

RISK DISCLOSURE

RISK DISCLOSURES ON DERIVATIVES

- 9 out of 10 individual traders in equity Futures and Options Segment, incurred net losses.
- On an average, loss makers registered net trading loss close to ₹ 50,000.
- Over and above the net trading losses incurred, loss makers expended an additional 28% of net trading losses as transaction costs.
- Those making net trading profits, incurred between 15% to 50% of such profits as transaction cost.

Source:

1. [SEBI study dated January 25, 2023 on "Analysis of Profit and Loss of Individual Traders dealing in equity Futures and Options \(F&O\) Segment", wherein Aggregate Level findings are based on annual Profit/Loss incurred by individual traders in equity F&O during FY 2021-22.](#)

A. Equity F&O Segment

Client Identification No.	Period	Product Category	Age	Gender	Income Group	City	PIN Code	No. of transactions during period (Buy+Sell)	Realized trading Profit/Loss excluding transaction charges during period (Rs.)	Transaction Cost (Rs.)					
										Brokerage + Clearing Fee	Exchange Fee	Stamp Duty	SEBI turnover Fee	STT	GST
	Period 1	Index Futures	<20	M	<5Lacs										
	Period 2	Index Options	20-30	F	5-10L										
		Stock Futures	30-40	Others	10-25L										
		Stock Options	40-50	Not sepe	25-50L										
			50-60		50-100L										
			>60		>100L										
			Not Available		Not Available										

Notes:

1. Client-set: All Individual Clients (which includes HUF and NRIs; excludes Proprietary traders, institutions, partnership firms etc.)
2. Segment: Equity F&O
3. Period: Financial Year
4. Client level realized trading Profit/Loss during the period is considered.
5. With regard to cases where 1 leg of transaction falls under the period, while the other falls outside, explanation is given as under-
 - **Example 1:** Period: April 2018 to March 2019. Consider Contract-A with expiry in April 2018.
Contract- A purchased & sold in March 2018 - will not be considered
Contract- A purchased in March 2018, sold in April 2018/ settled on expiry - will be considered
 - **Example 2:** Period: April 2018 to March 2019. Consider Contract-B with expiry in April 2019.
Contract- B purchased & sold in March 2019 - will be considered
Contract- B purchased in March 2019, sold in April 2019/ settled on expiry - will not be considered
6. Contracts resulting in physical delivery of stocks may be excluded.
7. For PIN Codes - correspondence address may be considered.

B. Cash Segment

Client Identification No.	Period	Age	Gender	Income Group	City	PIN Code	No. of transactions during Period (Buy+Sell)	Daily Average holding value during Period (Rs.)	Max. holding value during Period (Rs.)	Realised Trading Profit/Loss excluding transaction charges during Period (Rs.)	Transaction Cost (Rs.)						
											Brokerage + Clearing Fee	Exchange Fee	Stamp Duty	SEBI turnover Fee	STT	GST	
	Period 1	<20	M	<5Lacs													
	Period 2	20-30	F	5-10L													
		30-40	Others	10-25L													
		40-50	Not sepe	25-50L													
		50-60		50-100L													
		>60		>100L													
		Not Available		Not Available													

Notes:

1. Client-set: All Individual Clients (which includes HUF and NRIs; excludes Proprietary traders, institutions, partnership firms etc.)
2. Segment: Cash Segment
3. Period: Financial year
4. Client level realized trading Profit/Loss during the period is considered.
5. For computation of Client level realised profit/loss in cash segment during the period, only transactions where both legs (buy and sell side) in a scrip are executed during the period, are considered.