MCX/SEC/2783 November 11, 2026

To,
Listing Department
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai - 400001.

Ref: Scrip code: 534091 Scrip ID: MCX

Subject: Transcript of the "Earnings Conference Call" with investor(s)/analyst(s) on Q2 FY-2027 results.

Dear Sir,

Please find enclosed herewith transcript of the "Earnings Conference Call" with investor(s)/analyst(s) held on Wednesday, November 04, 2026, at 16.00 p.m. (IST) on Q2 FY-2027 results.

The said transcript is also uploaded on the website of the Company at https://www.mcxindia.com/investor-relations/shareholder-information#ir-meeting

Further, we hereby confirm that no unpublished price sensitive information was shared/discussed during the said earnings call.

Kindly take the same on record and acknowledge receipt.

Thanking you,

Yours faithfully,

For Multi Commodity Exchange of India Limited

Manisha Harshad Thakur
Digitally signed by Manisha Harshad Thakur
Date: 2026.11.11 22:38:59 +05'30'

Manisha Thakur
Company Secretary

Encl.: As above

“Multi Commodity Exchange of India Limited

Q2 FY27 Earnings Conference Call”

November 04, 2026

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Management:

- **Ms. Praveena Rai - Managing Director & Chief Executive Officer, MCX**
- **Mr. Manoj Jain - Executive Director - Regulatory, Compliance, Risk Management & Investor Grievance, MCX**
- **Mr. Sanjay Rajpal - Executive Director - Critical Operations, MCX**
- **Mr. Chandresh Shah - Chief Financial Officer, MCX**
- **Mr. Praveen DG - Chief Compliance Officer, MCX**
- **Mr. Ramesh Varakhedkar - Chief Business Officer, MCX**

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Moderator: Ladies and gentlemen, good day, and welcome to the Multi Commodity Exchange of India Limited Q2 FY27 Earnings Conference Call.

Joining us on the call are Ms. Praveena Rai, Managing Director and Chief Executive Officer, MCX; Mr. Manoj Jain, Executive Director, Regulatory Compliance, Risk Management and Investor Grievance, MCX; Mr. Sanjay Rajpal, Executive Director, Critical Operations, MCX; Mr. Chandresh Shah, Chief Financial Officer, MCX; Mr. Praveen DG, Chief Compliance Officer, MCX; and Mr. Ramesh Varakhedkar, Chief Business Officer, MCX.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Praveena Rai, MD and CEO, MCX. Thank you, and over to you, ma'am.

Praveena Rai: Hello! The MCX management team and I are very happy to give a warm welcome to our shareholders, investors and analysts, and all shareholders to this MCX earnings conference call for Q2 FY27.

So, we are very happy to bring results for FY27, another quarter with strong operational and financial performance. This strong performance in Q2 reflects the continued trust of market participants and the growing relevance of the exchange in our evolving commodity ecosystem.

During the half year, our consolidated total income increased to INR1,600 crores, a 99% growth year-on-year, while revenue from operations grew to INR1,501 crores, a 101% increase year-on-year, with EBITDA increasing to INR663 crores. This results in an EBITDA margin of 75% and PAT increased to INR868 crores with 117% year-on-year increase. These results demonstrate the scalability of our business model.

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Operationally, the quarter witnessed significant growth across our markets. The average daily turnover grew to INR12.6 lakh crores, and this is a 20% increase from last quarter at INR10 lakhs and nearly double of what we saw same quarter last year. This reflects a wider adoption of commodity derivatives by market participants as well as improved liquidity.

Client participation has been encouraging. Last year, you would recollect that our number was 20.9 lakh traded clients. And in the first half of this year, we've come very close to that number at 19.8 lakh traded clients. This highlights the increased awareness and acceptance of commodity derivatives as an effective tool for hedging and investments.

Earlier in the year, we launched the silver 100-gram futures contract. That's seen good traction. We have more than about INR100 crores of ADT running on this new contract. The Gold 10-Gram Futures that was launched last year is also proving to be popular. Silver with micro-options, 30 kg, 5 kg and 1 kg are all in very significant play. There are more products at various stages of the process in terms of a launch pipeline and announcements will be made at the appropriate time.

To facilitate a longer planning horizon and better hedging through extended periods and taking feedback from market participants, MCX has also commenced far-dated futures contracts in several commodities. This is required by both corporate as well as financial institutional participants. So, futures contracts now extend expiring up to 12 months in aluminum, copper and zinc and up to 18 months are available in the crude oil contracts.

To provide certainty of delivery allocation location, single and distinct delivery locations have further been introduced. So, you would recollect that this action was taken for some of the metals earlier in the year as well as last year. Now for lead and zinc, the delivery locations have consolidated to Chennai and Thane, respectively, whereas for the mini contracts of lead and zinc, they are at Palwal and Kolkata, respectively.

These changes in delivery location effective from November 2026. We also expect that this will smoothen out certain operational challenges requiring multiple GST

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registrations of suppliers and buyers, so they can focus on the location pertaining to their specific contract of interest. We hope these changes in the contract specification will ease and incentivize hedgers to further use ETCD, that is exchange traded commodity derivatives to manage their commodity price risk.

We've seen a very healthy growth in hedgers. The hedgers in bullion include importers, traders, jewellers. We have pretty much most of the large players in the ecosystem who hedge their purchase or supply or inventory on the exchange. Similarly, in the case of energy, oil and gas, there are a number of hedgers, both SMEs as well as industrial organizations.

For example, this would include some of the glass fabricators and so on, who extensively use the contract to hedge their risk. On the metals, we have very vibrant participation from SMEs, from fabricators, from traders as well as some of the larger organizations that have now started hedging on the exchange. Agriculture is a growing space. We've seen good deliveries on cardamom as well as some of the other agriculture products.

Now we also conducted the Global Commodity Conclave in the month of August. So, this was a first-of-its kind conclave held over 3 days. The objective of the conclave was really to bring financial and physical market participants together. It helped in really increasing the awareness of how these 2 groups of players can work more closely together and broadly improve participation for hedging purposes across the board. We have received extremely good feedback on the exchange, which saw very wide participation, both from within and outside the country.

Alongside this, I'm very happy to announce that as per the regulatory requirement, we acquired 2 executive directors, one leading vertical 1, which is technology and market operations. So, we have Sanjay Rajpal, who's joined us. He's here at the call with us, and he joins from Amazon, having completed very deep tech roles covering operations and development at very high degrees of scale. We look forward to him adding a lot of value to our technology and operations at the exchange.

Similarly, at ED2, which is the regulatory and Risk and compliances department, we have Manoj Jain. Manoj Jain was promoted from Chief Compliance Officer to

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Executive Director and looking forward to his contribution on the Board as well as leading this function.

We have our Chief Business Officer also, Ramesh, on this call, who's joined the organization earlier this month; and our Chief of Innovation, who will be leading some of the AI and innovation activities that we are currently in the midst of.

Our Chief Risk Officer, DG Praveen, has also been given the additional responsibility of the Chief Compliance Officer, while he continues in his interim role as the Chief Risk Officer. So, these are very strong additions and changes in the leadership, which we expect will really support the strategic direction of the organization.

Our technology scaling has been significant in the last few months, where we have nearly doubled our, kind of, capacity. The reference to the kind of peaks that we can look at on a per day basis, and we've already seen the kind of numbers that we are able to support with this, in a very seamless manner.

For over 2 decades, MCX has played a very pivotal role in strengthening India's commodity markets through transparent price discovery and effective risk management solutions. As we look forward, we continue to stay focused on the strong foundation. We want to deepen the market participation, expand product portfolio and invest further in technology and innovation.

Thanks to our regulators, members, participants, investors, our entire MCX team and all stakeholders for their continued trust and support. Thank you.

Chandresh Shah: Riya, we can start the Q&A.

Moderator: Yes. Thank you very much. We will now begin the question-and-answer session. First question is from the line of Sameet Sinha from Macquarie.

Sameet Sinha: A quick question. I mean, recently, SEBI wrote about improving or giving FPIs more access to kind of the products that you offer. Can you provide us a sense of how big that could be and how that could open up more markets? Have you had any initial discussions with FPIs, any sense of demand and any sense of timing?

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And my second question is, you had a very strong second half last year. And I know you don't give guidance, but if you can help us think through how we should think about how the second half can emerge, that will be helpful. Thank you.

Praveena Rai: Thank you, Sameet. I think when it comes to FPIs, of course, the regulatory consultation paper was announced after a lot of due diligence with all the concerned stakeholders. We do believe that FPIs are looking to play a role when it comes to how the Indian markets are really working when it comes to commodities.

So, we do have FPI participation now. We have about 250-odd FPIs onboarded. We have FPI volumes coming in on the contracts where they are permitted currently, which is on the cash-settled energy contracts. So, we do expect over time, as they get onboarded, once the final circulars are out, that they will play a role -- increasing role in the exchange for commodity derivatives.

Your second question on how we really see H2 playing out, I think, as you rightly said, if we look at the trajectory that we've seen, I think we see a healthy improvement and healthy increase in the baseline when it comes to participation products and not just certain segments of participation, but participation across segments. And I think this gives us the confidence that there is a new baseline with every step of growth that our business is really seeing here now.

Exactly what it will be and how each quarter will play out, of course, we will be how the platform serves the purpose. So, the platform serves the purpose to manage price risk in times of volatility. These are all commodities which have a baseline volatility, and then there are times of increased volatility. So, I think these 2 will both play a role in terms of what exactly to expect out of this.

Moderator: Next question is from the line of Prayesh Jain from Motilal Oswal Financial Services Limited.

Prayesh Jain: Just an extension of the previous participant's question. So FPIs have been permitted in the cash-settled commodities for quite some time now. We haven't seen a significant scale up. So could you highlight some - as to what is really needed for them

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to kind of scale up these volumes, whether it's co-location, whether it's product diversity, product liquidity?

What is the kind of -- because we've seen this opening up… and direct market access was also given. All those things are also done, but yet we have not seen a significant scale up. So that's question number one. Question number two, you kind of...

Chandresh Shah: Yes, Prayesh go ahead.

Prayesh Jain: Question number 2 is you alluded to some new products that can come. And is there some concrete pipeline with respect to a few products that could come, say, in the next 6 months? Because we've been hearing about products for quite some time now. Recently, any new product launches that you have planned for future?

Praveena Rai: Yes. So, on FPI, we've had participation in the contracts where they are permitted. And I don't think we expect or would like any single segment of participants to become a very large contributor in a certain way. So, I think they are healthy participation currently and growing as we see it in the single-digit numbers, in the late single-digit numbers.

And I think whenever we've had conversations, we've seen a heightened interest when it comes to India-specific contracts, especially the contracts where there is a price discovery and delivery linkage happening within the Indian context. So that's really the groundwork that has gone into the interest of this segment. So of course, we'll have to really watch the numbers and execute to the plan.

To take your second question on new products, I think we've had a series of products launched between last year and early this year. We also have feedback from the market to pace the products so that the market has to absorb, do the groundwork in the physical industry as well as, for the financial and broking industry to understand the product and start participating it and so on. So, we are also pacing our pipeline suitably. We'll certainly make announcements at the right time. But we do have a pipeline.

Moderator: Next question is from the line of Madhukar Ladha from J P Morgan.

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Madhukar Ladha: We are seeing quite a sharp increase in product license fees and also in technology costs. Simultaneously, regulatory costs are coming down. So, can you help us understand what is really driving the license fees? And how should we think about the regulatory costs as well?

Praveena Rai: Yes, it's a very good question. So, I think when I look at the tech costs, the tech costs are really driven by the incremental expenses associated with enhanced capacity. So, we have significantly enhanced our capacity in the last few months.

And this comes with its associated maintenance and various other running expenses. So that's the kind of -- that's the jump that you're really seeing in the technology line. Chandresh, would you like to address the others?

Chandresh Shah: So, Madhukar, the sharp increase that you see in product license cost is mainly -- it is linked to our turnover. So, it relates to the product license fee for crude pricing that we are using from CME. So, it is linked to -- and it is -- it would be mostly in proportion to the increase in the volumes of the business.

And on your second question on the regulatory cost being lower. So, in August 2026, SEBI has come out with a circular where they have rationalized the calculation of SGF, the settlement guarantee fund requirement, and it's linked to the Z-score method. So that has been brought down from 10 to 5, and that has resulted in a significant, I would say, reduction in the requirement of SGF.

So whatever SGF contribution we have made so far is sufficient, and we don't foresee that in coming few quarters we will have to invest further. So that's the reason the contribution to statutory and regulatory funds is looking at slightly lower in the Q2.

Madhukar Ladha: Understood. Just a follow-up on the IT expenses. So, you mentioned that this is part of creating enhanced capacity. So, is that sort of capacity now built and is there any sort of onetime element in it? Or do you think this will be the more continued run rate for this line item? So, this would be sort of the maintenance expense going forward?

Praveena Rai: Yes. No, these are -- this is not a onetime thing, because onetime goes into the capex line, right? So, these are associated expenses, which are running expenses for this increased capacity. And let's say, we have a good problem, as long as we are expecting

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growth and we are planning for growth; we'll continue to efficiently make these investments and there would be associated operating expenses there.

Madhukar Ladha: Understood. Understood. Can you sort of just segregate what is the running sort-of IT-related expenses at the current capacity? And if you could give a sense of what the capacity is right now. I'm not sure how exactly do you measure the exchange capacity as such. So, if you could help us understand that.

Praveena Rai: Yes, we measure it in terms of the volume that can be supported, the volume. I mean there are many metrics, yes. I think that will be quite a conversation. The volume per month, volume per day. There are many metrics on which we look at capacity, and there is an entire capacity management planning exercise based on which various activities take place.

Some could be optimization, performance optimization, some could be infra increase, some could be. So various actions would be taken depending on where in the technology, this scale-up needs to happen. So, it's absolutely a continuous activity.

Moderator: Next question is from the line of Amit Chandra from HDFC Securities.

Amit Chandra: So, ma'am my first question is on the FPI participation that we had announced the plans to migrate the primary matching engine and the data center operations to a new location. So, update on that in terms of where we are in terms of the shift? And also, if we can draw a parallel that maybe the FPI trading or the FPI participation may start when the shift happens or these 2 events are not linked. So, this is my first question.

Praveena Rai: That's fine, Amit. Good to connect with you. So, these 2 are very disconnected points. I don't think we should -- there are many things going on. There are new products, new participants, new segments of participants, etcetera, etcetera. On the other hand, to support broader business growth, we need to scale.

Existing -- so scale is such that from a capacity standpoint, we are well placed, and we continue to work on this and making preparations for the kind of requirements we'll have for future scale. So, in this regard, planning for sort of operational expansion is where the data center was being considered.

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And after interaction with stakeholders and a lot of inputs that were received, this is being reviewed in a lot more detail. It's a move that requires this consultation exercise. And once an optimum approach is arrived at, this will be communicated accordingly. So, I just want to make sure that there's no misunderstanding on any linkage between these 2. These are very independent actions and activities.

Amit Chandra: Okay. And my second question is on the participation. Obviously, we have been seeing a very healthy increase in the active UCCs and in terms of the overall -- the participation metrics. So, in terms of the mix, are we seeing more retail participation on the platform coming into MCX from the discount brokers?

And also, in terms of the shift from prop to retail, is it still happening or the prop trading has seen some kind of moderation post the change in the bank guarantee rules? Or is it at the similar levels where it actually used to be?

Praveena Rai: No, I think the good thing is there is increase in participation happening across the board. So, we are very happy to see the increased total numbers coming in, which represents, of course, a larger retail participation and deeper interest there. But we are similarly seeing participation growing in other segments, including the prop segment.

Contribution-wise, it has not changed, Amit. When we look at the RBI circular, it came into effect from July. So, I wouldn't say that -- is the impact hidden within the larger growth numbers -- I think that's difficult to kind of predict because we do know that there has been -- the controls have got established where some level of credit to the market has been squeezed. But contribution-wise, we see them to be the same, and we are keeping a close watch on this.

Moderator: Next question is from the line of Devesh Agarwal from IIFL Capital.

Devesh Agarwal: Just on this bank guarantee again, if you could share how the mix has changed because this has been going on since July. And I'm assuming some unwinding would have happened. So, in our margin money, has the contribution of bank guarantee come down? And what do you think going forward, will there be any impact of that? That will be my first question.

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Praveena Rai: So that's what I've explained, Devesh. From the numbers that we see, we don't see a significant impact in the proportionality of the contribution. Having said that, how really this -- the fund management is happening to compensate for the regulatory impact is not something that we will be able to comment on. Maybe there is some impact happening there. But the net-net of it is that the contribution impact continues to be in proportion.

Devesh Agarwal: All right. And secondly, when we see that the tax rate this quarter has been higher, is it to do with your discontinuation of SGF contribution? And is this the new normal tax rate that we should be assuming going forward?

Chandresh Shah: Devesh, hi. This is Chandresh. So, Devesh, yes, SGF contribution has been reduced. That has definitely increased the profit. So, one impact is there because of that. But on the effective tax rate, our subsidiary, MCXCCL, they have made a provision of tax. And based on the SEBI circular, we have re-evaluated our annual tax -- effective tax rate, and that has been applied on this results. So, the impact is coming in Q2. I think going forward, we would be seeing the rate closer to 25%, effective tax rate.

Devesh Agarwal: Understood, sir. So, is there an element of 1Q tax which we have booked in 2Q?

Chandresh Shah: Yes, it is YTD impact. So, if you look at H1, it is close to 25% only.

Moderator: Next question is from the line of Sanketh Godha from Avendus Spark.

Sanketh Godha: Sir, my question is again on this SGF cost, which if I do as a percentage of the transaction income, it comes to closer to 3.3%. Typically, we used to provide 8%, but I understand that circular brought it down. So, is it fair to say that given open interest and the transaction incomes are linked to your trading activity, so this 3% to 3.5% kind of SGF cost is the new recurring line item going ahead? Or do you see this number to correct further?

Chandresh Shah: So Sanketh, the current contribution for Q2 does not include the SGF portion. This is for other contributions that we have to make to IPF, ISF, those kind of things and other regulatory payments.

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Sanketh Godha: So basically, then quantum of SGF what we have in the balance sheet should be good enough for the future years. And so therefore, incrementally, we are probably not required to increase our SGF requirement, sir?

Praveena Rai: Yes. So, I think, Sanketh, we can't say that this will be future years. I think what we believe that maybe for a few quarters, is it 2 quarters, 3 quarters, it's difficult to say. But for maybe a couple of quarters, there is some buffer, after which we'll have to restart the contribution. But we expect that it will be far more optimized as compared to how it was in the past.

Sanketh Godha: Okay. Understood. Ma'am, just one small clarification because to the extent I understand SGF is linked to -- predominantly to the open interest what you have on your exchange. So, at what threshold level of open interest, this current SGF what is there in the balance sheet, is good enough?

Chandresh Shah: So Sanketh, it is not just open interest. Actually, it's a very complex calculation for the requirement of SGF MRC. So, open interest is definitely one of the parameters, but there are a lot of other things also. So, like Ma'am said, at least for a few quarters, we don't foresee any further impact coming on this. But we do keep reviewing it every quarter and every year.

Sanketh Godha: Understood, sir. And lastly, can you...

Moderator: Sorry to interrupt, sir. Could you please join with your follow-up question?

Sanketh Godha: Okay, sure.

Moderator: Next question is from the line of Ansuman from ICICI Securities.

Ansuman: I have just 1 question. You mentioned about the increasing longer tenure products. And obviously, the regulatory environment is also towards longer-term products. So, should we gradually expect your premium to notional ratio in options to kind of inch up gradually? That will be my question.

DG Praveen: Not immediately because it is like products of just -- new contracts have been launched. It will take time as the market matures; I think we'll have to see. But again,

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premium to turnover depends on several factors, okay? So, we cannot take only one factor and we cannot tell.

Ansuman: Understood. But is it fair enough to say that right now, it is close to around 1%. Will it be kind of at that level or go up or kind of create a bottom, or you really don't know in terms of which way?

DG Praveen: Totally depending on the market because there are several factors that will influence the premium to turnover ratio. It can be volatility. It could be the, what kind of contracts are getting traded, what kind of duration is there for that contract. So, several factors play in.

Moderator: Next question is from the line of Prateek from Monarch PMS.

Prateek: I just have one question. Since SEBI tightened...

Moderator: Sorry to interrupt, sir. Your voice is really low. We cannot hear you clearly.

Prateek: Am I audible now?

Moderator: Yes, go ahead.

Chandresh Shah: Slightly better now.

Prateek: I just had one question. So, since SEBI tightened the rules on equity F&O, there's been an expectation that some retail traders might move to commodities. So, can you give us some sense like, for example, in the last couple of quarters, the new clients that you guys have onboarded, do you see them like leaning towards smaller ticket contracts? I mean, just want to get some idea on that.

Praveena Rai: Yes. See, it's -- I don't think we can comment on how this is related to equity F&O. But the fact is there's been a lot of work with all our members who work with retail clients in terms of increasing awareness on safe investing and trading on commodities, the common ledger practices that have been introduced, a lot of groundwork on making sort of screens more amenable.

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In fact, we've even launched a series of 2 to 3-minute digital videos on how to understand and simplify and start trading and investing in commodities. So, I think there's been a slow and steady effort across the board, working with both members and in the market to create increased awareness on safely investing in commodities.

So, there will be, of course, a larger picture on why investors prefer the platform. And then there are, of course, efforts from the industry and ourselves in that regard. And I think we are slowly starting to see these numbers play out.

And the numbers have not really in any way come anywhere near the kind of equity numbers, and they need not and that's not the objective either. I think people -- we would prefer to have the more mature participation, where they are well aware of the product portfolio while they are participating.

Prateek: Got it. So, you have not seen basically any specific trend as to the new clients that we are onboarding, whether they are moving towards more of a smaller ticket size or a standard size.

Praveena Rai: Small ticket products, micro products, they are oriented towards SMEs. They are oriented towards wherever outlay can't be afforded. Not everyone can afford to invest or trade in the 1 kg gold, which goes into very massive value numbers.

So that's where the range of products lies to make sure that the product is amenable to various cash outlay and affordability and need-base of various kind of participants in the market. So, I believe that the product should be oriented and working on in those lines.

Moderator: Next question is from the line of Aditya Makharia from Emkay Global.

Aditya Makharia: Yes. Ma'am, firstly, I wanted to congratulate you on the excellent scale-up you have done in gold and silver, with volumes almost now on expiry day reaching close to INR100 lakh crores. My question is on the metal side, okay, which is indices you launched across aluminium, steel and all of those, lead. What is the market sizing potential in the sense, can it be as big as gold and silver structurally? Or are these inherently much lower in terms of the opportunity size?

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Praveena Rai: So, we believe there is a lot more headroom in the metal segment. Copper for one is really demonstrating a lot of growth and momentum. and has opportunities to scale. Will the metal segment reach the kind of levels that precious metals do? We don't expect that.

There is certainly growth, and they have good potential to grow. But even when we look at the numbers globally, the large commodities do tend to be oriented towards the precious metal side. And easier to understand broader kind of participation that is there, all of those elements fall into place.

Aditya Makharia: Sure. And just a second question, ma'am, obviously, your exchange is doing so well. But clearly, the other exchanges also want to catch up with you on commodity side. So, I understand we are still about 90% plus, but any guideline where you feel market share could settle? Could it be 80% or 75%, maybe 3 to 5 years down the line?

Praveena Rai: You tell me. We can't make any prediction like that. I think we are certainly taking competition seriously. And not much headway has been made till now in terms of the competition for us to lose share.

But yes, we do respect the kind of efforts in market. And I think overall it will help the market to grow, bring in more participation and improve the maturity of the commodity ETCD markets in India. Over time, how this will exactly play out, we don't know. But of course, MCX will do whatever is required to be very competitive and hold our space here.

Moderator: Next question is from the line of Smitha Mohta from Samriddhi Finvest

Smita Mohta: Am I audible?

Moderator: Yes, you're audible.

Smita Mohta: So actually, I had 2 questions. One is out of the revenue growth which we saw currently in this quarter, how much will you attribute to volume growth or production mix shift or fee realization or volatility? Like it is product, volume, fee, or volatility for the volume growth? What would you attribute?

Praveena Rai: Volume, growth, what was the next one?

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Chandresh Shah: Fee and volatility.

Praveena Rai: See, volume growth and volatility are linked, right? There will always be volume because these are all products that are inherently have a certain extent of volatility, making them fit-for-purpose and for participants to hedge their risk on the platform. However, of course, we do see -- we are in times of greater uncertainty, and that does lead to increased extent of volatility and hence, volume is related to that.

Fee, there's no fee multiplier at all really from our side to that extent. So, I think it's -- that's the simple fact. Sorry, not able to choose from your options, but trying to answer, I think, what you're looking for.

Smita Mohta: And do you think that this EBITDA margin is sustainable?

Praveena Rai: So, I think we will continue to focus on how our profitability is planned for the year. That's the way we plan our expenses and our, sort of, numbers every quarter, and this is something we've seen over years now that sometimes we have a great Q3, sometimes we have a great Q1.

So, we would be less oriented towards putting too much focus on a particular quarter. And that's why I also started open by speaking about our H1 numbers because they bring Q1 and Q2 into force. And we will continue to see how Q3 and Q4 play out. But broadly, we will continue to invest in the business, and that will have certain cost implications, but we will do it smartly and we will do it efficiently.

We don't expect that significant changes will be there when it comes to EBITDA numbers. However, we will have to account for the need of scale and also the kind of technology changes in the market, information security risks that we face and the kind of innovation road map that we need to be in the midst of, to address all these needs and the opportunities that we believe are in front of us.

Smita Mohta: We introduced one new product in 2025 in the energy space. So how far it can bring good...

Moderator: Sorry to interrupt, ma'am. Could you please rejoin the queue for follow-up questions?

Smita Mohta: Sure.

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Moderator: Next question is from the line of Ankush Modi, an Individual Investor.

Ankush Modi: First of all, congratulations on a very good set of numbers. So, I have just a couple of questions. One is that while we are doing extremely well over the last couple of years, I mean the results have been spectacular, what are the top 2 or 3 risks that MCX is trying to address in the market? That is one question.

And second is in the past couple of weeks, we have seen a couple of cybersecurity attacks on some platforms. So as MCX, are we now considering any specific measure that we would like to take to strengthen our cybersecurity further or provide something similar on this platform? So, these will be my 2 questions.

Praveena Rai: Yes, very good question. Thanks, Ankush. So, I think there are 2 top risks. Of course, there are -- any organization has a number of risks. And given our CRiO is also sitting here, I'm sure he will give a long list. But the top 2 really in our line of business would be volatility, right? Because times of volatility create opportunity, times of volatility create risk as well.

So, what really keeps our team up is to make sure that when markets are volatile, our surveillance is on track, our sort of making sure that there's no way that the market integrity suffers in any way because that's really the trust we commit to the market. So, I think managing volatility, looking at all internal parameters, making sure margins are on track, settlements are on track, trades are fructified, all these tend to be of very high importance. And as you rightly pointed out, I think cybersecurity in the last 2 weeks, I think we've had so many incidents globally… and certain AI attacks, certain simple silly ones as always somebody leaving sort of an access vulnerable with some sort of Internet open connectivity.

So, I think we have our eyes very firmly and clearly there between our CISO and our ED. They spend a significant amount of time. In fact, each one of these cases, we immediately review against our internal systems. But more than that is the proactive sort of actions that are taken. So, cybersecurity continues to be and -- I'd say it always was but now has truly heightened focus within the organization.

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And I think as AI becomes more prevalent, our ability to similarly use AI to protect ourselves against AI, etcetera. So, we are working on many fronts. As a national critical infrastructure, we also work very closely with the central organizations, so from a knowledge sharing and various perspectives. I think those are also extremely helpful to really keep us at the top level and really on the edge and ready for any circumstance.

Moderator: Next question is from the line of Harish Kumar Gupta, an Individual Investor.

Harish Kumar Gupta: Hello. Ma'am, I have a question related to which commodities have FPIs started participating according to the new circular?

Praveena Rai: FPIs are currently permitted in crude oil and natural gas. And electricity, but we see them active in oil and gas.

Harish Kumar Gupta: And what about the new circular for non-agri commodities like gold and silver? Is trading started there, or will it not happen at all?

Praveena Rai: You are reading media reports; it has not been formalized yet. We are also waiting.

DG Praveen: It has not been formalized yet.

Praveena Rai: It has not been formalized yet. We are also waiting.

Harish Kumar Gupta: Okay, but after it is formalized...

Moderator: Sorry to interrupt, sir. Can you please join the queue for follow-up question?

Harish Kumar Gupta: No, it is a related question only. I was saying that it was only for gold and silver. I just want to be clear.

DG Praveen: Physical delivery, it is compulsory in all physical delivery contracts.

Praveena Rai: All non-agri.

DG Praveen: Non-agri.

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Moderator: Next question is from the line of Ganesh Radhakrishnan, an Individual Investor.

Ganesh Radhakrishnan: My question is related to the electricity derivatives. Could you give me some kind of numbers, how did we perform in Q2 compared to Q1 and what kind of market share we have? And related to that, what I see is that in developed countries, the derivatives volumes are many multiples of what is happening in the spot exchanges. Unfortunately, in India, it seems to be a fraction of it. So, could you throw some light like what kind of investments you're making to make it popular and to increase the volume in the derivatives?

Ramesh Varakhedkar: Okay. For the quarter 2 average daily turnover, what we did was around INR77 crores per day for electricity. And for the first half, we have done INR57 crores. And currently, we have a market share of around 75%. So that's where we stand.

OI is around 1,500, 1600 lots, and we have a good depth. It's not that the contracts are being traded only in the current month. We also see the volumes and open interest in second and third month, which shows that there are some VCPs who have been using this market. So overall, we think that this can be a big market going ahead. So that's one of the focus products for us, and we have been working on that.

Ganesh Radhakrishnan: Fair enough, sir. But in terms of...

Moderator: Could you please join the queue for follow-up question?

Ganesh Radhakrishnan: Okay.

Moderator: Next question is from the line of Vinay Nadkarni from Hathway Investments Private Limited.

Vinay Nadkarni: Just one question. Can you just quantify what is the impact of not providing SGF in Q2 and in H1?

Chandresh Shah: So, since we have not provided it, we'll not be able to quantify, but you can see what we had provided in Q1. It is there in the disclosure notes. So, a similar kind of number could have been there in Q2 also.

Moderator: Next question is from the line of Aditya Yadav from Transient Capital.

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Aditya Yadav: Congratulations to the management team on a spectacular performance. Ma'am, just harping on to a previous participant's question. We spoke about the competition part, how they have given sincere efforts, but not have been able to scale the volumes on the open interest there.

But just yesterday, one of your leading competitors came out with their results. And over there, they showed a massive ADT jump. It's small. It's like a fraction of what you guys are at, but it was still a big jump in terms of H1 performance. And plus, there was also a disclosure regarding retail versus algo, like proprietary flow where the retail seems to be catching up on the platform.

So, I mean, previously, the comment used to be -- like generally, the feedback in the market used to be that there's not much of retail, it's just the algo flow, the bulk algo flow on the competitor's platform, but retail seems to be catching up as well.

And just an extension of that question, for the crude product, I suppose they have a different benchmark. So how does that play? I mean, does it favor you because you have like incumbent volumes or there is a need -- there is a demand in the market for a different benchmark as well.

Praveena Rai: Thanks, Aditya. So, I don't think we'll comment on what competition has put up in their report, working of whatever is the small baseline that was there.

Aditya Yadav: I understand, ma'am. Qualitatively, just the direction seems to be...

Praveena Rai: Yes, I'm just finishing. So, when we look at what activities and efforts are being taken in the industry, of course, they are of an intense nature. Like I said, we are not taking it lightly, and we continue to stay very focused in how deeply we understand, and we work with the industry because this is an expertise and knowledge built over more than 25 years now.

Now when you look at retail versus algo, I think the point you're making is not on MCX, you're making this point for competition. And I guess you're alluding to the fact that this may indicate certain stronger presence that is developing and building up.

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So, I think we are not ignoring or ignorant of that fact. Like I said, there will be some sort of market expansion that will happen always as a result of competitive activity, and we do welcome that. At the same time, we are taking our actions in terms of how we need to stay as the commodity market of choice when it comes to various segments of investors and traders.

To the benchmark that you mentioned, as far as the knowledge that we have, the large contracts we work on are in the case of energy also available at the competitive exchange. And I believe there might be another new contract that has been launched.

So, I think we do our homework quite deeply in terms of understanding what is the criteria on which to choose contracts to trade on and what may be successful and meet the requirements of various participant segments. So, contracts do need scale, the physical market to have scale, the physical market to have some degree of volatility.

And also, if there is an external benchmark being used for the benchmark to be a tradable benchmark. If these criteria are not met, then we do tend to do our due diligence a lot more before we really step in there. But we continue to keep evaluating many options, and we will make announcements in due course.

Moderator: Thank you. Due to time constraint, this will be the last question from the line of Sameet Sinha from Macquarie.

Sameet Sinha: I guess 2 quick questions. First one is, obviously, the EBITDA margins that you had this quarter were your highest ever. And you kind of elaborated on SGF and I guess that makes a part of the difference. But if you look at a few years down the line, 2, 3, 4 years, 5 years even, what is kind of the terminal EBITDA margin potential -- and I know it's very volume-driven, but if volumes continue at a decent pace, is your terminal 70%, 75%, where could it get to? And that's pretty much it.

Praveena Rai: Yes. Sameet, you opened and closed the call. I think we have already addressed this question. I don't think we really want to put a number or a projection around the EBITDA margins. As said, in a growth environment, we are keeping pace with the growth. We are building and shaping the markets as is required for various kind of

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participants and segments, institutional participants, corporates, SMEs, wealth management, traders, retail.

So, as we look at this, we are looking at both growing the depth of the market. We are looking at growing the width and scale of the market, building equal liquidity across existing portfolio as well as bringing in new products as will be required, relevant where we see potential for scale in India. Across all of this, it will require us to continue to make investments and continue to grow the technology, focus on innovation, look at our risk and compliance as well as the kind of business efforts we need to make in market.

So, these efforts will continue. And as opportunities open up, we will, of course, be wanting to address these opportunities as and when they arise. So, we do believe that the baseline having improved and is improving quarter-on-quarter, we expect the baseline growth to sustain. And EBITDA will be a result of the actions and activities that the exchange will have to undertake.

Moderator: Thank you. Ladies and gentlemen, that was the last question of the day. I would now like to hand the conference over to Ms. Praveena Rai, MD and CEO, MCX for closing comments.

Praveena Rai: Yes. Thank you. Thank you for organizing and conducting this call so well. And thank you to everyone who's joined. We had all the esteemed participants, investors, analysts, individual investors who joined the call and spend their quality time and giving us very good quality questions.

As always, it's sort of -- while we respond and answer to your questions, it also leaves us with thoughts and thinking that we take back to the drawing board in terms of how we need to stay on track to our plans and execution thereof. So, thank you very much.

Moderator: Thank you. On behalf of Multi Commodity Exchange of India Limited, that concludes this conference. Thank you for joining us, and you may disconnect your lines.

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