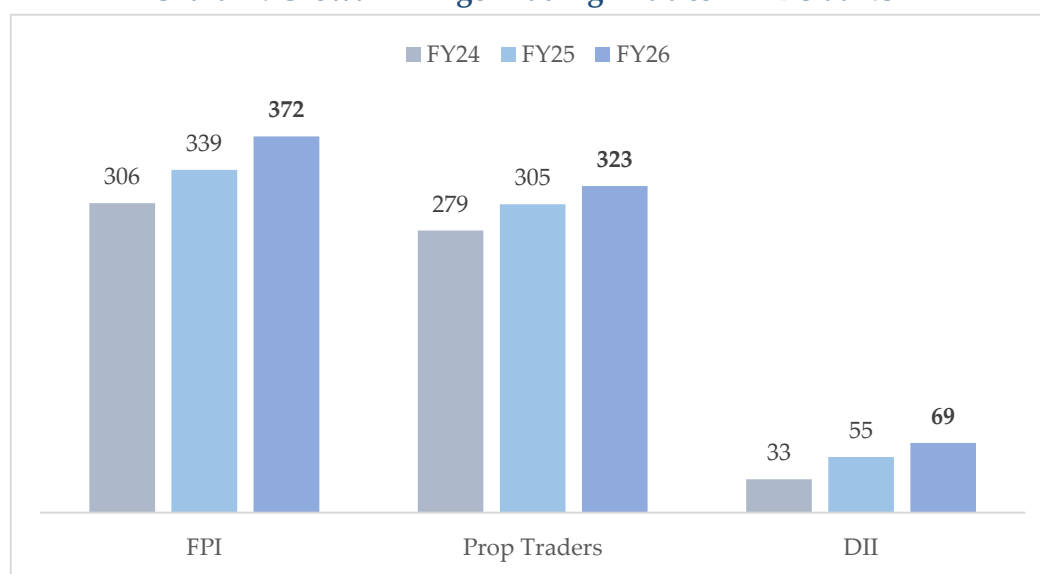
6.18. Investor Category-wise Profit and Loss (Algorithmic versus Non-Algorithmic Trading)

- Institutional trading is largely algorithmic. In FY26, 372 of 432 FPIs (86%) and 323 of 693 PROP traders (47%) traded through algorithms. Among individuals, only 15% of 84.2 lakh traders used algo - and even this figure overstates genuine algorithmic activity, since it includes clients whose intraday positions were auto square-off by brokers (typically after 3:20 p.m.), rather than positions placed through the client's own algo strategy.
- Institutional profits are driven mainly by algorithmic trading: 99% of the gross profit of FPIs and PROP traders came from algo entities, i.e. entities that placed at least one algorithmic order during the year.

Chart 20: Gross P&L in EDS for FY25–FY26, Algo vs Non-Algo Entities (₹ crore)

Note: Algo entities are those that placed at least one algorithmic order in the year. Some Individual Traders are counted as algo entities where the broker squared off their position using an algorithm. Source: BSE and NSE.

- Although, the individual participation declined by about 18% in FY26 to around 88 lakh, the number of Institutional Algo entities continued to grow.
- The number of algorithmic trading entities at NSE increased steadily across FPIs, proprietary trading entities and DIIs during FY24–FY26. FPI algo entities rose by 22% from 306 to 372, proprietary algo entities by 16% from 279 to 323, and DII algo entities more than doubled from 33 to 69.

Chart 21: Growth in Algo Trading Entities in EDS at NSE

Note: Algo entities at NSE. Source: NSE.

SECTION 5: MARKET PARTICIPATION CONCENTRATION

For the purpose of this analysis, the Top 5, Top 10 and Top 20 entities are identified based on their ranking by gross premium turnover in the equity derivatives segment (EDS). Turnover from both futures and options is combined, and the data is aggregated across NSE and BSE.

6.19. Turnover Concentration among Proprietary Traders

- Proprietary (PROP) trading desks are the main liquidity providers in India's equity derivatives segment, accounting for about 60% of total turnover, compared with about 7% for Foreign Portfolio Investors (FPIs). Within the PROP category, trading activity is concentrated among a small number of firms.
- This concentration is sharpest in options trading. In Index Options, the top five PROP entities account for 62% of PROP turnover, the top ten for 85%, and the top twenty for 90%. Stock Options show a similar pattern: the top five account for 53%, and the top ten and top twenty for 85% and 89% respectively.
- Concentration is lower in futures but remains substantial. In Index Futures, the top five PROP entities account for 29% of turnover and the top twenty for 65%. Stock Futures are more concentrated, with the top five accounting for 45% and the top twenty for 74% of turnover.

Table 12: Turnover Concentration Among Proprietary Traders in EDS – FY26

Turnover Rank	IF	SF	IO	SO
Top 5	29%	45%	62%	53%
Top 10	40%	63%	85%	85%
Top 20	65%	74%	90%	89%

Notes: IF- Index Futures, SF- Stock Futures, IO – Index Options, SO – Stock Options

Source: NSE, BSE, SEBI Computations.

- The data show that liquidity in this segment is supported by a relatively small number of highly active proprietary trading firms. Their presence contributes to tighter bid-ask spreads, continuous quote availability and efficient price discovery, particularly in options.
- This concentration of activity is significant: fewer than ten entities account for around 85% of proprietary options turnover, indicating a high degree of liquidity-provider concentration in this segment.
- This means that liquidity provision in the options segment relies on a relatively small set of large proprietary trading firms.
- Options liquidity is therefore closely tied to the continued participation of these few large firms in the market.

6.20. Turnover Concentration among Foreign Portfolio Investors

- Although FPIs account for only about 7% of total EDS turnover, they consistently hold around one-quarter to one-third of daily open interest. This combination of low turnover and high open interest indicates that FPIs mainly use derivatives for portfolio hedging and medium-term positioning, rather than high-frequency or intraday trading.
- Turnover concentration among FPIs varies significantly across products. In Index Futures and Stock Futures, the top twenty FPIs account for 71% and 67% of turnover, respectively, in FY26.
- Stock Options show an unusual concentration pattern. The top five FPIs account for only 4% of turnover, but the top ten account for 85% - meaning almost the entire jump comes from the 6th to 10th ranked entities. This points to activity being concentrated in a small cluster of large participants rather than spread across the FPI universe.
- In contrast, Index Options turnover is considerably less concentrated, with the top twenty FPIs accounting for only about 20% of total FPI turnover, indicating relatively broader participation within the FPI segment.

Table 13: Turnover Concentration Among FPIs in EDS – FY26

Turnover Rank	IF	SF	IO	SO
Top 5	32%	29%	5%	4%
Top 10	52%	44%	17%	85%
Top 20	71%	67%	20%	86%

Notes: IF- Index futures, SF- Stock Futures, IO – Index Options, SO – Stock Options

Source: NSE, BSE, SEBI Computations.

6.21. Concentration of Profits and Losses

- Profit is concentrated even more than turnover. The top 10 PROP traders - 2.3% of the category - earned ₹33,124 crore, or 74.5% of the category's total gross profit of ₹44,483 crore. This roughly tracks their share of trading volume: as noted above, the top entities account for about 85% of options and 65% of futures activity.
- A similar pattern appears among FPIs. The top 10 FPIs - 1.4% of active FPIs - earned ₹6,852 crore, or 49.3% of the category's total profit of ₹13,896 crore.
- The Client (Individual) category is the mirror image of this pattern: even its highest-turnover traders did not earn in aggregate, with the top 20 clients posting a small net loss. The gap between institutional, algorithm-driven desks and individual participants is stark and consistent.

Table 14: Concentration of Gross Profits by Investor Type (FY26)

Investor Type	Turnover Rank	Gross Profit (₹Cr)	Category Gross Profit (₹ Cr)	Share (%)
Client	Top 5	-31	-72,243	0.04%
	Top 10	-40	-72,243	0.06%
	Top 20	-77	-72,243	0.11%
FPI	Top 5	3,866	13,896	27.8%
	Top 10	6,852	13,896	49.3%
	Top 20	7,526	13,896	54.2%
PROP	Top 5	21,157	44,483	47.6%
	Top 10	33,124	44,483	74.5%
	Top 20	36,656	44,483	82.4%

Note: Top 5, Top 10 and Top 20 entities are selected based on the gross premium turnover in EDS, across products.

Source: NSE, BSE, SEBI Computations.

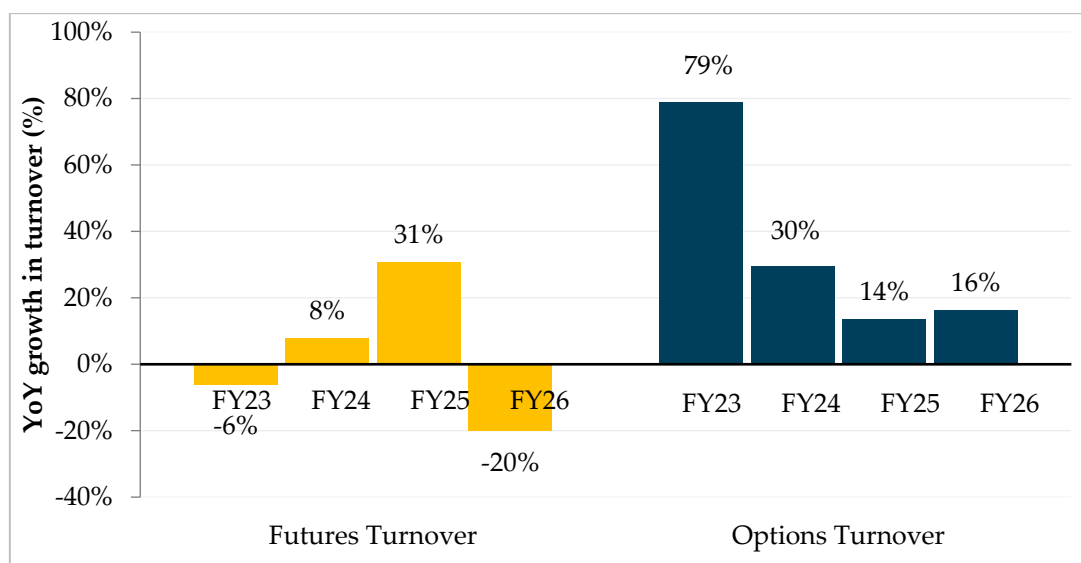
SECTION 6: PROFITABILITY OF INDIVIDUAL TRADERS (RETAIL)

From this section onward, the analysis is based on a sample of individual traders from the top 15 brokers, covering about 90% of all traders in the EDS, and is limited to individual traders. The Individual Traders category comprises Individuals, HUFs, NRIs, PMS investors and sole proprietorships. Unless stated otherwise, figures cover FY25–FY26. Unless stated otherwise, Profits means Net Profit after adjusting for transaction costs.

6.22. Participation and Turnover of Individual Traders (Yearly Trends)

- Between FY22 and FY25, individual participation in the equity derivatives segment grew rapidly - active traders rose from 42.7 lakh to 98.1 lakh, and gross turnover nearly doubled. FY26 marked the first reversal of this trend, with both participation and trading activity declining.
- In FY26, the number of active individual traders fell by about 20%, from 98.1 lakh to 78.6 lakh, while gross turnover fell by only about 5%. This much smaller fall in turnover shows that trading activity stayed concentrated among the traders who continued to participate, especially higher-turnover traders.
- The mix of derivatives trading also changed. Futures turnover by individual traders shrank by about 20% in FY26, after strong growth in earlier years, while options turnover kept growing, by about 16%, though slower than the 30% growth in FY25. As a result, options strengthened their already dominant position, while futures accounted for a progressively smaller share of overall trading activity.
- This divergence suggests that the FY26 slowdown mainly reflected lower participation in directional futures trading, while speculative activity in options stayed resilient despite the regulatory changes introduced during the year.

Chart 22: Growth in Turnover of Individuals in Futures and Options Segment

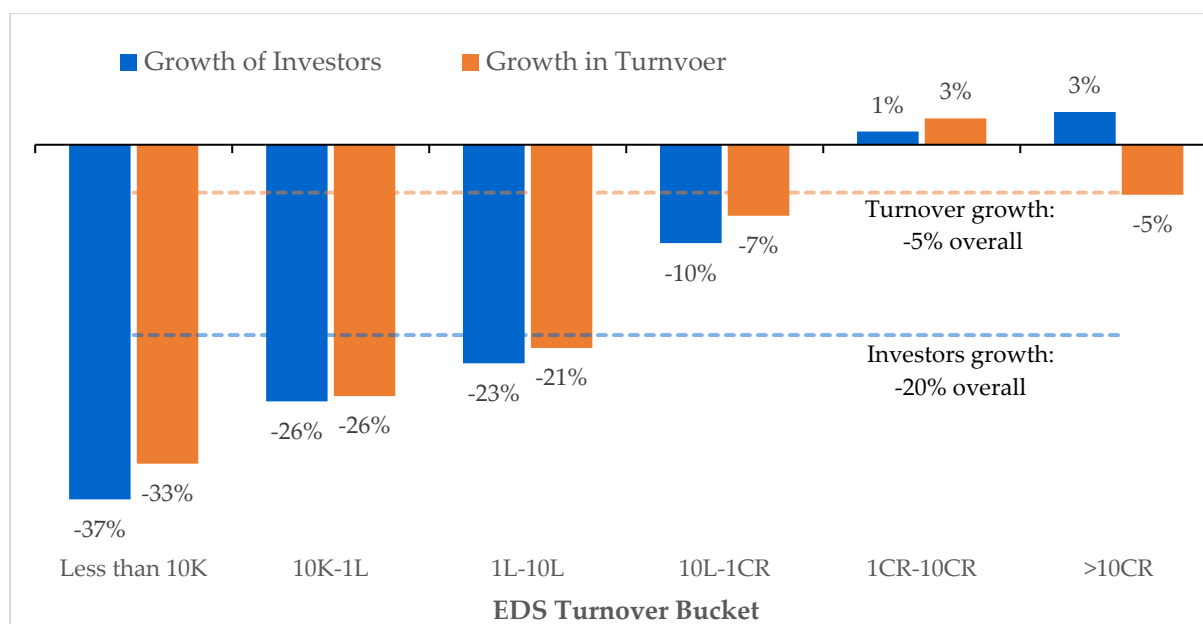


Note: Trend in turnover for the 90% sample of Individuals; For the Options, premium turnover is considered

Turnover Category-wise Trends

- The fall in participation was driven mainly by small and relatively new participants. Traders with annual turnover below ₹1 lakh fell by about 32%, from around 36 lakh to 25 lakh, accounting for most of the overall reduction in the trader base.
- The sharpest decline was among the smallest traders. Traders with annual turnover below ₹10,000 fell by 37%, and those in the ₹10,000–₹1 lakh category fell by 26%. Turnover in these segments fell in roughly the same proportion, showing that many small participants either cut back significantly or left the market.
- Participation among higher-turnover traders, in contrast, held up well. The number of traders with annual turnover of ₹1-10 crore rose by about 1%, and those above ₹10 crore rose by around 3%, despite a 5% fall in turnover in that category. This suggests the FY26 slowdown was driven by smaller retail participants pulling back, rather than a broad-based slowdown across the market.
- As a result, the market shifted further towards experienced, high-turnover traders. Although the overall number of participants declined, trading activity became relatively more concentrated among larger and more active traders.

Chart 23: Growth in Number of Traders and Turnover (by Turnover Bucket)



Note: Trend in turnover for the 90% sample of Individuals; For the Options, premium turnover is considered

6.23. Profitability and Losses of Individual Traders (Yearly Trends)

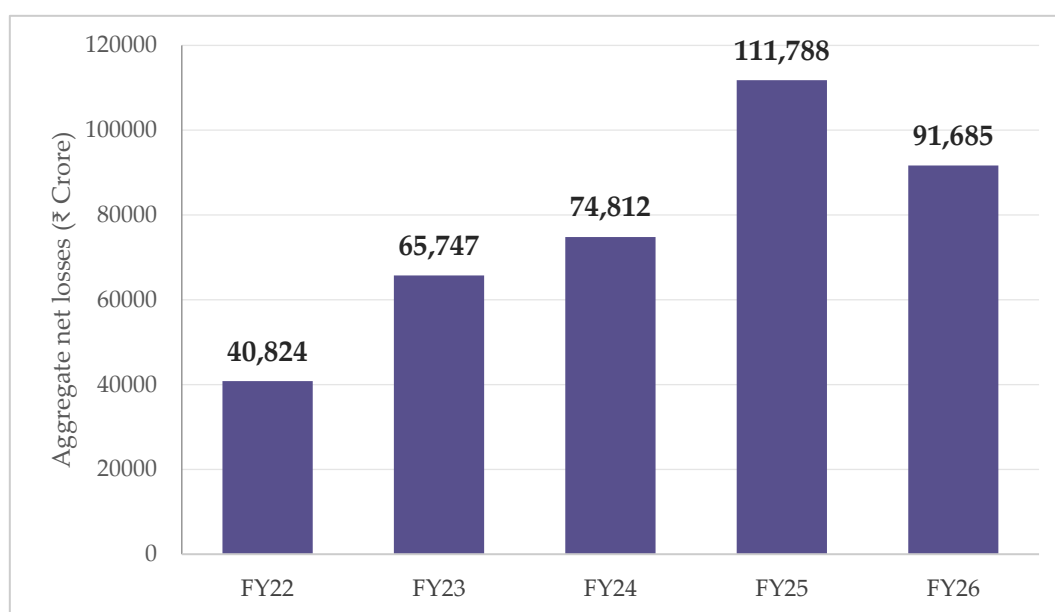
Amount of Losses

- Aggregate net losses of individual traders fell by about 18% in FY26, from ₹1,11,788 crore in FY25 to ₹91,685 crore - the first decline in aggregate losses during the study period

(FY22–FY26). Losses, however, remained well above earlier years and continued to be concentrated mainly in the Index Options segment.

- Despite the FY26 decline, cumulative losses remained significant. Over the five years from FY22 to FY26, individual traders incurred aggregate net losses of about ₹3.85 lakh crore in the equity derivatives segment.
- The decline in aggregate losses came alongside a 20% fall in the number of active traders and an overall moderation in trading activity in FY26. However, losses fell proportionately less than participation did, showing that losses remained substantial among the traders who stayed active.

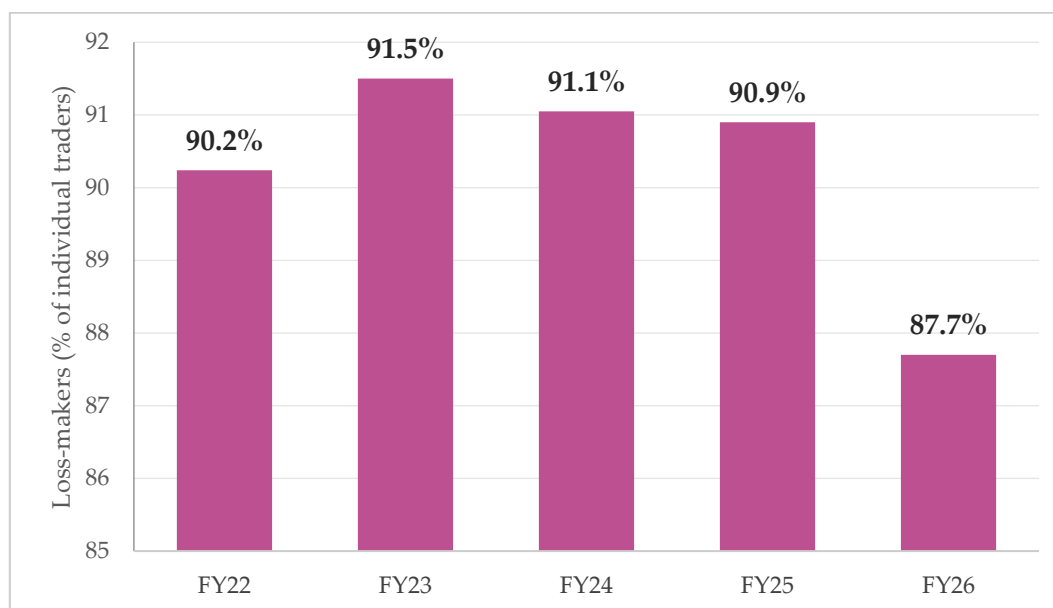
Chart 24: Aggregate Net Losses of Individual Traders in EDS (FY22–FY26)



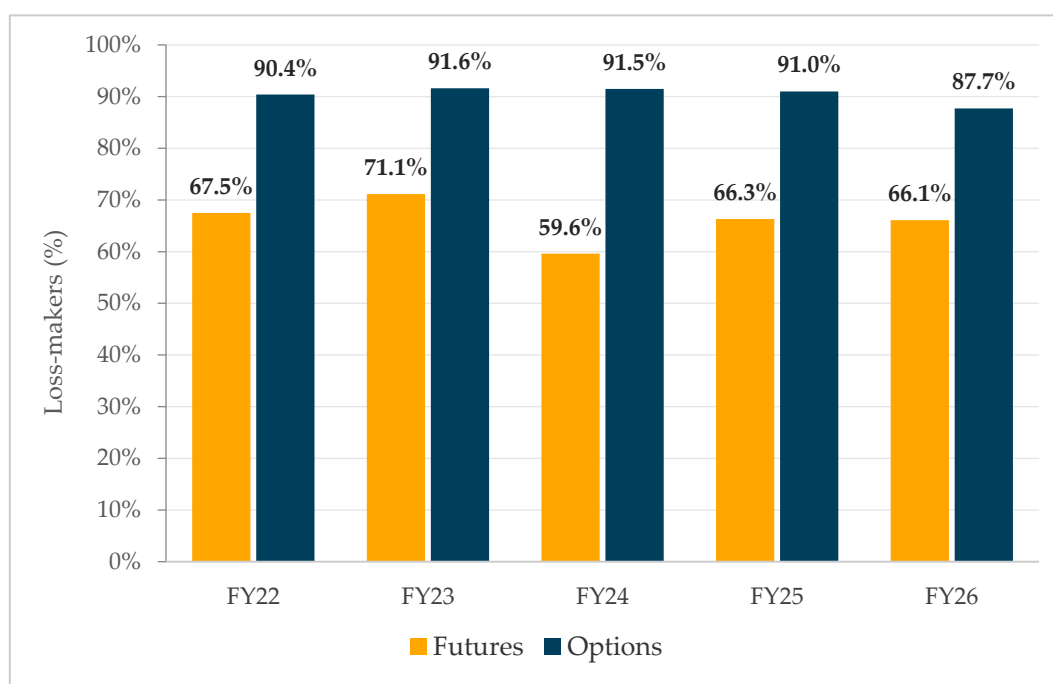
Note: The analysis covers approximately 90% of individual traders. Assuming the remaining traders have similar loss characteristics, losses for the full population may be estimated at approximately 1.11 times the losses reported here.

Proportion of Loss-Makers (Overall)

- The proportion of individual traders incurring net losses in the equity derivatives segment fell to 87.7% in FY26, from 90.9% in FY25 and 91.1% in FY24. Even so, nearly nine out of ten individual traders continued to incur losses.
- On a gross basis (before transaction costs), 82.1% of traders made losses in FY26. The rise in the loss-maker share from 82.1% (gross) to 87.7% (net) shows the real impact of transaction costs, which pushed some traders with small gross profits into net losses.
- The loss-maker proportion remained consistently high throughout the study period - around 90% for four consecutive years, before declining modestly in FY26.
- This FY26 improvement should be read with caution. The year also saw a 20% drop in the number of active traders, so a lower loss-maker share does not necessarily mean trading outcomes have genuinely improved.

Chart 25: Trend in the Percentage of Loss-Makers Among Individual EDS Traders**Proportion of Loss-Makers (Futures vs Options)**

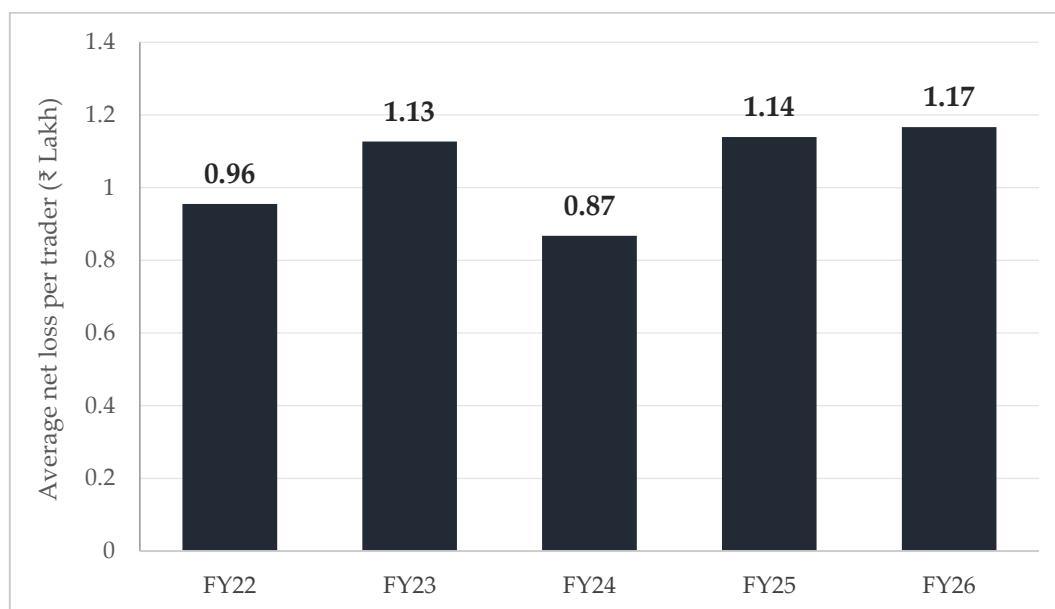
Trading outcomes differed materially between Futures and Options. In FY26, about 66% of individual futures traders incurred net losses, compared with 87.7% of options traders. This pattern has held throughout the study period, showing that options trading carries a substantially higher chance of loss.

Chart 26: Proportion of Individual Loss-Makers in EDS – Futures vs Options

Average Per Person Losses

Although fewer individual traders traded in FY26, the average net loss per trader rose by about 2.4%, from ₹1.14 lakh in FY25 to ₹1.17 lakh in FY26. Compared with FY22, the average loss has risen by nearly 16% - the financial impact on loss-making traders has continued to grow despite lower aggregate losses.

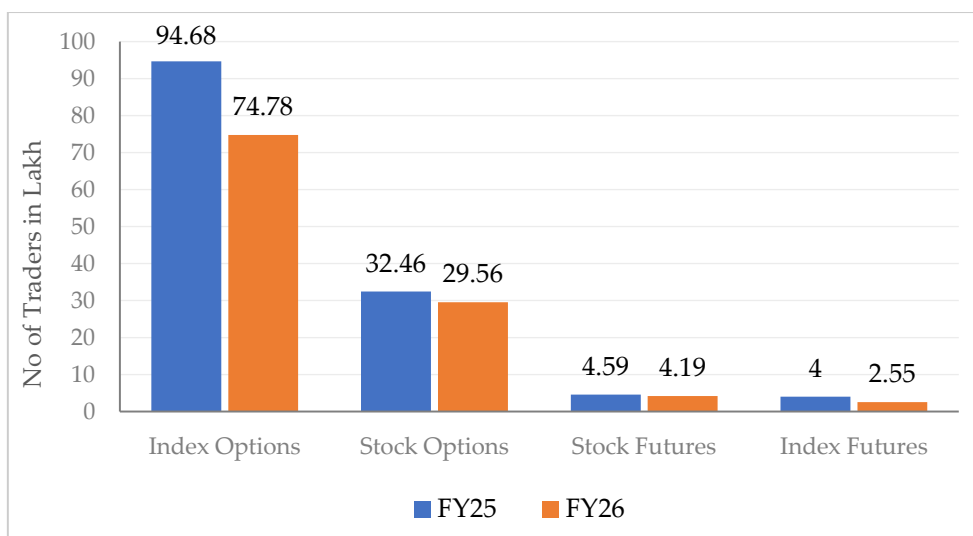
Chart 27: Average Net Loss Per Individual EDS Trader



6.24. Profitability and Losses of Individual Traders (Product-wise)

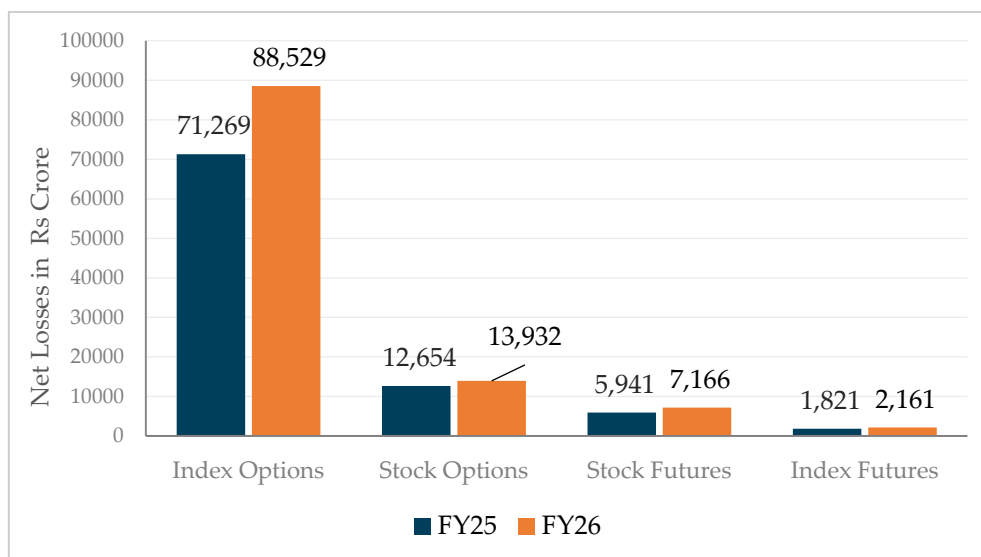
Number of Traders

- Index Options had the largest trader base, but participation declined by 21%, from 94.7 lakh in FY25 to 74.8 lakh in FY26. Index Futures recorded the largest proportional decline of 36%, from 4.0 lakh to 2.55 lakh.
- Stock Options and Stock Futures saw relatively smaller declines of about 9% each, indicating that the reduction in participation was more pronounced in index products, particularly Index Futures.

Chart 28: Number of Traders (Product-wise)

Aggregate Losses

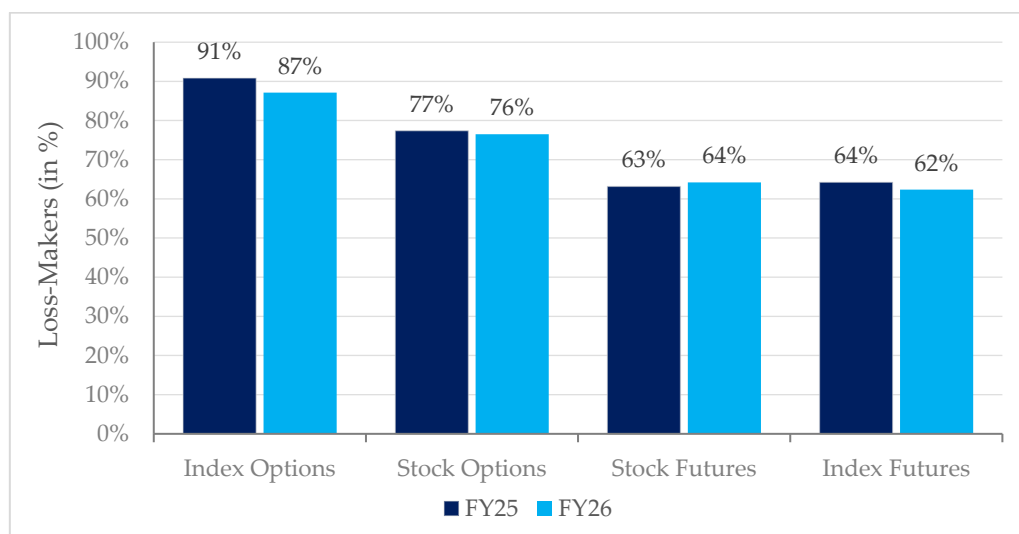
- Aggregate losses declined across all four product categories in FY26. The largest reduction in absolute terms was in Index Options, where losses fell from ₹88,529 crore to ₹71,269 crore, a decline of about 20%.
- The decline in losses was broadly aligned with lower participation in Stock Options and Index Options, while Index Futures recorded a 36% decline in traders but only a 16% decline in aggregate losses, indicating relatively higher losses per remaining trader.

Chart 29: Amount of Losses (Product-wise)

% Loss-Makers

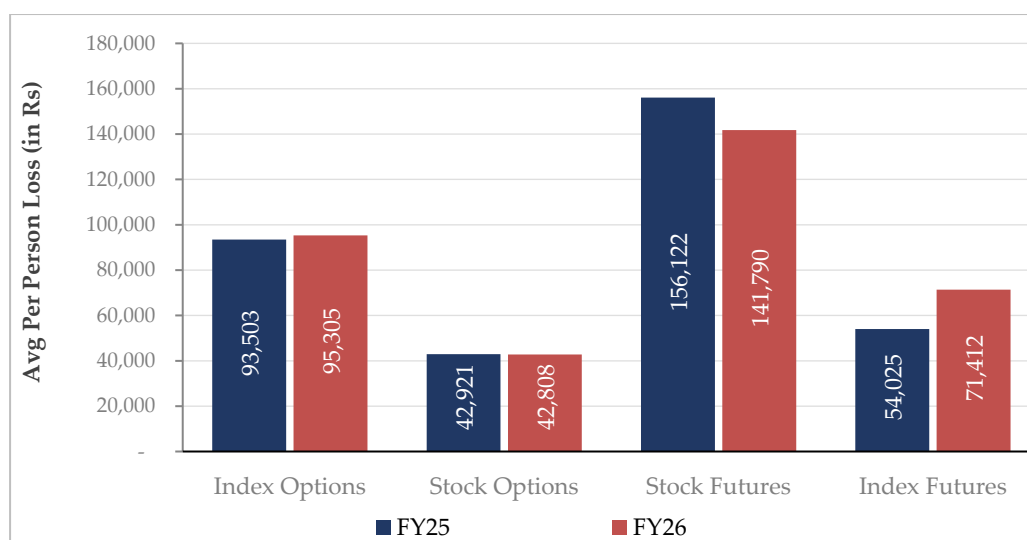
- Options had substantially higher loss-maker shares than futures. In FY26, 87% of Index Options traders and 76% of Stock Options traders incurred losses, compared with 64% of Stock Futures traders and 62% of Index Futures traders.

- The loss-maker share declined in Index Options (91% to 87%) and Stock Options (77% to 76%), while Stock Futures increased slightly from 63% to 64%. Index Futures declined from 64% to 62%.

Chart 30: % Loss-Makers (Product-wise)

Average Loss Per Person

- Stock Futures recorded the highest average loss per trader, at ₹1.42 lakh in FY26, despite a decline from ₹1.56 lakh in FY25. Index Options recorded the next highest average loss at ₹95,305, slightly above ₹93,503 in FY25.
- Index Futures showed the largest increase in average loss per trader, rising from ₹54,025 to ₹71,412 (32%), despite a 36% decline in the number of traders. In contrast, average losses in Stock Options remained almost unchanged at about ₹43,000.

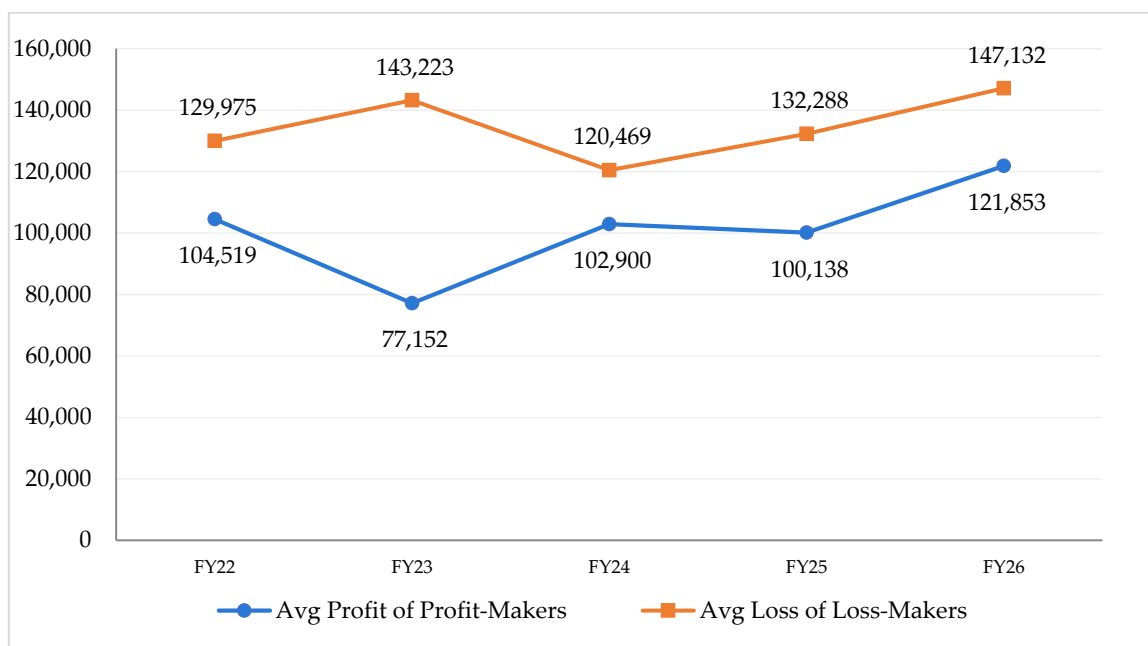
Chart 31: Average Per Person Loss (Product-wise)

6.25. Profit-Makers vs Loss-Makers

Average Loss Per Person

- **Average losses were higher than average profits in every year** during FY22–FY26. In FY26, the average loss of a loss-maker was ₹1.47 lakh, compared with an average profit of ₹1.22 lakh, a difference of about 21%.
- **FY26 recorded the highest average profit per trader and highest average loss** during the period. Average profit increased by about 22% from ₹1.00 lakh in FY25 to ₹1.22 lakh in FY26, while average loss increased by about 11% from ₹1.32 lakh to ₹1.47 lakh.
- The gap between average profits and losses was highest in FY23, when the average loss was about 86% higher than the average profit. The gap narrowed considerably thereafter, but losses continued to exceed profits.

Chart 32: Average Per Person Profit/Loss (Profit-Makers vs Loss-Makers) in ₹

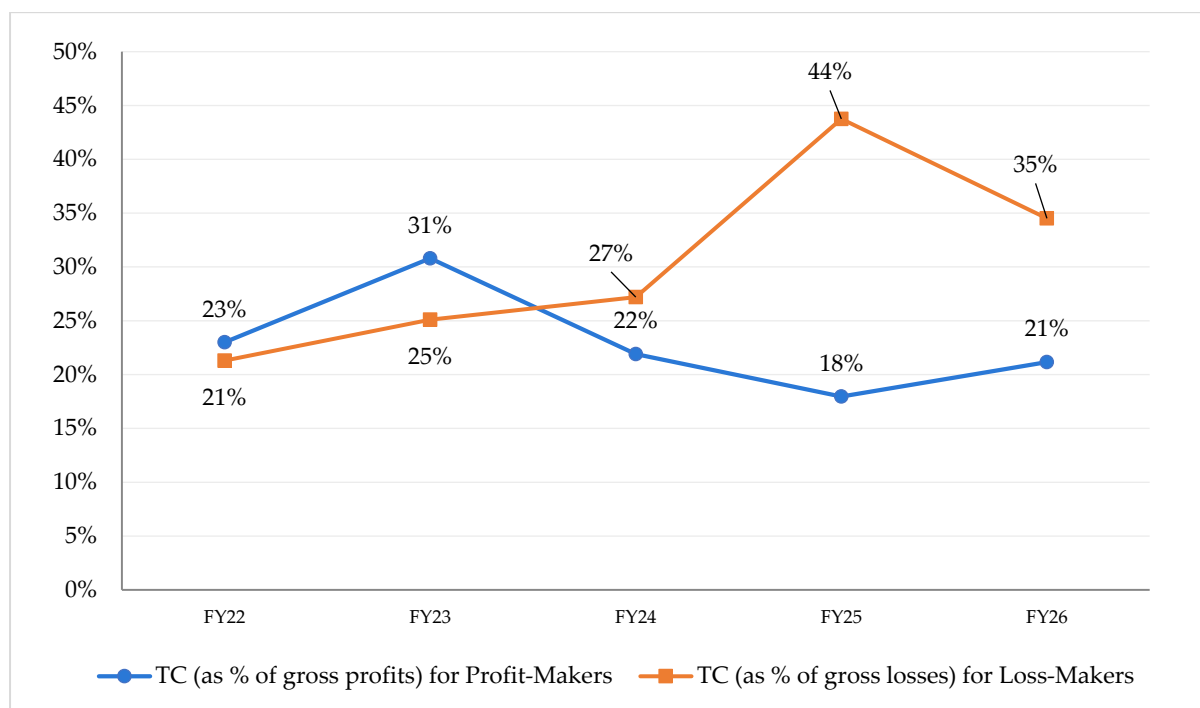


Transaction Costs as a Share of Gross Profits/Losses

- **Transaction costs (TC) constituted a higher share of gross losses for loss-makers than of gross profits for profit-makers in FY26.** Transaction costs accounted for 35% of gross losses of loss-makers, compared with 21% of gross profits of profit-makers.
- The transaction-cost burden on loss-makers increased significantly in recent years, rising from 27% in FY24 to 44% in FY25, before moderating to 35% in FY26. In comparison, the ratio for profit-makers remained relatively stable at 18–23% during FY24–FY26.

- Thus, **transaction costs have a relatively greater impact on loss-makers**, reducing a larger proportion of their gross losses compared with the share of gross profits absorbed from profit-makers.

Chart 33: Transaction Cost (as % of Gross Profit or Gross Loss)



6.26. Profitability and Losses of Individual Traders (FY25–FY26 Combined)

- During FY25–FY26, about 1.226 crore (122.6 lakh) unique individuals traded in the equity derivatives segment at least once, compared with 1.132 crore (113.2 lakh) during FY22–FY24. Equity derivatives trading has become a mass-retail activity, involving more than one crore individual participants over a two-year period.
- Aggregate net losses of individual traders during FY25–FY26 amounted to ₹2.03 lakh crore, exceeding the ₹1.81 lakh crore incurred during the preceding three-year period (FY22–FY24). In other words, individual traders lost more in two years than they had in the previous three years combined.
- Losses remained the dominant outcome. During FY25–FY26, 91.0% of individual traders (111.6 lakh) incurred net losses, compared with 92.7% (105.1 lakh) during FY22–FY24. While the proportion of loss-makers fell slightly, the absolute number of loss-making traders rose by more than 6 lakh.
- The rise in aggregate losses was driven mainly by the larger number of traders incurring losses, rather than by higher losses per trader. The average loss per loss-maker stayed broadly unchanged at about ₹1.97 lakh, while the number of loss-makers rose significantly.

- Although the proportion of loss-makers fell modestly, aggregate losses rose because a larger number of individual traders participated in the market and incurred losses.

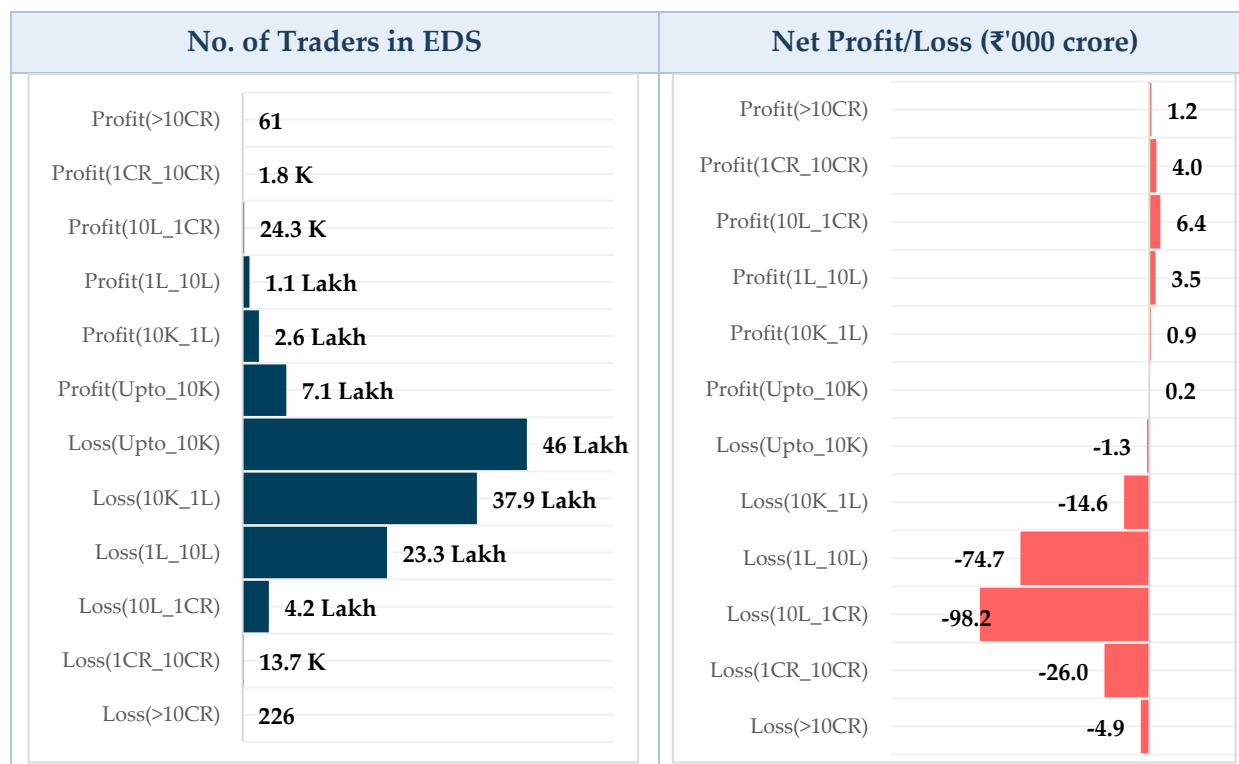
Table 15: Profit-Makers vs Loss-Makers - FY25–FY26 vs FY22–FY24

Category	No. of Traders (Lakh)		Net P&L (₹ Cr)		Avg. P&L Per Person (₹)	
	FY22–FY24	FY25–FY26	FY22–FY24	FY25–FY26	FY22–FY24	FY25–FY26
Profit-Makers	8.1	11.1	25,020	16,211	3,08,889	1,46,451
Loss-Makers	105.1	111.6	-2,06,404	-2,19,684	-1,96,388	-1,96,931
Overall	113.2	122.6	-1,81,384	-2,03,473	-1,60,233	-1,65,935

- Profitability weakened even among the relatively small group of successful traders. Although the number of profit-makers rose from 8.1 lakh to 11.1 lakh, their aggregate profits fell from ₹25,020 crore to ₹16,211 crore, cutting the average profit per profit-maker by more than half, from ₹3.09 lakh to ₹1.46 lakh.
- In contrast, the average loss per loss-maker stayed almost unchanged, at around ₹1.97 lakh across both periods. So, the deterioration in overall outcomes came about because more individuals incurred losses, while profitable traders earned substantially smaller profits.
- Overall, the average net loss per trader rose from ₹1.60 lakh during FY22–FY24 to ₹1.66 lakh during FY25–FY26 - showing that despite a small improvement in the proportion of profitable traders, financial outcomes for individual participants continued to worsen.

6.27. Distribution of Profits and Losses in EDS (Combined FY25–FY26)

- Losses remained highly concentrated among a relatively small group of traders with very large losses. Around 4.4 lakh traders (about 3.5% of all traders) each incurred losses exceeding ₹10 lakh during FY25–FY26, averaging about ₹30 lakh per person. Within this group, about 14,000 traders lost more than ₹1 crore each, averaging about ₹2.2 crore per trader.
- Losses at the upper end became larger despite the shorter observation period. The 13,900 traders with the largest losses lost more than ₹2.2 crore on average during FY25–FY26, compared with about ₹2 crore per person over the three-year period FY22–FY24.
- Large profits remained rare. Only about 1.1% of traders earned profits exceeding ₹1 lakh during FY25–FY26, virtually unchanged from FY22–FY24.

Chart 34: Distribution of Traders and Profit/Loss by P&L Slab (FY25–FY26)

- The distribution of outcomes was strongly skewed towards losses across every profit-and-loss slab. Loss-makers outnumbered profit-makers in every category, from small gains and losses to the largest profit and loss brackets.
- The imbalance was sharpest among traders with meaningful trading outcomes. In the ₹1 lakh–₹1 crore P&L range, there were more than 20 loss-makers for every profit-maker - sustained trading was far more likely to result in significant losses than significant profits.
- Even among traders with very large outcomes, losses substantially outnumbered profits. For every trader earning more than ₹1 crore, more than seven traders lost ₹1 crore or more. At the highest end (above ₹10 crore), the ratio remained around 4:1 - extremely large profits were considerably less common than extremely large losses.

Table 16: Ratio of Loss-Makers to Profit-Makers by P&L Slab (FY25–FY26)

Amount of Profit / Loss	Loss-Makers	Profit-Makers	Ratio (Loss : Profit)
More than ₹10 Cr	226	61	4 : 1
₹1 Cr – ₹10 Cr	13,663	1,842	7 : 1
₹10 Lakh – ₹1 Cr	4,23,918	24,319	17 : 1
₹1 Lakh – ₹10 Lakh	23,33,259	1,10,816	21 : 1
₹10,000 – ₹1 Lakh	37,88,462	2,64,119	14 : 1
Up to ₹10,000	45,96,039	7,05,546	7 : 1

6.28. Distribution of Profits and Losses in EDS (Yearly Trend)

Number of Traders

- **15.80 lakh traders** (22.9% of all traders) incurred **losses exceeding ₹1 lakh** in FY26, compared with 18.30 lakh (20.5%) in FY25. Thus, while the number declined, the proportion of traders with losses above ₹1 lakh increased.
- Traders incurring losses exceeding ₹10 lakh declined from 2.19 lakh in FY25 to 1.88 lakh in FY26, although their share of all traders increased from 2.46% to 2.73%.
- 59.3% of all traders incurred losses exceeding ₹10,000 in FY26, compared with 55.2% in FY25, indicating a shift towards higher loss levels among loss-makers.

Table 17: Distribution of Loss-Makers (Yearly Trend)

Category	Number of Traders		Percentage Share of Traders	
	FY25	FY26	FY25	FY26
Loss > ₹10 Cr	88	71	0.00%	0.00%
Loss > ₹1 Cr	5,482	4,783	0.06%	0.07%
Loss > ₹10 L	2,19,491	1,88,189	2.46%	2.73%
Loss > ₹1 L	18,30,191	15,79,899	20.52%	22.91%
Loss > ₹10K	49,24,476	40,89,201	55.22%	59.31%
All Loss- Makers	89,17,247	68,95,008	100.00%	100.00%

Amount of losses

- Losses remained highly concentrated. In FY26, traders with losses exceeding **₹1 lakh accounted for 89.9% of total losses**, while representing only **22.9% of all traders**.
- Traders with losses exceeding **₹10 lakh represented only 2.7% of all traders but accounted for 49.1% of total losses**, highlighting the concentration of losses among a small group of traders.
- Conversely, approximately **77% of traders incurred losses of up to ₹1 lakh but accounted for only about 10% of total losses**.

Table 18: Distribution of Losses (Yearly Trend)

Category	Amount of Losses (in ₹ Crore)		Percentage Share of Losses	
	FY25	FY26	FY25	FY26
Loss > ₹10 Cr	2,060	1,660	1.70%	1.60%
Loss > ₹1 Cr	12,428	10,782	10.28%	10.40%
Loss > ₹10 L	59,191	50,889	48.95%	49.07%
Loss > ₹1 L	1,08,073	93,202	89.37%	89.88%
Loss > ₹10K	1,19,794	1,02,860	99.06%	99.19%
All Loss- Makers	1,20,929	1,03,700	100.00%	100.00%

Note: Figures are cumulative

Average Per Person Profits/ losses

- For traders with losses up to ₹1 lakh, the **average loss (₹38,489)** was about **10% higher than the average profit (₹35,041)** of profit-makers in the corresponding category.
- The difference was more pronounced for losses up to ₹10,000, where the average loss was **27.5% higher** than the average profit. For higher loss categories, average profits were generally higher than average losses, except for traders with losses exceeding ₹10 crore.

Table 19: Distribution of Average Profits and Losses (Yearly Trend)

Magnitude of Profit/ Loss	Average Loss of Loss-Makers (Amt. in ₹)	Average Profit of Profit-Makers (Amt. in ₹)	% Difference (Avg Loss / Avg Profit - 1)
>₹10CR	23,38,70,081	21,75,39,789	7.51%
₹1CR_₹10CR	1,93,57,495	2,15,69,570	-10.26%
₹10L_₹1CR	21,86,800	24,67,240	-11.37%
₹1L_₹10L	3,04,037	3,04,682	-0.21%
₹10K_₹1L	38,489	35,041	9.84%
Upto_₹10K	2,992	2,347	27.48%

Note: positive percentage difference in the last column indicates Average Losses were greater than Average Profits.

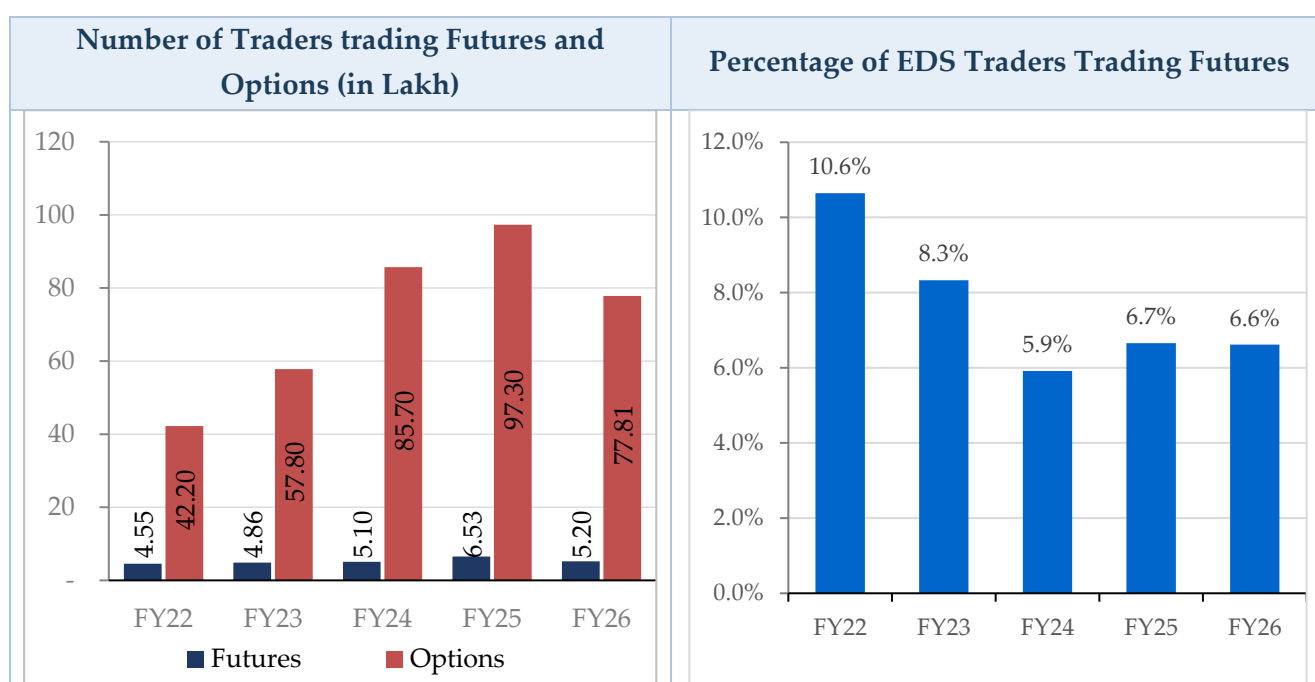
- Detailed data on distribution of profit and loss-makers is provided in the **Annexures: Table 46 and Table 47**.

SECTION 7: RETAIL PROFITABILITY – CATEGORY-WISE TRENDS

6.29. Product Preference

- 99.0% of EDS traders traded Options at least once in FY26, highlighting the continued dominance of Options in individual participation.
- 93.4% of EDS traders traded only Options, while 5.6% traded both Futures and Options and 1.0% traded only Futures.
- The share of EDS traders who traded Futures at least once declined marginally to 6.6% in FY26 from 6.7% in FY25, remaining well below the 10.6% recorded in FY22.

Chart 35: Product Preference of EDS Traders



6.30. Product-wise Profitability Trends (FY25–FY26)

- Options overwhelmingly dominate individual participation in the equity derivatives segment. During FY25–FY26, 99.3% of the 122.6 lakh individual traders traded options, and the segment accounted for 91.6% of the aggregate net losses incurred by individuals.
- Loss incidence was substantially higher in options than in futures. About 91.0% of options traders incurred net losses, compared with 68.4% of futures traders - the typical options trader faced a much higher chance of losing money.
- Although only 8.67 lakh traders participated in futures, compared with 121.7 lakh in options, the average loss per trader was about 29% higher in futures (₹1.97 lakh) than in options (₹1.53 lakh), reflecting the larger average position sizes typically taken by futures traders.

Table 20: Individual Trader Profitability – Futures vs Options (FY25–FY26)

Product	Traders (Lakh)	Loss-Makers (Lakh)	% Loss-Makers	Net P&L (₹ Cr)	Avg. P&L Per Person (₹)
Futures	8.67	5.93	68.4%	-17,090	-1,97,111
Options	121.70 (99.3%)	110.71 (99.3%)	91.0%	-1,86,384 (91.6%)	-1,53,150
All Traders	122.62	111.55	91.0%	-2,03,473	-1,65,933

Note: Figures in parentheses show percentage share of the total.

Profitability (Only Futures vs Only Options)

- Separating traders by product usage gives a clearer picture of trading outcomes. About 93% of all traders traded only options, by far the dominant category. These traders accounted for ₹1.44 lakh crore of losses, representing 71% of all losses incurred by individual traders during FY25-FY26.
- Only-futures traders formed less than 1% of all traders (0.75%), the smallest participant group. They also recorded the lowest proportion of loss-makers (67.3%) - nearly one-third of pure futures traders remained profitable, a substantially better outcome than for options traders.
- Traders who used both futures and options recorded the highest average loss per trader, at ₹7.30 lakh, more than five times the average loss of pure options traders. Although they made up only 6.3% of all traders, they accounted for about 28% of total losses, reflecting substantially larger trading exposure.
- Overall, 111.6 lakh of the 122.6 lakh individual traders (91.0%) incurred net losses during FY25-FY26, while only 9.0% earned a net profit.

Table 21: Profitability of Traders by Product Participation (FY25–FY26)

Product	Traders (Lakh)	Loss-Makers (Lakh)	% Loss-Makers	Net P&L (₹ Cr)	Avg. P&L Per Person (₹)
Only Futures	0.92	0.62	67.3%	-2,704	-2,94,425
Only Options	113.95	104.36	91.6%	-1,44,159	-1,26,508
Futures and Options both	7.75	6.58	84.8%	-56,610	-7,30,165
Total	122.62	111.55	91.0%	-2,03,473	-1,65,933

6.31. Turnover-wise Trends in the Options Segment

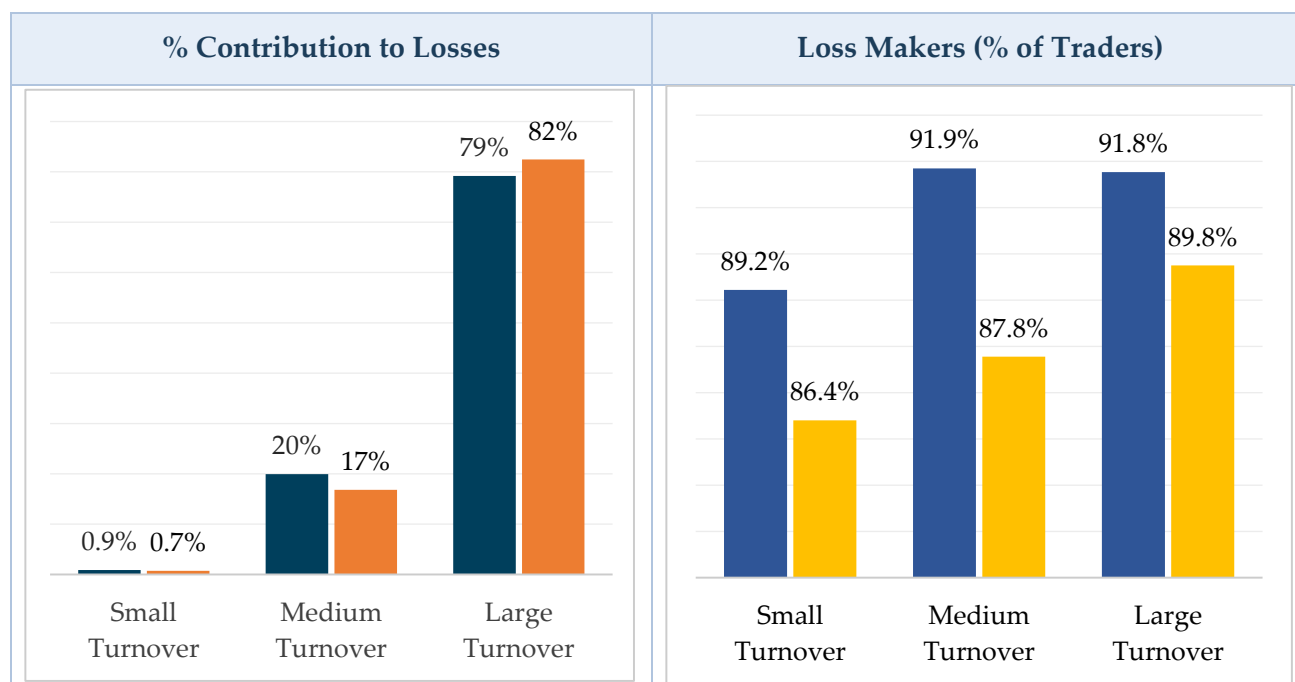
- Trading activity and losses are highly concentrated among high-turnover traders. Large-turnover traders (annual derivatives turnover above ₹1 crore) accounted for only 20% of traders, but generated 96% of total turnover and 82% of aggregate net losses.
- Medium-turnover traders (₹1 lakh–₹1 crore) formed the largest segment, accounting for 49% of traders, 37% of turnover, and 17% of total losses.
- In contrast, small-turnover traders (below ₹1 lakh annually) made up 31% of traders but generated only 0.03% of turnover and less than 1% of total losses, reflecting very limited trading activity.
- The chance of incurring losses increased with trading turnover. The proportion of loss-making traders rose from 86.4% among small-turnover traders to 87.8% among medium-turnover traders and 89.7% among large-turnover traders.
- Although large-turnover traders made up only one-fifth of the trader base, they accounted for nearly the same proportion of loss-makers (20%) but a far larger share of losses (82%). This shows that higher turnover mainly increases the size of losses, rather than just the chance of a loss.

Table 22: Turnover-wise Trends in the EDS

Category	Traders (Lakh)	Loss Makers (Lakh)	Net P&L (₹ Crore)	Total Portfolio (₹ Crore)	Total Turnover (₹ Crore)	Loss Makers (%)
Small-Turnover (turnover < ₹1 lakh annually)	24.55	21.21	-662	59,691	5,997	86.4%
Medium-Turnover (₹1 lakh–₹1 crore annually)	38.53	33.82	-15,420	1,46,791	8,37,610	87.8%
Large-Turnover (> ₹1 crore annually)	15.51	13.92	-75,603	2,86,828	1,94,02,657	89.7%
Total	78.60	68.95	-91,685	4,93,310	2,02,46,264	87.7%

Small-turnover Traders (< ₹1 lakh turnover)

- Nearly **25 lakh traders** (31% of all the EDS traders in FY26) had recorded total derivatives turnover of less than ₹1 lakh in FY26.
- Small-turnover traders continued to account for a negligible share of aggregate losses in FY26. Although this segment (small-turnover traders) recorded losses of **₹662 crore**, its contribution to total losses was only **0.7%**, reflecting relatively limited trading activity.
- The average per-person loss for small-turnover traders was also modest at around **₹2,700**.
- Further, the proportion of loss-making traders in this segment, at 86.4%, was relatively lower compared to other turnover categories in FY26.

Chart 36: Small-Turnover Traders (One-third of the total EDS traders)

Note: Small-Turnover – turnover below ₹1 lakh; Medium-Turnover – turnover of ₹1 lakh to ₹1 crore; and Large-Turnover – turnover above ₹1 crore.

Average Profitability and Trading Intensity

- Average losses increased significantly with the turnover. The average net loss per trader rose from ₹2,695 for small-turnover traders to ₹40,019 for medium-turnover traders and ₹4.87 lakh for large-turnover traders.
- Trading intensity also increased significantly with turnover. Large-turnover traders held an average equity portfolio of ₹18.5 lakh but generated average annual derivatives turnover of ₹12.5 crore - about 68 times their portfolio value.
- By comparison, medium-turnover traders generated turnover equivalent to 5.7 times their portfolio value, while small-turnover traders traded only about 0.1 times their portfolio value.
- Average losses increased much faster than trading intensity. Compared with medium-turnover traders, large-turnover traders generated about 12 times higher turnover per trader but incurred more than 12 times higher average losses - increased trading activity translated into disproportionately larger losses.
- Overall, the data show a clear relationship between trading intensity and financial outcomes. As turnover increases, traders take on substantially larger exposures relative to their portfolio size, face higher average losses, and have a higher chance of incurring losses.

Table 23: Average Profitability and Trading Intensity - Turnover-wise

Category	Avg. Profit (₹)	Avg. Portfolio (₹)	Avg. Turnover (₹)	Trading Activity / Portfolio (x)
Small-Turnover	-2,695	2,43,094	24,424	0.10
Medium-Turnover	-40,019	3,80,947	21,73,732	5.71
Large-Turnover	-4,87,499	18,49,502	12,51,10,791	67.65
All Traders	-1,16,654	6,27,651	2,57,59,877	41.04

Note: Small-Turnover – turnover below ₹1 lakh; Medium-Turnover – turnover of ₹1 lakh to ₹1 crore; and Large-Turnover – turnover above ₹1 crore.

6.32. New Entrants versus Regular Traders

- For this analysis, traders are classified based on their prior participation in the equity derivatives segment.
 - New traders are those trading in the segment for the first time since FY22. A trader is classified as new in the first year in which positive gross turnover is recorded during the study period.
 - Regular traders are those who had traded in any previous year since FY22 and continued to trade in the relevant year.
- Regular traders accounted for most trading activity and losses in both FY25 and FY26. In FY26, they made up 75% of all traders but accounted for 92% of total turnover and 88% of total net losses. In FY25, regular traders made up 64% of all traders and accounted for 84% of total turnover and 80% of total net losses.
- Participation by new traders fell significantly in FY26, from 35.01 lakh in FY25 to 19.44 lakh. As a result, their share of the total trader base fell from 36% to 25%. Their share of total turnover also fell from 16% to 8%, and their share of total net losses fell from 20% to 12%.
- The incidence of losses was similar for both new and regular traders. In FY26, 87.81% of new traders and 87.69% of regular traders incurred net losses. In FY25, around 91% of traders in both categories incurred net losses. So prior trading experience did not appear to materially affect the likelihood of incurring losses.
- The average loss per trader, however, was substantially higher for regular traders. In FY26, the average net loss per regular trader was ₹1,35,716, compared to ₹58,620 for a new trader. A similar pattern was seen in FY25, with average losses of ₹1,41,384 for regular traders and ₹64,348 for new traders.
- Regular traders also had substantially higher trading exposure relative to their portfolio value. In FY26, their average turnover was about 45.7 times their portfolio value,

compared to 19.2 times for new traders. In FY25, the corresponding ratios were around 50 times and 21 times. The higher average losses among regular traders came alongside significantly higher trading exposure relative to their underlying portfolios.

Table 24: New Entrants vs Regular Traders (Trading Activity and Loss Outcomes)

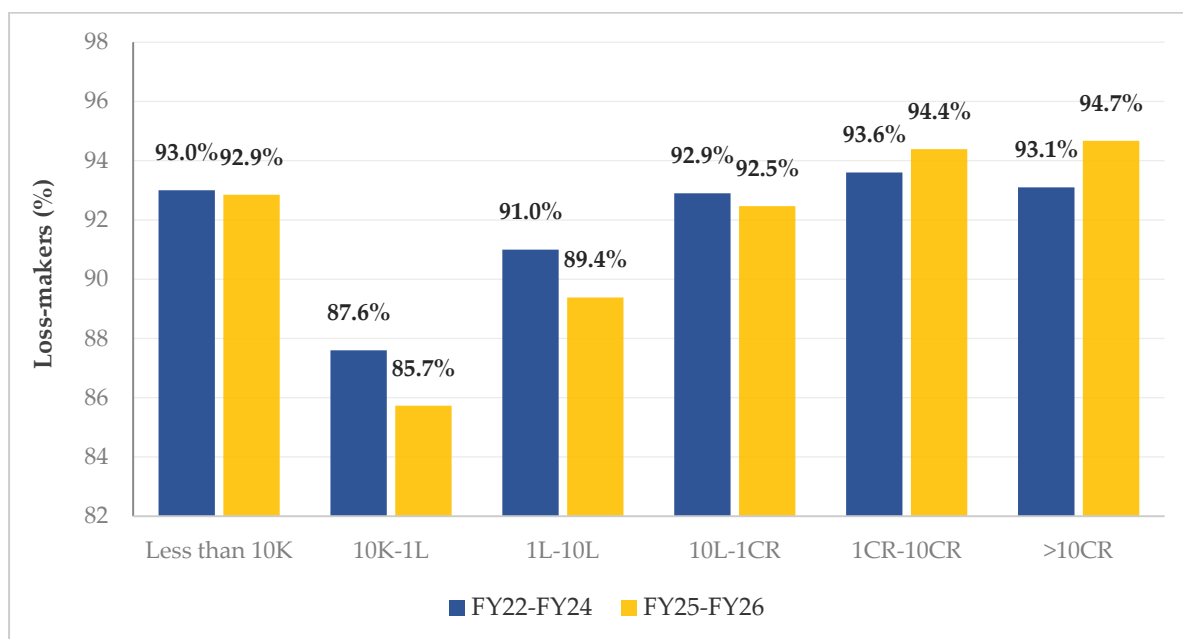
Year	Category	Traders (Lakh)	Loss Makers (Lakh)	Net P&L (₹ Crore)	Total Portfolio (₹ Lakh Crore)	Total Turnover (₹ Lakh Crore)	Loss Makers (%)	Avg Per Person Loss (₹)	Turnover / Portfolio
FY25	New Trader	35.01	31.88	-22,528	1.57	33.13	91.06%	-64,348	21.07
	Regular Trader	63.14	57.3	-89,270	3.60	179.71	90.75%	-1,41,384	49.95
	Total	98.15	89.18	-1,11,798	5.17	212.84	90.86%	-1,13,906	41.2
FY26	New Trader	19.44	17.07	-11,396	0.37	16.79	87.81%	-58,620	19.22
	Regular Trader	59.16	51.88	-80,290	4.06	185.68	87.69%	-1,35,716	45.74
	Total	78.6	68.95	-91,685	4.42	202.46	87.70%	-1,16,648	41.0

6.33. Trading Activity-wise Trends in the Options Segment

- For this section, traders are grouped by their total options turnover over the two years FY25-FY26, ranging from very low-volume traders (below ₹10,000) to very high-volume traders (above ₹10 crore).
- Excluding the below-₹10,000 turnover category, the proportion of loss-making traders increased steadily with turnover, from around 86% for traders with turnover between ₹10,000 and ₹1 lakh to about 95% for traders with turnover exceeding ₹10 crore.
- This positive link between trading turnover and the chance of incurring losses held throughout the study period. Traders with higher options turnover consistently showed higher loss rates than traders with lower turnover.
- Traders with cumulative turnover below ₹10,000 were an exception, with a loss-maker ratio of about 93%, higher than several intermediate turnover categories. This category represents a very small volume of trading activity and does not follow the overall relationship between turnover and loss incidence.
- Between the two study periods, the proportion of loss-makers fell for the lower-turnover categories but rose for the highest-turnover categories. For example, the loss-maker ratio for the ₹10,000-₹1 lakh turnover group fell from about 88% to 86%, while the ratio for traders with turnover above ₹10 crore rose from about 93% to 95%.

- The reduction in loss incidence was therefore concentrated among lower-turnover traders. Traders with the highest turnover, in contrast, continued to show the highest chance of incurring losses.

Chart 37: Correlation Between Trading Turnover and Probability of Loss

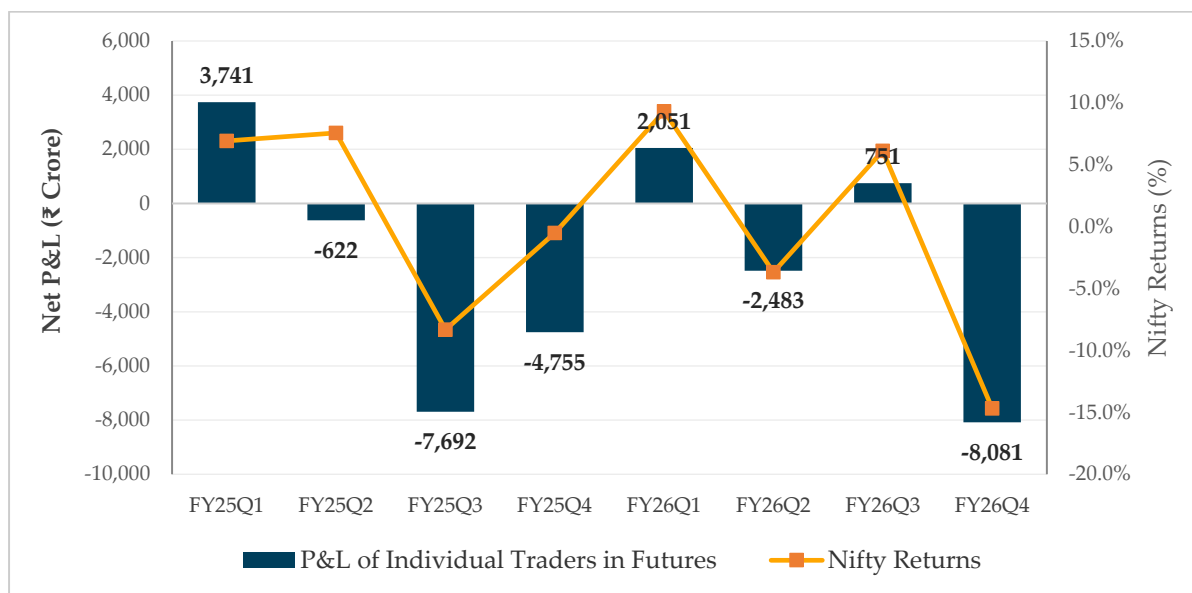


6.34. Relationship between Market Performance and Trader Outcomes

- Individual traders' outcomes in the futures segment broadly tracked market movements, pointing to a net-long trading bias. In quarters when the Nifty generated positive returns, individuals as a group recorded net profits in futures. For example, in Q1 FY25 (Nifty +7%) and Q1 FY26 (+9%), they earned net profits of ₹3,741 crore and ₹2,051 crore, respectively.
- Conversely, individuals incurred losses in futures during declining markets. The largest quarterly loss, ₹8,081 crore, occurred in Q4 FY26, when the Nifty fell by about 15%. Losses were also recorded in other negative-return quarters, such as Q3 FY25 and Q2 FY26.
- The losses during market declines were substantially larger than the profits earned during comparable market rallies. This suggests that while retail traders generally benefit from rising markets, they remain significantly exposed to downside moves because of their predominantly long futures positions.
- The options segment showed a different pattern. Individual traders incurred net losses in almost every quarter, regardless of market direction. Even during the strong market rally in Q1 FY26, when the Nifty gained about 9%, net losses in options only narrowed to ₹18,878 crore rather than turning into profits.
- This shows that market direction largely determines outcomes in futures, whereas options losses are largely independent of market direction - reflecting the short-tenor,

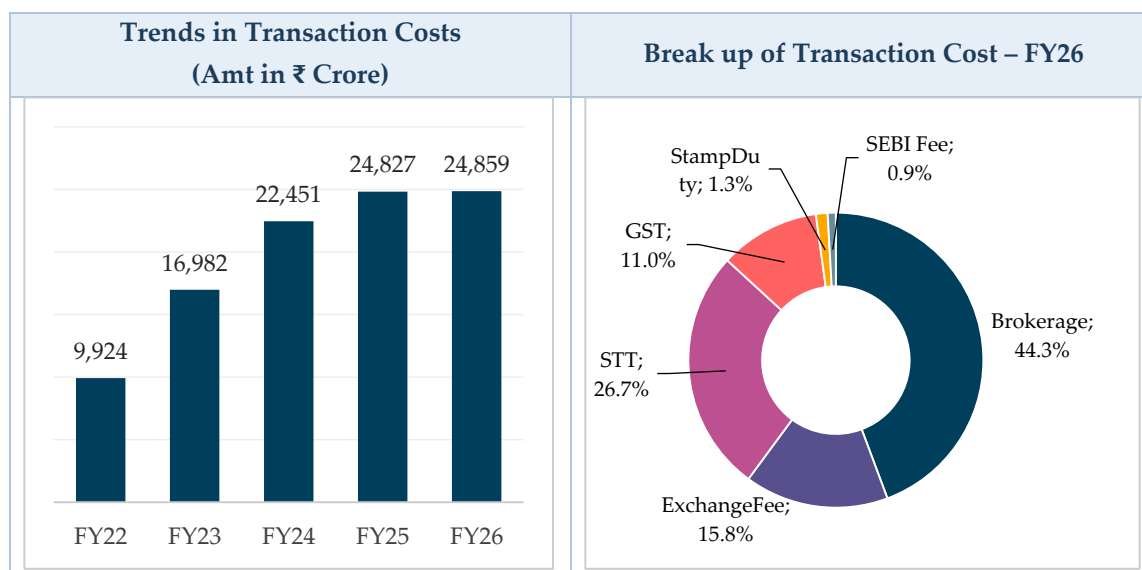
speculative nature of much of the trading in that segment, which results in persistent losses regardless of whether the market rises or falls. Detailed Table on quarterly Profit and Loss is provided in [Annexures](#).

Chart 38: Quarterly P&L of Individual Traders in Futures vs Nifty Index Returns



6.35. Transaction Costs

- Individual traders incurred transaction costs of about ₹24,800 crore each in FY25 and FY26, compared with about ₹22,500 crore in FY24. Although total equity derivatives turnover fell by around 5% in FY26, aggregate transaction costs stayed broadly unchanged, as the rise in STT largely offset the fall in brokerage and exchange transaction charges.
- The average transaction cost per trader rose from ₹26,027 in FY25 to ₹31,628 in FY26, reflecting higher transaction costs per active trader.
- The composition of transaction costs changed significantly in FY26. Brokerage charges fell by about 9% and exchange transaction charges fell by about 6%, consistent with lower trading turnover. Securities Transaction Tax (STT), however, rose by about 35% following the revision in STT rates from 1 October 2024.
- In FY26, brokerage remained the largest component of transaction costs at 44%, followed by STT (27%), exchange transaction charges (16%), GST (11%), stamp duty (1%) and SEBI fees (1%). Statutory levies (STT, GST, stamp duty and SEBI fees) together accounted for about 40% of total transaction costs.
- Over the five years from FY22 to FY26, total transaction costs paid by individual traders amounted to approximately ₹1 lakh crore, with brokerage accounting for almost half of that.

Chart 39: Trends in Transaction Cost of Individual Traders in EDS

Note: The transaction costs presented correspond to approximately 80% of the turnover of nearly 90% of individual traders. Assuming similar transaction-cost characteristics for the remaining turnover, total transaction costs may be approximately 1.25 times the amount shown.

- **Transaction costs (TC) constituted a higher share of gross losses for loss-makers than of gross profits for profit-makers in FY26.** Transaction costs accounted for 35% of gross losses of loss-makers, compared with 21% of gross profits of profit-makers.
- Refer **Section 6.25: Profit-Makers vs Loss-Makers** of this report for more details on Transaction Costs.

6.36. Impact of Transaction Costs on Profitability

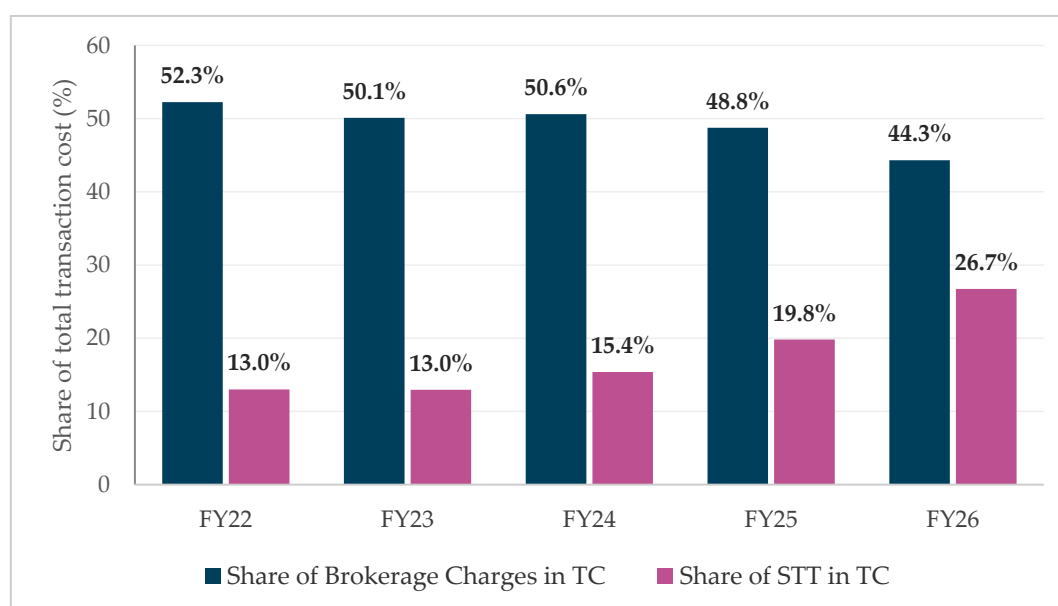
- Transaction costs materially affected the final profitability of individual traders. A sizeable share of traders who would have remained profitable on a gross basis became net loss-makers after accounting for brokerage, exchange charges, statutory levies and other transaction costs.
- In FY25, about 5.3 lakh traders who had earned gross trading profits became net loss-makers after transaction costs were deducted. In FY26, the corresponding number was 4.4 lakh traders.
- This shows that transaction costs altered the trading outcome for approximately 5-6% of all net loss-makers in each year. While most loss-makers incurred trading losses even before costs, transaction costs pushed several lakh additional traders into net losses.

Table 25: Impact of Transaction Cost on Profitability

Year	Gross Loss-makers (Lakh)	Net Loss-makers (Lakh)	Additional Net Loss-makers Due to Transaction Costs (Lakh)
FY25	89.2	83.9	5.3
FY26	68.9	64.5	4.4

6.37. Rising Share of STT in Transaction Costs

- STT collections from individual traders rose more than five-fold over the five-year period, from ₹1,291 crore in FY22 to ₹6,645 crore in FY26. As a result, STT's share of total transaction costs rose from 13% in FY22 to 27% in FY26.
- Over the same period, the share of brokerage charges in total transaction costs fell from 52% in FY22 to 44% in FY26. Despite this decline, brokerage remained the single largest component of transaction costs.
- The composition of transaction costs shifted steadily over the study period. The combined share of brokerage and exchange transaction charges fell from about 65% in FY22 to about 60% in FY26, while the share of STT nearly doubled, from 13% to 27%. This shows that statutory levies accounted for a growing share of total transaction costs incurred by individual traders.

Chart 40: Composition of Transaction Costs in EDS

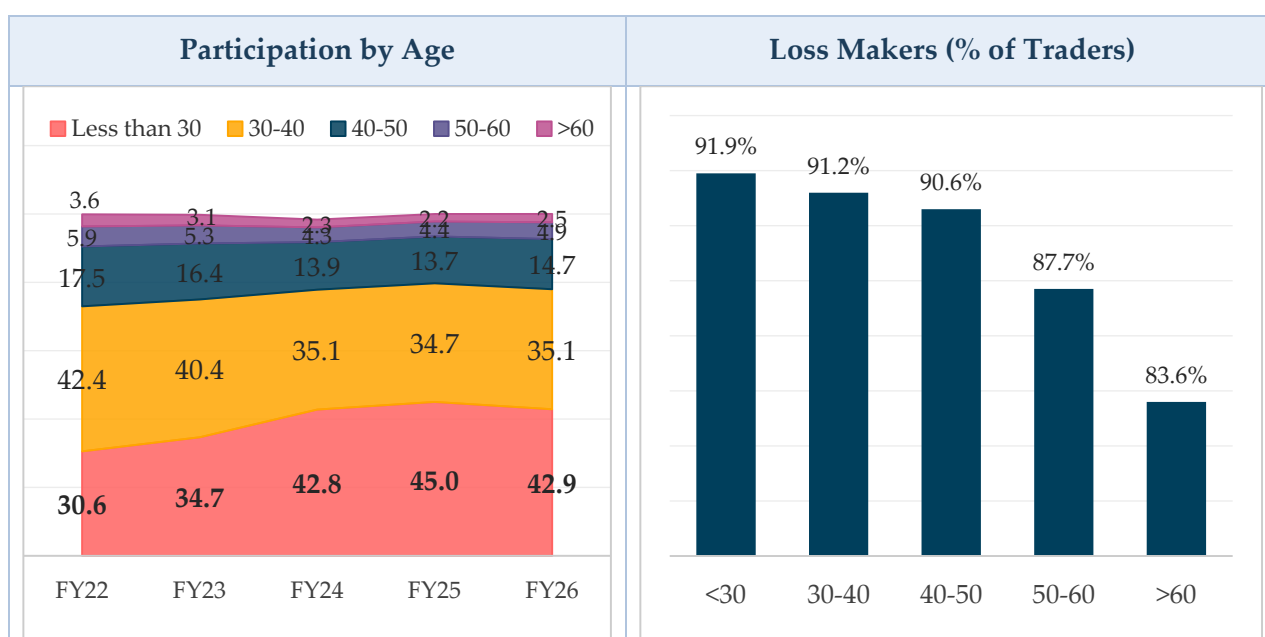
Note: TC means Transaction Costs

SECTION 8: RETAIL PROFITABILITY – DEMOGRAPHIC TRENDS

6.38. Age-wise Trends

- The equity derivatives segment is dominated by younger traders. In FY26, traders below 40 years accounted for about 78% of all traders, while traders above 50 years accounted for only about 7%.
- Traders below 30 years formed the largest age group, with 32.83 lakh traders (43%), up from 31% in FY22. The 30-40 years age group was the second largest, with 26.86 lakh traders (35%). Nearly four out of every five traders in the segment, therefore, were below 40 years of age.
- The proportion of loss-making traders remained high across all age groups. In FY26, 88.55% of traders below 30 years and 88.05% of traders aged 30-40 years incurred losses. Although the proportion of loss-makers declined with age, it stayed above 80% even for traders above 60 years.

Chart 41: Age-wise Participation and Loss Rates



Age and Amount of Losses

- Traders below 40 years together accounted for 78% of all traders and 63% of total losses. Within this group, traders aged 30-40 years accounted for the largest share of losses, at ₹36,642 crore (41%), while traders below 30 years accounted for ₹19,287 crore (22%).
- Average loss per trader increased with age. It was ₹58,749 for traders below 30 years, rising to ₹1,36,418 for traders aged 30-40 years and ₹1,82,616 for those aged 40-50 years. The highest average loss was among traders aged 50-60 years (₹2,20,682), followed by traders above 60 years (₹2,17,826).

- Trading intensity, measured as turnover relative to equity portfolio value, declined with age. Overall, traders generated turnover equivalent to 42.5 times their equity portfolio value. This ratio was highest for traders below 30 years (93 times), followed by the 30-40 years group (73 times), and fell progressively to about 20 times for traders aged 50 years and above. Younger traders, therefore, traded much more intensively relative to the size of their equity portfolios.
- Younger traders accounted for a disproportionately higher share of trading activity relative to their portfolio holdings. Traders below 40 years held only 29% of the aggregate equity portfolio value but generated 53% of total derivatives turnover. Traders aged 50 years and above, in contrast, held 46% of the aggregate portfolio value but contributed only 22% of total turnover.

Table 26: Age-wise Trading Activity and Loss Outcomes (FY26)

Category	Traders (Lakh)	Loss Makers (Lakh)	Net P&L (₹ Crore)	Total Portfolio (₹ Crore)	Total Turnover (₹ Lakh Crore)	Loss Makers (%)	Avg Per Person Loss (₹)	Turnover / Portfolio
<30	32.83	29.07	-19,287	35,076	32.61	88.55%	-58,749	92.97
30-40	26.86	23.65	-36,642	94,649	69.10	88.05%	-1,36,418	73.01
40-50	11.23	9.86	-20,508	1,13,474	48.25	87.80%	-1,82,616	42.52
50-60	3.74	3.19	-8,253	1,20,820	24.66	85.29%	-2,20,682	20.41
>60	1.89	1.53	-4,117	86,016	16.72	80.95%	-2,17,826	19.44
Total	76.55	67.3	-88,807	4,50,035	191.34	87.70%	-1,16,012	42.5

Note: The number of traders considered for this section is 76.55 lakh, out of 78.60 lakh. As the age data for about 2 lakh traders was not available

Age and Portfolio Size

- Equity derivatives participation was concentrated among younger traders with relatively small equity portfolios. Traders below 40 years with equity portfolios of up to ₹5 lakh accounted for 55.63 lakh traders, about 72% of all traders in the segment.
- This group also accounted for a significant share of aggregate losses. Traders below 40 years with equity portfolios up to ₹5 lakh incurred losses of ₹47,614 crore, about 54% of total losses.
- Within the low-portfolio category, traders aged 30-40 years incurred higher losses than traders below 30 years despite being fewer in number. The 30-40 years group (24.03 lakh traders) accounted for ₹30,273 crore of losses, compared with ₹17,341 crore for traders below 30 years (31.60 lakh traders) - pointing to higher average losses among low-portfolio traders in the 30-40 years age group.

- The chance of incurring losses remained high across all age groups for traders with smaller equity portfolios. Around 89-91% of traders with portfolios below ₹1 lakh incurred losses, and this share fell progressively as portfolio size increased. Even among traders with portfolios between ₹10 lakh and ₹1 crore, around 72-77% incurred losses across age groups.
- The incidence of losses was lowest among traders with equity portfolios above ₹1 crore, where the proportion of loss-makers ranged from 50% for traders below 30 years to around 64-67% for older age groups. This category, however, represented only a very small share of the overall trader population.
- The related cross-tabulated data is provided in the Annexure.

6.39. Gender-wise Trends

- Women's participation in the equity derivatives segment has increased steadily over the last three years. Their share of the total trader base rose from 13.7% in FY24 to 17.1% in FY26.
- In FY26, women accounted for 17% of all traders, 21% of the aggregate equity portfolio value and 21% of total derivatives turnover. Their share of total losses was 17%, broadly in line with their level of participation.
- The proportion of loss-making traders was lower among women than men. In FY26, 84.73% of women traders incurred losses, compared with 88.56% of male traders.
- The average loss per trader was similar across genders: ₹1,16,117 for women, compared with ₹1,15,995 for men.
- Trading intensity, measured by turnover relative to equity portfolio value, was nearly identical across genders. The turnover-to-portfolio ratio was about 42.5 times for both women and men, indicating comparable trading activity relative to the size of their equity portfolios.

Chart 42: Gender wise Participation and Loss Rate

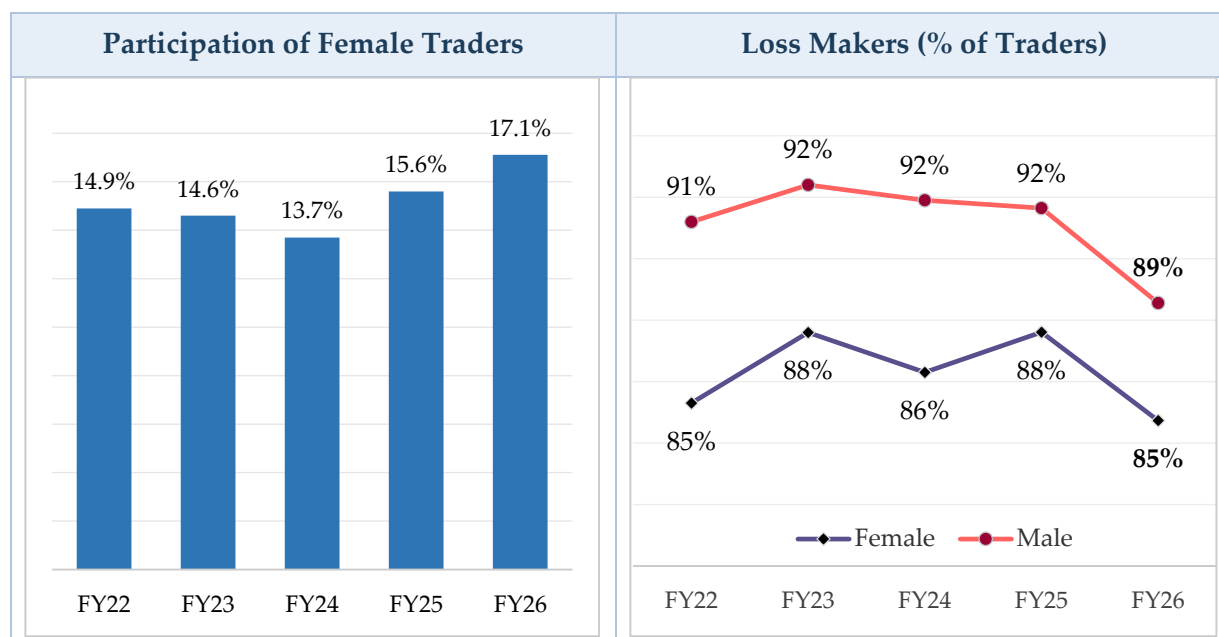


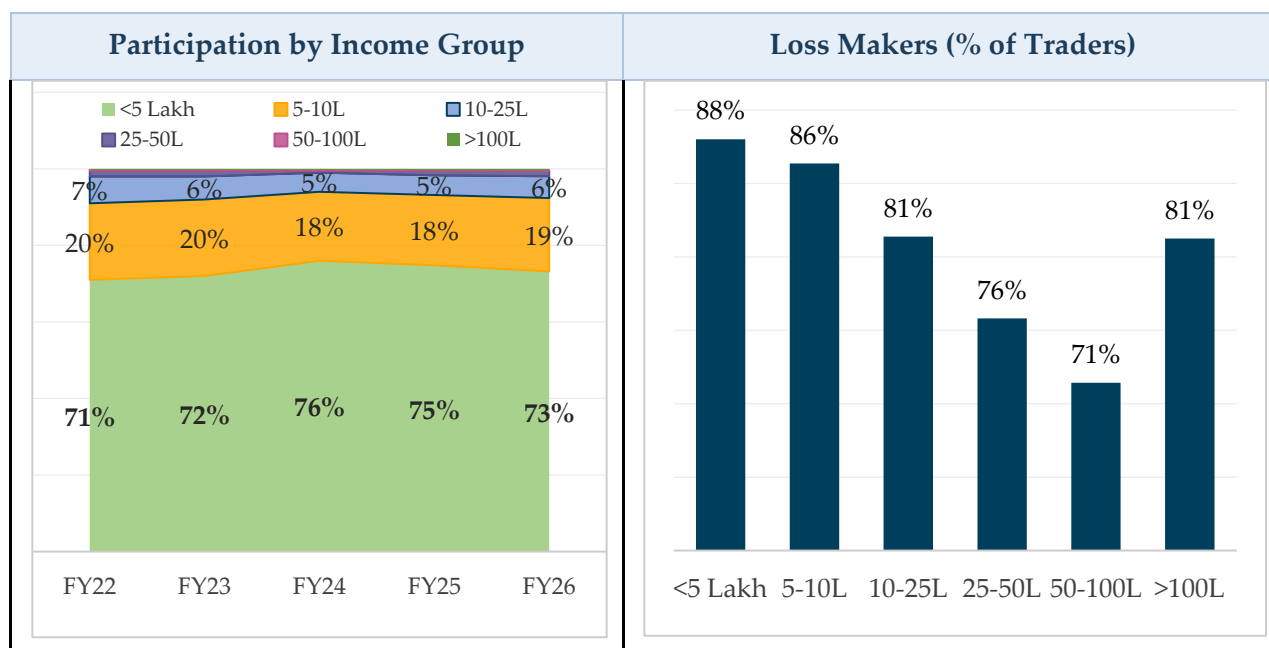
Table 27: Gender-wise Trading Activity and Loss Outcomes (FY26)

Category	Traders (Lakh)	Loss Makers (Lakh)	Net P&L (₹ Crore)	Total Portfolio (₹ Crore)	Total Turnover (₹ Lakh Crore)	Loss Makers (%)	Avg Per Person Loss (₹)	Turnover / Portfolio
Female	13.10	11.10	-15,211	96,637	41.08	84.73%	-1,16,117	42.51
Male	63.45	56.19	-73,599	3,53,176	150.28	88.56%	-1,15,995	42.55
Total	76.55	67.29	-88,810	4,49,813	191.36	87.70%	-1,16,016	42.5

6.40. Income-wise Trends

- Most derivatives traders belonged to the below-₹5-lakh annual income category. This group accounted for about 75% of traders in FY25 and 73% in FY26, showing that derivatives participation remained concentrated among lower-income individuals.
- The proportion of loss-makers generally declined with higher income levels, up to the ₹50 lakh-₹1 crore income category. In FY26, traders with annual income below ₹5 lakh recorded the highest proportion of loss-makers (88%), while those in the ₹50 lakh-₹1 crore income category recorded the lowest (71%).

Chart 43: Income-wise Participation and Loss Rates



- Traders in the below-₹5-lakh income category also accounted for the largest share of aggregate losses, contributing about 53% of total net losses in both FY25 and FY26.
- Losses, measured relative to the value of equity holdings, declined consistently with higher income levels. Traders in the below-₹5-lakh income category incurred losses equivalent to about 45% of their equity portfolio value in FY25 (39% in FY26), compared with only 3% and 2% respectively for traders with annual income above ₹1 crore - lower-income traders incurred losses that were substantially larger relative to their equity holdings.
- Average loss per loss-maker generally increased with income, reflecting larger trading positions among higher-income traders. The chance of incurring losses, however, remained high across all income categories.

Table 28: Income-wise Trading Activity and Loss Outcomes (FY26)

Category	Traders (Lakh)	Loss Makers (Lakh)	Net P&L (₹ Crore)	Total Portfolio (₹ Crore)	Total Turnover (₹ Lakh Crore)	Loss Makers (%)	Avg Per Person Loss (₹)	Turnover / Portfolio
<5 Lakh	31.86	28.04	-32,696	84,993	64.03	88.01%	-1,02,626	75.34
5-10L	8.36	7.22	-15,540	56,208	36.91	86.36%	-1,85,886	65.66
10-25L	2.47	2.01	-8,470	55,527	25.23	81.38%	-3,42,909	45.44
25-50L	0.62	0.47	-3,703	59,645	16.05	75.81%	-5,97,232	26.91
50-100L	0.07	0.05	-385	6,811	1.87	71.43%	-5,50,320	27.41

Category	Traders (Lakh)	Loss Makers (Lakh)	Net P&L (₹ Crore)	Total Portfolio (₹ Crore)	Total Turnover (₹ Lakh Crore)	Loss Makers (%)	Avg Per Person Loss (₹)	Turnover / Portfolio
>100L	0.16	0.13	-813	35,732	4.94	81.25%	-5,08,149	13.82
Total	43.54	37.92	-61,607	298,916	149.02	87.70%	-1,16,012	49.85

Note: Of the 78.6 lakh total traders in FY26, income data was available for only 43.54 lakh traders; accordingly, the analysis in this section is based on this subset.

6.41. City-wise Trends

- Derivatives trading has spread rapidly into smaller cities. Traders from beyond the top-30 cities (B30) made up 67% of the trader base in FY26, contributing 47% of turnover and 58.0% of losses. By comparison, only 27% of individual mutual-fund assets come from B30 locations - showing that the shift towards derivatives outside the big cities is far stronger than the shift towards mutual funds.
- Average loss per person was higher in the top-30 cities (₹1.49 lakh) than in B30 cities (₹1.01 lakh), against an overall average of ₹1.17 lakh - reflecting larger trading positions in the metros and a larger number of participants outside them.

Table 29: T30 vs B30 Cities - Trading Activity and Loss Outcomes (FY26)

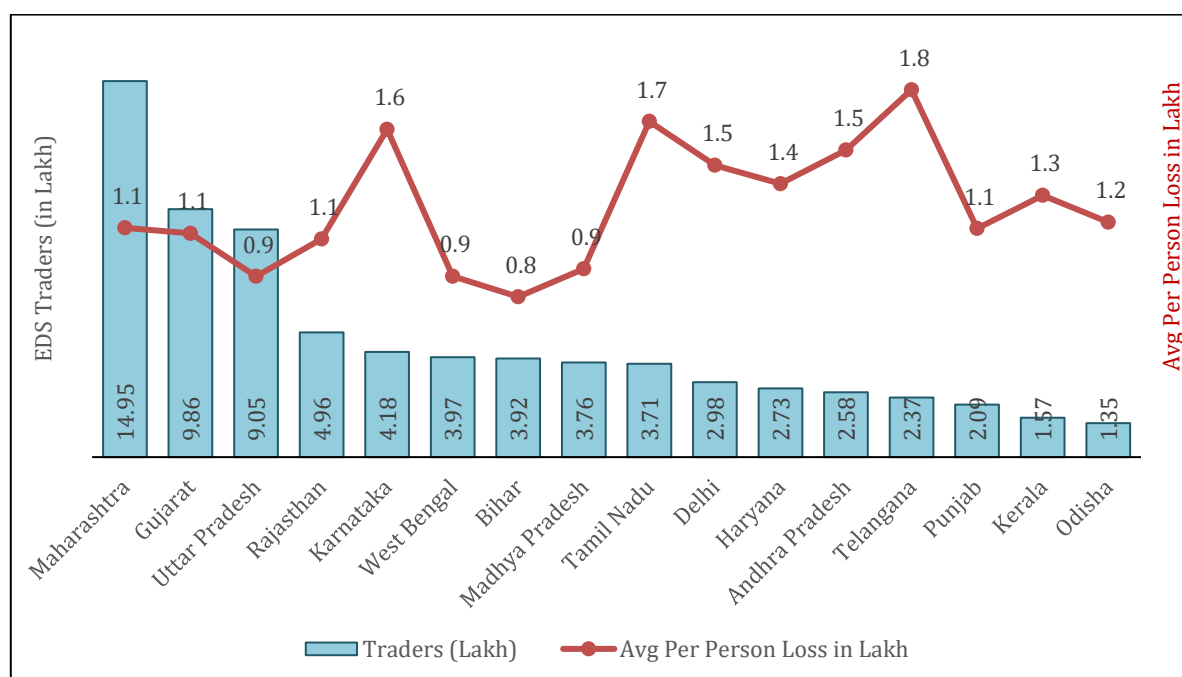
Category	Traders (Lakh)	Loss Makers (Lakh)	Net P&L (₹ Crore)	Total Portfolio (₹ Crore)	Total Turnover (₹ Lakh Crore)	Loss Makers (%)	Avg Per Person Loss (₹)	Turnover / Portfolio
B30	52.85	46.85	-53,419	1,40,886	101	88.65%	-1,01,076	71.54
T30	25.72	22.12	-38,267	3,52,421	102	86.00%	-1,48,782	28.85
Total	78.57	68.97	-91,685	4,93,307	202.46	87.70%	-1,16,693	41.0

6.42. State-wise Trends

- Losses are geographically concentrated in a few large states. Maharashtra, Gujarat and Uttar Pradesh together account for about 44% of traders and about 41% of total net losses. The top five loss-contributing states - Maharashtra, Gujarat, Uttar Pradesh, Karnataka and Tamil Nadu - account for about 55% of total losses, showing that aggregate losses are concentrated in the major participation centres.
- Maharashtra is the single largest contributor across most parameters: 14.95 lakh traders, net losses of about ₹17,036 crore, a portfolio of about ₹1.63 lakh crore, and turnover of about ₹43.93 lakh crore - or about 20% of traders, 19% of losses, 36% of portfolio, and 23% of turnover in the dataset.

- Loss-making is broad-based across states, not limited to a few regions. In every identified state, more than 85% of traders incurred losses. The loss-maker ratio was particularly high in Assam (90.48%), Bihar (89.54%), Jammu & Kashmir (89.47%), Jharkhand (89.36%) and Chhattisgarh (89.11%) - showing that high loss incidence is a nationwide pattern in EDS trading.
- Some states show much higher loss per trader despite having moderate trader counts. Telangana recorded the highest average loss per trader, at about ₹1.83 lakh, followed by Tamil Nadu (₹1.67 lakh), Karnataka (₹1.63 lakh), Andhra Pradesh (₹1.53 lakh) and Delhi (₹1.45 lakh). Southern states together account for about 19% of traders but about 26% of total losses, pointing to higher loss intensity in these states.
- Trading activity is very high relative to portfolio size in several states with smaller portfolios. Andhra Pradesh recorded turnover of about 101 times portfolio value, followed by Odisha (100 times), North Eastern States (93 times), Bihar (92 times), Jammu & Kashmir (83 times) and Assam (80 times), compared with the overall ratio of about 42.5 times. In these states, EDS trading activity is disproportionately high relative to the equity portfolio base. (Detailed data is given in the Annexure.)

Chart 44: State-wise EDS Trader Distribution and Average Net Loss Per Trader (FY25–FY26)



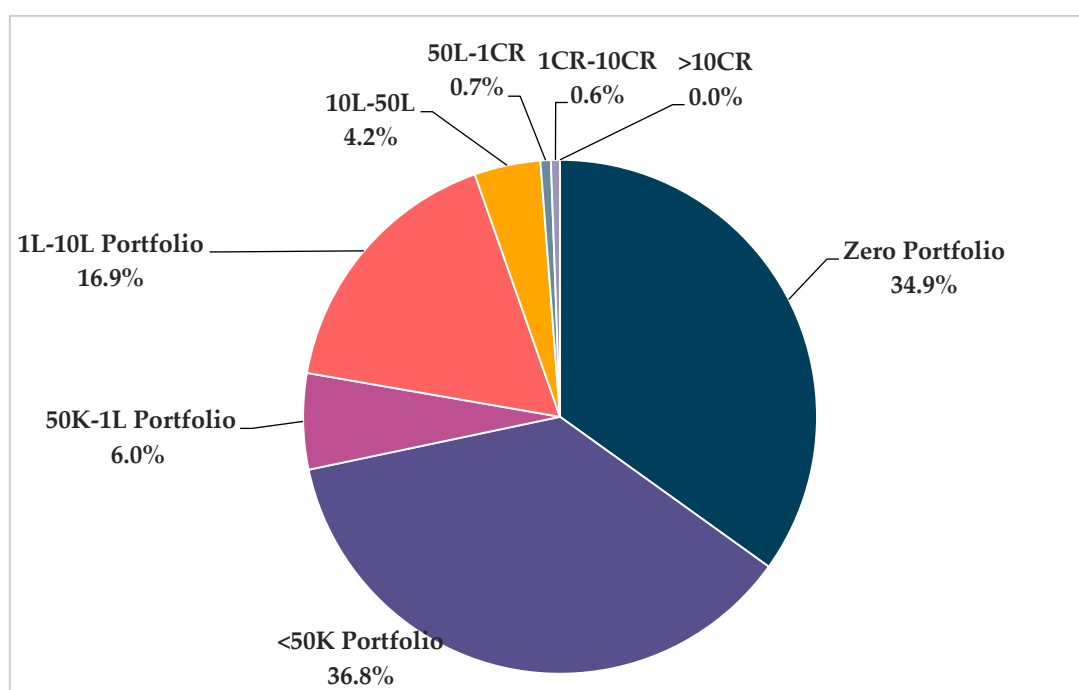
- Detailed data and charts on state-wise trends on profitability and participation trends are provided in **Annexures** at **Table 45: State-wise Trends in the Profitability in EDS (FY26)**, **Chart 48: State-wise Participation by Individuals in EDS (FY25-FY26)**; **Chart 49: State-wise Aggregate Losses by Individuals in EDS (FY25-FY26)**; **Chart 50: State-wise Average Per Person Losses by Individuals in EDS (FY25-FY26)**.

SECTION 9: DERIVATIVES TRADING AND EQUITY HOLDINGS/ PORTFOLIO

6.43. Distribution of Equity Portfolios of EDS traders

- At the end of March 2026, **35% of traders** (42.8 lakh) had **no underlying equity portfolio** at all - they took part in derivatives without any cash equity holdings. Equity portfolio is computed as total of equity and equity oriented Mutual Funds holdings of EDS traders in the demat form as of 31st March 2026.
- A further 37% of traders (45.1 lakh) held equity portfolios of less than ₹50,000. Together, these two groups accounted for 72% of all derivatives traders (87.9 lakh).
- Overall, 95% of traders (116 lakh) had equity portfolios below ₹10 lakh, while only about 5% had portfolios above ₹10 lakh.
- Traders with portfolios above ₹10 crore made up a negligible share of the trader base - the equity derivatives segment is overwhelmingly retail-driven.

Chart 45: Equity Portfolio Distribution of EDS Traders



Note: Equity portfolio means total of equity and equity oriented Mutual Funds holdings in the demat form as of 31st March 2026; Data covers 1.22 crore unique traders, who traded in EDS during FY25-FY26

6.44. Derivatives Trading by Small-Portfolio Traders

- Traders with equity portfolios below ₹1 lakh (small-portfolio traders) accounted for 95.3 lakh traders (78%), while holding only about 1% of the total equity portfolio value.
- Despite their limited cash equity holdings, these small-portfolio traders contributed about 51% of total derivatives turnover and about 70% of aggregate losses during FY25-FY26.
- While traders with portfolios below ₹1 lakh accounted for 78% of traders, those with

portfolios above ₹1 lakh held nearly 99% of the total equity portfolio but contributed only about 30% of total losses - highlighting how disproportionately losses are concentrated among traders with limited equity holdings.

- This shows that derivatives participation among small-portfolio traders is largely disconnected from ownership of the underlying securities, and is therefore more consistent with speculative trading than with hedging.

6.45. Portfolio-wise Profitability

- Trading outcomes improved steadily with portfolio size.
- Small-portfolio traders accounted for 76% of traders but only 1% of total portfolio value. Despite this, they contributed 65% of aggregate losses.
- Medium-portfolio traders accounted for 23% of traders and 31% of losses, while large-portfolio traders accounted for only 1% of traders and 4% of losses, despite holding 64% of total portfolio value.
- The proportion of loss-makers declined with portfolio size, from 89.7% among small-portfolio traders to 82.0% among medium-portfolio traders and 62.9% among large-portfolio traders.

Table 30: Portfolio-wise Trading Activity and Loss Outcomes (FY26)

Category	Traders (Lakh)	Loss Makers (Lakh)	Net P&L (₹ Crore)	Total Portfolio (₹ Crore)	Total Turnover (₹ Crore)	Loss Makers (%)
Small-Portfolio (Portfolio < ₹1 lakh)	59.61	53.50	-59,654	6,128	1,02,02,860	89.7%
Medium-Portfolio (Portfolio between ₹1 lakh - ₹10 lakh)	18.43	15.10	-28,020	1,71,069	74,51,600	82.0%
Large-Portfolio (Portfolio > ₹1 Crore)	0.56	0.35	-4,012	3,16,112	25,91,804	62.9%
Total	78.60	68.95	-91,685	4,93,310	2,02,46,264	87.7%

6.46. Portfolio-wise - Trading Intensity

- Derivatives trading activity substantially exceeded underlying portfolio value across all categories. Overall, traders generated derivatives turnover equivalent to about 41 times their equity portfolio.
- The gap was widest for small-portfolio traders. Their average equity portfolio was only about ₹10,000, while average derivatives turnover exceeded ₹1.7 crore - about 1,665 times their portfolio value.

- Trading intensity declined significantly with portfolio size. The average turnover-to-portfolio ratio fell from 1,665 times for small-portfolio traders to 44 times for medium-portfolio traders and 8 times for large-portfolio traders.
- Although average losses increased with portfolio size in absolute terms, trading intensity relative to available capital declined significantly as portfolio size increased.

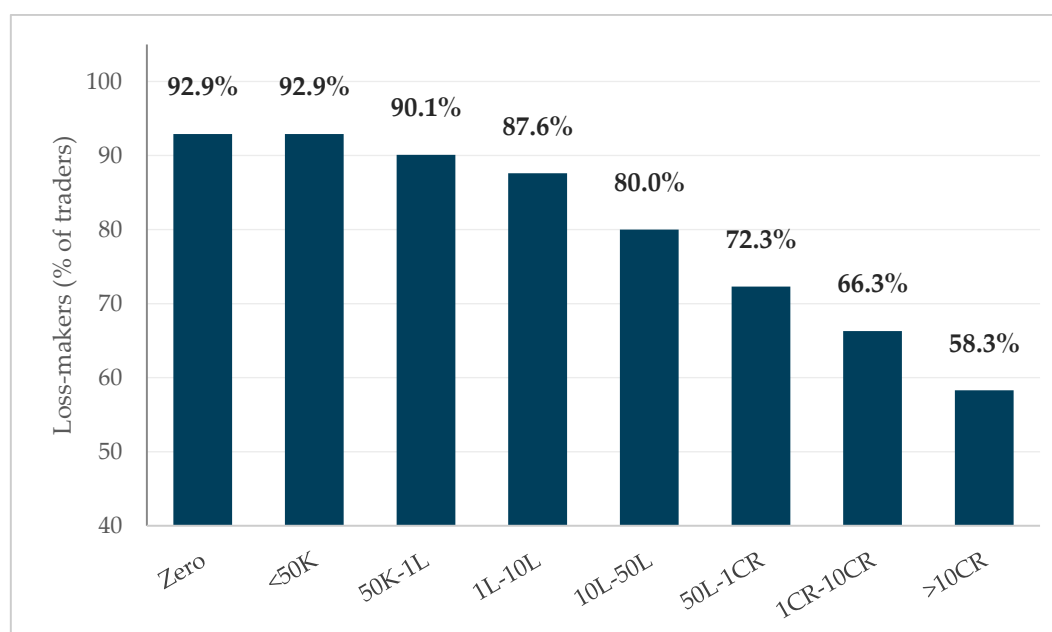
Table 31: Average Profitability and Trading Intensity - Portfolio-wise

Category	Avg. Profit (₹)	Avg. Portfolio (₹)	Avg. Turnover (₹)	Trading Activity / Portfolio (x)
Small-Portfolio	-1,00,073	10,280	1,71,15,978	1,664.93
Medium-Portfolio	-1,52,049	9,28,311	4,04,36,313	43.56
Large-Portfolio	-7,19,029	5,66,52,992	46,44,97,597	8.20
All Traders	-1,16,654	6,27,651	2,57,59,877	41.04

Note: Small-Portfolio – portfolio below ₹1 lakh; Medium-Portfolio – portfolio of ₹1 lakh to ₹10 lakh; and Large-Portfolio – portfolio above ₹1 crore.

6.47. Portfolio-wise - Probability of Loss

- The chance of incurring losses declined consistently as the size of the equity portfolio increased.
- Traders with no equity holdings or portfolios below ₹50,000 recorded the highest loss rate (93%).
- The loss rate declined steadily with higher portfolio size - to 88% for portfolios of ₹1-10 lakh, 72% for portfolios of ₹50 lakh-₹1 crore, and 58% for portfolios above ₹10 crore.
- This inverse relationship suggests that traders with larger equity portfolios experienced materially better trading outcomes.
- The decline in loss rates is consistent across all portfolio categories, with no reversal at higher portfolio levels - a strong inverse relationship between equity portfolio size and the chance of incurring losses.

Chart 46: Proportion of Loss-Makers by Equity Portfolio Size

6.48. Concentration of Risk: Portfolio Size and Turnover

- Combining portfolio size with trading intensity shows where losses are concentrated.
- Small-portfolio traders with high turnover accounted for only 13% of all traders but contributed 52% of total losses, making them the single largest contributor to aggregate losses in the equity derivatives segment.
- Large-portfolio traders, irrespective of turnover category, together contributed only about 4% of aggregate losses.
- Within every turnover category, traders with larger portfolios recorded lower loss rates than traders with smaller portfolios. For example, among high-turnover traders, the loss rate fell from 93% for small portfolios to 64% for large portfolios.
- Trading intensity also varied significantly by portfolio size. Among high-turnover traders, turnover reached over 10,000 times the underlying portfolio for small-portfolio traders, compared with only about 12 times for large-portfolio traders.
- These findings show that the combination of small underlying portfolios and very high trading activity accounted for a disproportionate share of losses in the equity derivatives segment.

Chart 47: Portfolio vs Trading Activity

A. Share of Derivatives Traders (%)				B. Share of Total Net Losses (%)			
Category	Small-Portfolio	Medium-Portfolio	Large-Portfolio	Category	Small-Portfolio	Medium-Portfolio	Large-Portfolio
Small-Turnover	26%	6%	0.09%	Small-Turnover	1%	0.2%	0.001%
Medium-Turnover	37%	11%	0.22%	Medium-Turnover	12%	5%	-0.06%
Large-Turnover	13%	7%	0.41%	Large-Turnover	52%	26%	4.44%
All Traders	76%	23%	0.71%	All Traders	65%	31%	4.38%

C. Loss-making Traders (%)				D. Turnover-to-Portfolio Ratio (×)			
Category	Small-Portfolio	Medium-Portfolio	Large-Portfolio	Category	Small-Portfolio	Medium-Portfolio	Large-Portfolio
Small-Turnover	88%	78%	70%	Small-Turnover	2.40	0.04	0.00
Medium-Turnover	90%	82%	57%	Medium-Turnover	192.17	2.94	0.06
Large-Turnover	93%	85%	64%	Large-Turnover	10,224.46	107.35	11.84
All Traders	90%	82%	63%	All Traders	1,664.93	43.56	8.20

Note: 1) Turnover categories: **Small-Turnover** – turnover below ₹1 lakh; **Medium-Turnover** – turnover of ₹1 lakh to ₹1 crore; and **Large-Turnover** – turnover above ₹1 crore. 2) Portfolio Categories: **Small-Portfolio** – portfolio below ₹1 lakh; **Medium-Portfolio** – portfolio of ₹1 lakh to ₹10 lakh; and **Large-Portfolio** – portfolio above ₹1 crore.

7. CONCLUDING OBSERVATIONS

1. International evidence consistently indicates that **retail investors globally incur losses when trading derivatives and other leveraged products**. Across jurisdictions, both transaction-level academic studies and regulatory analyses of retail accounts report high loss rates among individual participants in futures, options, CFDs, and foreign-exchange markets.
2. **Like in many other jurisdictions, losses remain the dominant outcome for individual traders in EDS in India**. Around 91% of individual traders incurred net losses during FY25-FY26, and cumulative net losses exceeded ₹2 lakh crore over the two-year period, despite the moderation seen in FY26.
3. **Despite the recent moderation in participation**, retail traders continued to remain the dominant participant group in the equity derivatives segment. More than 1.2 crore unique individuals traded in EDS during FY25–FY26, with participation increasingly extending beyond metropolitan centres and involving a growing number of younger and first-time traders.
4. **Options trading accounts for the overwhelming majority of losses**. Almost all individual traders participated in options, and more than 90% of aggregate losses arose from the options segment, particularly Index Options.
5. **Trading activity is concentrated in ultra-short-term contracts**. Nearly all Index Options turnover occurs within one week of expiry, with a large share on the expiry day itself or the day before - showing that trading is predominantly short-term and speculative.
6. **Risk-taking is concentrated among traders with limited equity holdings**. A large majority of traders held very small or nil equity portfolios, yet these traders accounted for a disproportionate share of losses while trading derivatives at multiples of their underlying portfolios.
7. **Recent regulatory measures moderated participation but did not fundamentally alter trading behaviour**. FY26 saw a decline in the number of traders, particularly among smaller participants, and a reduction in expiry-day concentration. Trading activity, however, continued to remain overwhelmingly concentrated in short-dated Index Options.
8. **Participation and turnover had differentiated impact following the November 2024 measures**. Individual participation declined substantially, particularly in Index Options (–26.8%) and Index Futures (–29.0%) between Q2 and Q4 FY25, while premium ADT initially contracted but subsequently recovered and exceeded pre-policy levels. This divergence suggests that lower participation was accompanied by higher trading intensity among remaining participants, while aggregate premium turnover recovered over time.

8. ANNEXURES

Table 32: Summary of the profitability of Individual Traders in EDS

Category	Traders (Lakh)	Loss Makers (Lakh)	Net P&L (₹ Crore)	Loss Makers (%)	Avg Per Person Loss (₹)
FY22	42.74	38.57	-40,824	90.2%	-95,517
FY23	58.35	53.49	-65,747	91.7%	-1,12,677
FY24	86.26	78.54	-74,812	91.1%	-86,728
FY25	98.10	89.20	-1,11,788	90.9%	-1,13,913
FY26	78.60	68.90	-91,685	87.7%	-1,16,654
FY22-FY26	167.7	160.3	-3,84,856	95.60%	-2,29,513

Table 33: Turnover-wise Trends in the EDS - Percentage Share (FY26)

Category	Traders	Loss Makers	Net Losses	Total Portfolio	Total Turnover
Small-Turnover	31%	31%	0.7%	12%	0.03%
Medium-Turnover	49%	49%	17%	30%	4%
Large-Turnover	20%	20%	82%	58%	96%
Total	100%	100%	100%	100%	100%

Table 34: New vs Experienced Traders (percentage share) (FY26)

Year	Category	Traders	Loss Makers	Net Losses	Total Portfolio	Total Turnover
FY25	New Trader	36%	36%	20%	30%	16%
FY25	Regular Trader	64%	64%	80%	70%	84%
FY25	Total	100%	100%	100%	100%	100%
FY26	New Trader	25%	25%	12%	18%	8%
FY26	Regular Trader	75%	75%	88%	82%	92%
FY26	Total	100%	100%	100%	100%	100%

Table 35: Portfolio-wise Trends in the EDS - Percentage Share

Category	Traders	Loss Makers	Net Losses	Total Portfolio	Total Turnover
Small-Portfolio	76%	78%	65.1%	1%	50.39%
Medium-Portfolio	23%	22%	31%	35%	37%
Large-Portfolio	1%	1%	4%	64%	13%
Total	100%	100%	100%	100%	100%

Table 36: Income-wise Turnover and Trading Contribution (FY26)

Category	Traders	Loss Makers	Net Losses	Total Portfolio	Total Turnover
<30	43%	43%	22%	8%	17%
30-40	35%	35%	41%	21%	36%
40-50	15%	15%	23%	25%	25%
50-60	5%	5%	9%	27%	13%
>60	2%	2%	5%	19%	9%
Total	100%	100%	100%	100%	100%

Note: The number of traders considered for this section is 76.55 lakh, out of 78.60 lakh. As the age data for about 2 lakh traders was not available

Table 37: Gender-wise Trading Activity and Loss Outcomes – Percentage Share (FY26)

Category	Traders	Loss Makers	Net Losses	Total Portfolio	Total Turnover
Female	17%	16%	17%	21%	21%
Male	83%	84%	83%	79%	79%
Total	100%	100%	100%	100%	100%

Table 38: Age-wise Trading Activity and Loss Outcomes (FY25)

Category	Traders (Lakh)	Loss Makers (Lakh)	Net P&L (₹ Crore)	Total Portfolio (₹ Crore)	Total Turnover (₹ Lakh Crore)	Loss Makers (%)	Avg Per Person Loss (₹)	Turnover / Portfolio
<30	43.02	39.53	-23,948	42,474	31.85	91.89%	-55,668	74.98
30-40	33.18	30.23	-45,465	1,04,103	70.29	91.11%	-1,37,025	67.52
40-50	13.11	11.85	-24,804	1,15,066	51.05	90.39%	-1,89,196	44.36
50-60	4.17	3.65	-9,477	1,16,227	27.60	87.53%	-2,27,271	23.75
>60	2.11	1.74	-4,723	90,984	19.57	82.46%	-2,23,833	21.51
Grand Total	95.59	87	- 1,08,416.92	4,68,854	200.35	87.70%	-1,13,419	42.7

Table 39: Gender-wise Trading Activity and Loss Outcomes (FY25)

Category	Traders (Lakh)	Loss Makers (Lakh)	Net P&L (₹ Crore)	Total Portfolio (₹ Crore)	Total Turnover (₹ Lakh Crore)	Loss Makers (%)	Avg Per Person Loss (₹)	Turnover / Portfolio
F	14.93	13.08	-17,385	1,00,365	44.08	87.61%	-1,16,445	43.92
M	80.66	73.92	-91,031	3,68,369	156.28	91.64%	-1,12,858	42.42
Grand Total	95.59	87	-1,08,416	4,68,734	200.36	87.70%	-1,13,418	42.7

Table 40: Income-wise Trading Activity and Loss Outcomes (FY25)

Category	Traders (Lakh)	Loss Makers (Lakh)	Net P&L (₹ Crore)	Total Portfolio (₹ Crore)	Loss Makers (%)	Avg Per Person Loss (₹)
<5 Lakh	31.86	28.04	-32,696	84,993	88.01%	-1,02,626
5-10L	8.36	7.22	-15,540	56,208	86.36%	-1,85,886
10-25L	2.47	2.01	-8,470	55,527	81.38%	-3,42,909
25-50L	0.62	0.47	-3,703	59,645	75.81%	-5,97,232
50-100L	0.07	0.05	-385	6,811	71.43%	-5,50,320
>100L	0.16	0.13	-813	35,732	81.25%	-5,08,149
Total	76.55	67.3	-88,807	4,50,035	87.70%	-1,16,012

Table 41: T30 vs B30 Cities - Trading Activity and Loss Outcomes (FY25)

Category	Traders (Lakh)	Loss Makers (Lakh)	Net P&L (₹ Crore)	Total Portfolio (₹ Crore)	Total Turnover (₹ Lakh Crore)	Loss Makers (%)	Avg Per Person Loss (₹)	Turnover / Portfolio
B30	66	60.52	-64,519	1,51,817	101	91.70%	-97,755	66.23
T30	32.13	28.65	-47,280	3,65,216	112	89.17%	-1,47,151	30.74
Grand Total	98.13	89.17	-1,11,798	5,17,033	212.84	87.70%	-1,13,929	41

Table 42: Number of Traders in Lakhs (Age vs Equity Portfolio)

Equity Portfolio	Age <30	Age 30-40	Age 40-50	Age 50-60	Age >60
Zero	13.72	8.52	3.19	0.94	0.38
Zero-1L	12.87	9.4	3.49	0.94	0.33
1L-5L	5.01	6.11	2.6	0.9	0.45
5L-10L	0.67	1.31	0.7	0.29	0.18
10L-1CR	0.53	1.43	1.1	0.56	0.43
>1CR	0.02	0.08	0.14	0.12	0.11

Table 43: Amount of Losses in ₹ Crore (Age vs Equity Portfolio)

Equity Portfolio	Age <30	Age 30-40	Age 40-50	Age 50-60	Age >60
Zero	7,705	12,749	5,930	1,789	758
Zero-1L	6,470	11,360	5,537	1,699	561
1L-5L	3,166	6,164	3,564	1,379	626
5L-10L	785	2,031	1,272	598	341
10L-1CR	983	3,683	3,230	1,631	1,125
>1CR	178	656	975	1,158	706

Table 44: Proportion of Loss Makers (Age vs Equity Portfolio)

Equity Portfolio	Age <30	Age 30-40	Age 40-50	Age 50-60	Age >60
Zero	90%	91%	91%	89%	87%
Zero-1L	89%	90%	91%	89%	88%
1L-5L	84%	86%	87%	86%	84%
5L-10L	81%	82%	83%	83%	83%
10L-1CR	74%	76%	77%	75%	72%
>1CR	50%	63%	64%	67%	64%

Table 45: State-wise Trends in the Profitability in EDS (FY26)

State/ UT Name	Traders (Lakh)	Net P&L (₹ Crore)	Total Portfolio (₹Crore)	Total Turnover (₹Crore)	Loss Makers (%)	Avg Per Person Loss (₹)	Turnover / Portfolio	% Growth in Traders	% Growth in PP Losses
Maharashtra	14.95	-17,036	1,62,738	43,92,871	87.3%	-1,13,952	27.0	-24.7%	3.4%
Gujarat	9.86	-10,966	45,061	21,38,253	87.2%	-1,11,221	47.5	-18.3%	-2.3%
Uttar Pradesh	9.05	-8,130	28,487	17,00,198	88.8%	-89,834	59.7	-24.0%	1.1%
Rajasthan	4.96	-5,377	16,216	10,91,081	88.1%	-1,08,406	67.3	-20.9%	1.4%
Karnataka	4.18	-6,811	29,278	15,39,072	86.8%	-1,62,933	52.6	-11.4%	-1.3%
West Bengal	3.97	-3,568	21,436	8,13,205	88.7%	-89,884	37.9	-19.0%	5.9%
Bihar	3.92	-3,122	6,213	5,70,200	89.5%	-79,655	91.8	-22.4%	2.3%
Madhya Pradesh	3.76	-3,519	9,606	7,03,440	88.8%	-93,596	73.2	-24.0%	0.5%
Tamil Nadu	3.71	-6,190	22,378	12,33,803	87.1%	-1,66,846	55.1	-1.3%	2.3%
Delhi	2.98	-4,323	37,099	12,21,597	85.6%	-1,45,051	32.9	-22.4%	0.9%
Haryana	2.73	-3,710	19,173	9,40,269	86.5%	-1,35,880	49.0	-21.8%	-1.3%
Andhra Pradesh	2.58	-3,937	7,219	7,31,172	87.2%	-1,52,610	101.3	2.0%	-6.8%
Telangana	2.37	-4,327	39,665	9,29,452	86.9%	-1,82,567	23.4	-4.8%	-7.6%
Punjab	2.09	-2,375	9,849	5,52,876	88.0%	-1,13,623	56.1	-22.9%	4.4%
Kerala	1.57	-2,043	14,672	4,00,156	87.3%	-1,30,118	27.3	-7.1%	0.8%
Odisha	1.35	-1,576	3,085	3,07,360	88.9%	-1,16,771	99.6	-22.0%	2.6%
Unknown State #	1.16	-1,181	11,492	2,90,983	83.6%	-1,01,827	25.3	-20.5%	21.0%
Chhattisgarh	1.01	-1,058	3,509	2,46,991	89.1%	-1,04,721	70.4	-26.3%	1.2%
Assam	0.84	-754	1,682	1,34,871	90.5%	-89,747	80.2	-35.4%	9.1%
Himachal Pradesh	0.51	-475	977	77,406	88.2%	-93,149	79.2	-22.7%	1.0%
Jharkhand	0.47	-519	2,092	1,11,543	89.4%	-1,10,511	53.3	-21.7%	9.2%
Jammu & Kashmir	0.38	-456	938	78,027	89.5%	-1,20,095	83.2	-22.4%	7.5%
North Eastern States	0.23	-232	446	41,437	87.0%	-1,00,830	92.9	-23.3%	2.6%

Note: "Unknown State" refers to records where state-level information was either not available or was incorrectly captured in the source data.

Table 46: Distribution of Profit-Makers and Loss-Makers (FY25 and FY26)

Year	Category	Traders (Lakh)	Net P&L (₹ Crore)	Avg Per Person Loss (₹)
FY25	Loss(>10CR)	88	-2,060	-23,40,69,762
	Loss(1CR_10CR)	5,394	-10,368	-1,92,21,871
	Loss(10L_1CR)	2,14,009	-46,762	-21,85,069
	Loss(1L_10L)	16,10,700	-48,883	-3,03,486
	Loss(10K_1L)	30,94,285	-11,721	-37,879
	Loss(Upto_10K)	39,92,771	-1,135	-2,844
	Profit(Upto_10K)	6,10,032	127	2,078
	Profit(10K_1L)	1,93,125	661	34,246
	Profit(1L_10L)	77,549	2,408	3,10,492
	Profit(10L_1CR)	14,540	3,648	25,08,995
	Profit(1CR_10CR)	916	1,888	2,06,11,627
	Profit(>10CR)	23	409	17,79,79,347
FY26	Loss(>10CR)	71	-1,660	-23,38,70,081
	Loss(1CR_10CR)	4,712	-9,121	-1,93,57,495
	Loss(10L_1CR)	1,83,406	-40,107	-21,86,800
	Loss(1L_10L)	13,91,710	-42,313	-3,04,037
	Loss(10K_1L)	25,09,302	-9,658	-38,489
	Loss(Upto_10K)	28,05,807	-839	-2,992
	Profit(Upto_10K)	5,77,128	135	2,347
	Profit(10K_1L)	2,61,977	918	35,041
	Profit(1L_10L)	1,05,612	3,218	3,04,682
	Profit(10L_1CR)	18,751	4,626	24,67,240
	Profit(1CR_10CR)	1,102	2,377	2,15,69,570
	Profit(>10CR)	34	740	21,75,39,789

Table 47: Trading Outcome of Profit-Makers vs Loss-Makers in EDS (FY22-FY26)

Year	Category	Traders (Lakh)	Gross P&L (₹ Crore)	Trans. Cost (₹ Crore)	Trans. Cost (as % of Gross Profit)	Net P&L (₹ Crore)	Avg. Net Profit (Per Person)
FY22	Loss-Makers	36.10	-38,683	8,225	-21%	-46,908	-1,29,975
FY23	Loss-Makers	50.00	-57,262	14,364	-25%	-71,626	-1,43,223
FY24	Loss-Makers	72.90	-69,073	18,797	-27%	-87,870	-1,20,469
FY25	Loss-Makers	92.83	-1,00,096	22,708	-44%	-1,22,803	-1,32,288
FY26	Loss-Makers	71.69	-83,023	22,456	-35%	-1,05,479	-1,47,132
FY22	Profit-Makers	5.80	7,905	1,822	23%	6,083	1,04,519
FY23	Profit-Makers	7.60	8,497	2,618	31%	5,879	77,152
FY24	Profit-Makers	12.70	16,712	3,654	22%	13,058	1,02,900
FY25	Profit-Makers	11.00	12,994	1,978	18%	11,015	1,00,138
FY26	Profit-Makers	11.32	16,127	2,333	21%	13,794	1,21,853

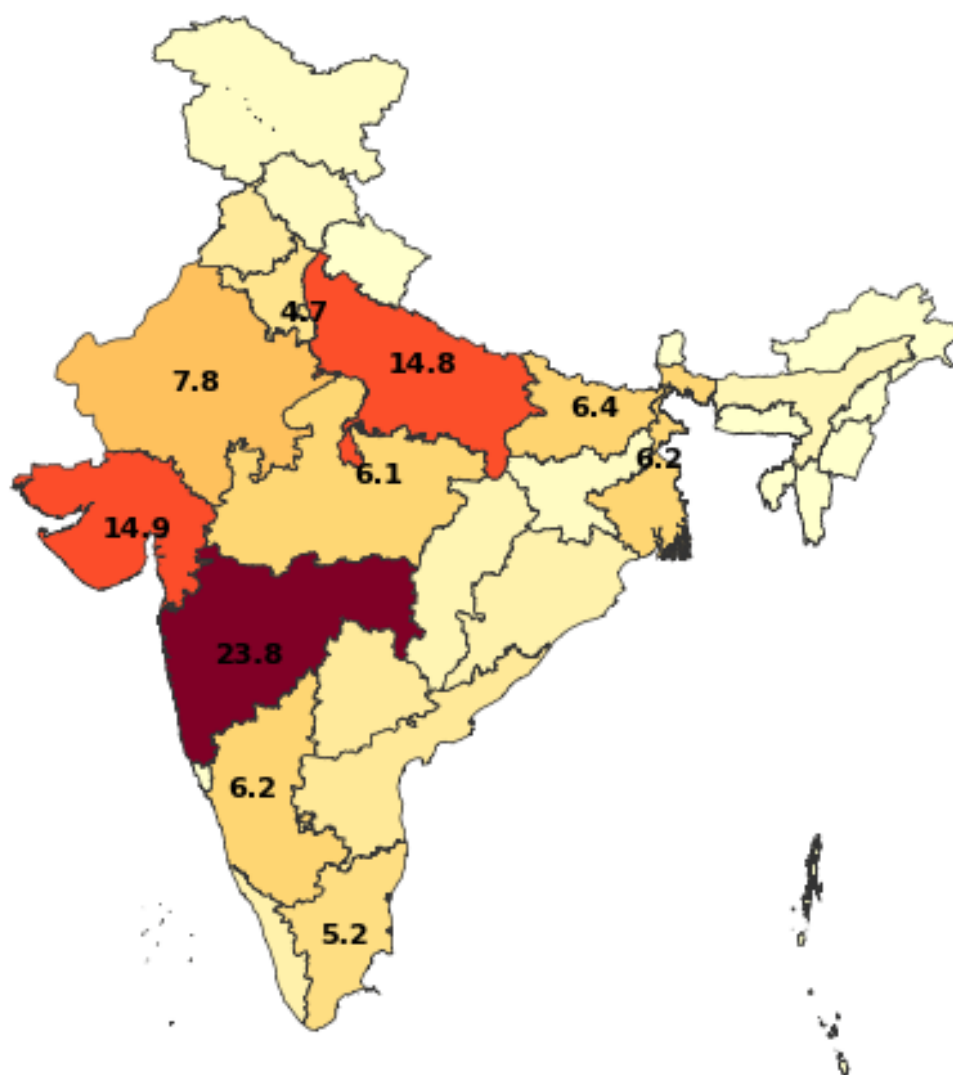
Table 48: New Entrants and Exits from EDS

Year	Total Traders (Lakh)	New Traders (Lakh)	New Traders (% of Total)	Exited Traders (Lakh)	Exit Rate (% of Prior Year Base)	Net Addition (Lakh)
FY22	51.38	30.13	59%	4.2	16%	25.9
FY23	66.98	29.64	44%	10.94	21%	18.7
FY24	95.6	43.05	45%	14.56	22%	28.5
FY25	106.2	34.26	32%	26.01	27%	8.2
FY26	87.53	20.77	24%	45.68	43%	-24.9

Table 49: Trends in Quarterly Profits and Losses

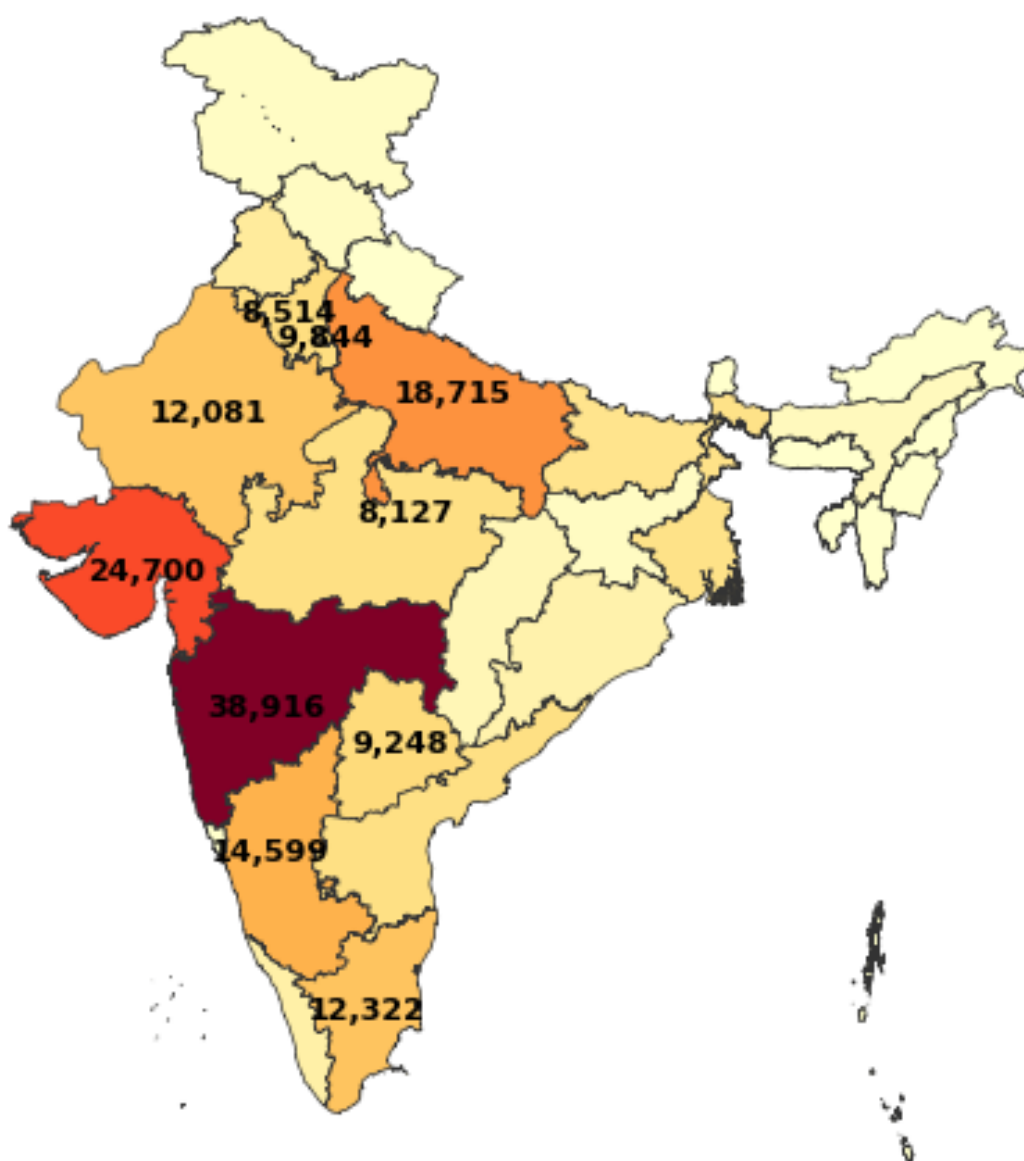
Quarter	Futures	Options	Total in EDS	Quarterly Nifty Returns
FY25Q1	3741.3	-25018.1	-21276.8	7%
FY25Q2	-622.1	-26522.6	-27144.7	8%
FY25Q3	-7692	-29138.9	-36830.9	-8%
FY25Q4	-4754.5	-21781	-26535.5	-1%
FY26Q1	2050.6	-18877.6	-16827	9%
FY26Q2	-2483.2	-20419.3	-22902.5	-4%
FY26Q3	750.8	-19398.3	-18647.5	6%
FY26Q4	-8080.6	-25227.9	-33308.5	-15%

Chart 48: State-wise Participation by Individuals in EDS (FY25-FY26)
(Number of Traders in Lakh)



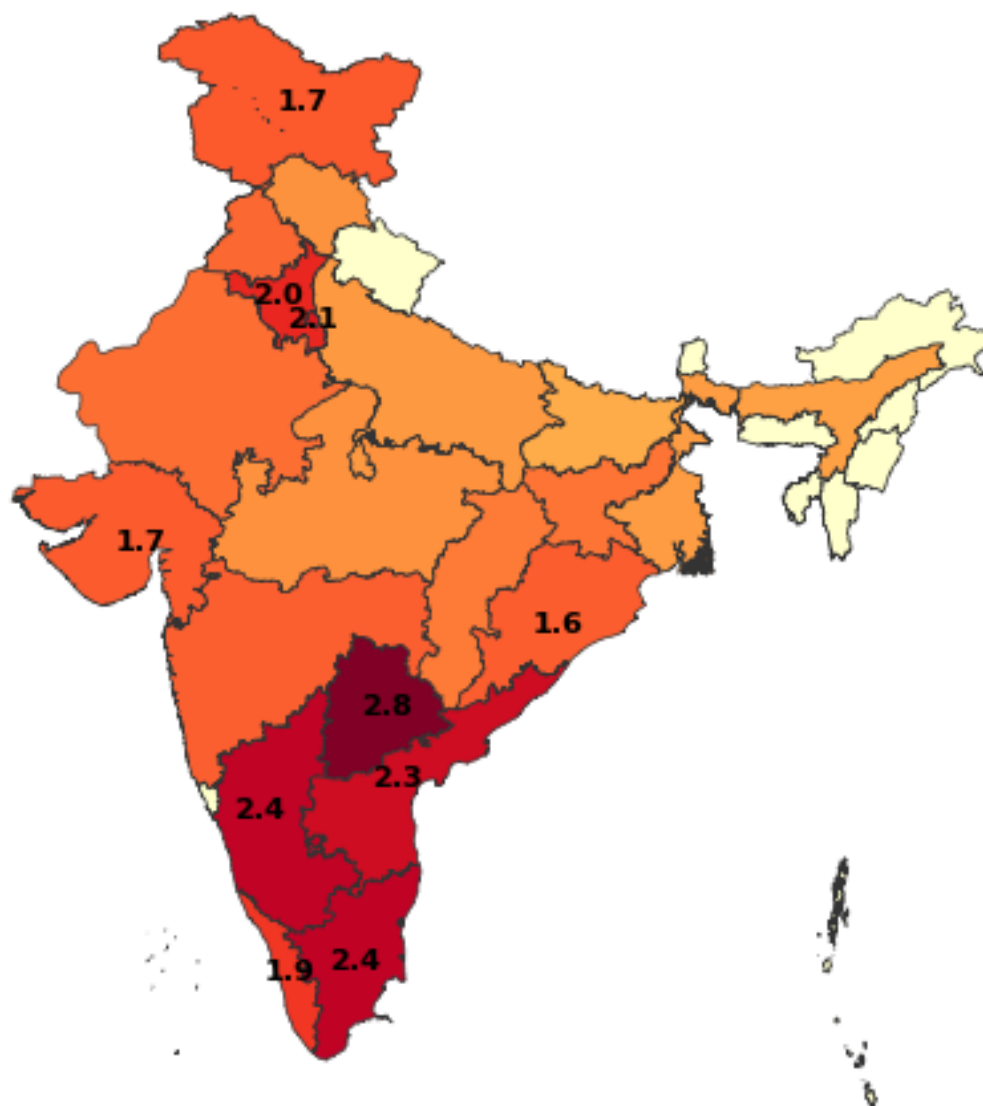
Note: Total traders in EDS at national level during FY25-FY26 – 122.6 lakh; Data labelled for the top 10 states

Chart 49: State-wise Aggregate Losses by Individuals in EDS (FY25-FY26)
(Amount in ₹ Crore)



Note: Aggregate losses in EDS at national level during FY25-FY26 – ₹ 2,03,473 Crore; Data labelled for the top 10 states

Chart 50: State-wise Average Per Person Losses by Individuals in EDS (FY25-FY26)
(Amount in ₹ Lakh)



*Note: Average loss per person in EDS at national level during FY25-FY26 – ₹ 1.66 Lakh;
Data labelled for the top 10 states*

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