

MCX/SEC/2685

May 18, 2026

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 Q4 FY-2026 results.

Dear Sir,

Please find enclosed herewith transcript of the “Earnings Conference Call” with investor(s)/analyst(s) held on Monday, May 11, 2026, at 16.00 p.m. (IST) on Q4 FY-2026 results.

The said transcript is also uploaded on the website of the Company at <https://www.mcxindia.com/investor-relations/ir-meetings>

Further, we hereby confirm that no unpublished price sensitive information was shared/discussed during the said earnings call.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

Encl.: As above



“Multi Commodity Exchange of India Limited

Q4 FY26 Earnings Conference Call”

May 11, 2026

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MANAGEMENT:

MS. PRAVEENA RAI – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER, MCX

MR. RISHI NATHANY – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER, MCX CCL

MR. MANOJ JAIN – CHIEF COMPLIANCE OFFICER, MCX

MR. CHANDRESH SHAH – CHIEF FINANCIAL OFFICER – MCX

Moderator: Ladies and gentlemen, good day and welcome to the Multi Commodity Exchange of India Limited Q4 FY26 Earnings Conference Call. Joining us on the call are Ms. Praveena Rai, Managing Director and Chief Executive Officer, MCX; Mr. Rishi Nathany, Managing Director and Chief Executive Officer, Multi Commodity Exchange Clearing Corporation Limited; Mr. Chandresh Shah, Chief Financial Officer, MCX; and Mr. Manoj Jain, Chief Compliance 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 touchtone 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: Thank you, very much and good evening, everybody. It's wonderful to be here. Warm welcome to all the participants joining us for the call. It's been a good year with good results, and I'm very pleased to report this, very exceptional year, building strong momentum that we have seen in earlier quarters, and we've had a robust close with the last quarter as well.

This performance reflects strength across our volumes, the product innovation as well as market participation. And it reinforces the relevance of commodity derivatives in India's financial ecosystem. Now for this quarter, we have delivered a strong performance. There is growth across all key financial parameters. There is improvement in trading activity as well as participation across all our segments.

During the year, we navigated periods of high volatility and challenging market conditions across multiple commodities, including potential delivery risks, which were all very strongly, rigorously and effectively managed with minimum disruption to market functioning. In fact, I would say, I call it one of our highlights of last year that the market integrity was maintained at the highest level despite a lot of broader economic risks that came our way.

For the full year FY '26, the consolidated revenue from operations more than doubled to INR2,302 crores, and this was supported by nearly 2.5 times increase in the average daily turnover across both futures and options. The profit after tax crossed INR1,300 crores and EBITDA at INR1,774 crores, reflected both the scale benefits and the continued cost discipline.

To strengthen the commodity derivatives ecosystem, we've initiated a focused drive '*Price in India : Hedge in India*'. This promotes and deepens hedging participation within India for SME as well as corporate hedgers. Institutional and retail investors have also increasingly embraced the commodity asset class, leading to broader and deeper market participation.

Our product development efforts focused on contract innovation and enhanced expiry frameworks contributed to deeper liquidity as well as wider market access. Importantly, the growth we are witnessing is structural, along with taking advantage of cyclical tailwinds.

Increasing participation from a diverse set of market participants, improving awareness, acceptance of commodity derivatives, introducing more participants to both the hedging instrument as well as the asset class, positions us well for sustained expansion. Looking forward, we are confident in our strategy, positioned to capitalize on the next phase of growth in India's commodity derivative market.

As we scale, we are focused on the highest standards of governance, risk management and market integrity, strengthening infrastructure, continuing to invest in our technology and delivering a seamless trading experience will be top priorities. Our emphasis will be on innovation, liquidity enhancement and long-term value creation for all our stakeholders.

We thank our regulators, member brokers, participants, our partners and all stakeholders, including our shareholders, for their continued trust and support in MCX. I now conclude my opening remarks and happy to take questions. We have our management team here with us as well.

Moderator: Our first question comes from the line of Shrenik Mehta from IndoAlps Wealth.

Shrenik Mehta: I just wanted to check regarding the statement that you made about a large part of this growth being structural. And what are the factors that you're seeing, which is helping you to say that... We see clearly bullions really driving most of the volumes and the bullion volatility is also driving a lot of this picture. If you could throw some light, it will be fantastic.

Praveena Rai: Yes. So, our two big drivers of volume are energy and bullion. We've seen growth across both of these. While of course, bullion has had a much higher growth, and we are very happy about that. It has grown more than 4 times, the energy growth has also been good and strong over a very high base. So, this really makes both of them strong constituents for MCX.

Now globally and in India, we see there are certain points in time when the requirement around bullion will be stronger, and there will be times when the requirements around energy will be stronger and perhaps times when both are equally important. So, we do see that they both create that sort of balancing with and alongside each other.

And this, along with the kind of opportunity in the Indian space, the kind of commodity markets needed to support the growth in the country, the sort of early growth stage in which the overall market is, of which MCX is a large participant, all create that structural foundation. There's still a lot more opportunity when it comes to what can be done regulatory-wise, policy-wise, etcetera. And we believe over the years, that will also play out. So yes, there is a cyclical component, but there is a deep structural component also.

Shrenik Mehta: Okay. So, you believe really the momentum is continuing the way you see the trend in the last few months?

Praveena Rai: So, we believe the coming year will be a strong year. Exactly how each quarter will play out, of course, we'll wait and see how the numbers are. But we believe the year will be a strong year.

Moderator: Our next question comes from the line of Devesh Agarwal from IIFL Capital.

Devesh Agarwal: Firstly, congratulations to the entire team for a great set of numbers. Ma'am, my first question would be there was a consultation paper, which talked about allowing FPIs into gold and silver contracts. So one, if there is any update you can give us? And secondly, what is the contribution that we have from FPIs in the energy products, that is, crude oil and natural gas?

Praveena Rai: Thank you very much for the wishes. So having FPIs to participate broadly in the commodity space going beyond the cash-settled segment is certainly critical on the agenda. It's something that there has been a fair amount of debate and consultation. As you know, there's also the consultation paper that is out there. We are also contributing strongly in it. So, we will, of course, wait for the results of this paper to come out. And then we will take it forward from there.

Now the FPI contribution, as you know, is primarily in the energy segment because it's the cash-settled segment. Our onboarding of FPIs has been strong. The pipeline is also strong. The contribution currently stands at about 2% to 3% of ADT. And within the Energy segment, they are a significant contributor.

I would say that they are in the double-digit contribution of energy, while at the broader MCX level, they will be at about 2% to 3%. And we see this number growing.

Devesh Agarwal: All right, ma'am. And secondly, ma'am, if hypothetically, if we were to say that regulator allows colocation in commodities, in what time we'll be able to roll out these services to the traders? What is the preparedness that we have to introduce colocation services?

Praveena Rai: If this were to get permitted by the regulator, we'll be able to take this to market fairly soon within the kind of market requirements required. So, we don't think we will have -- we will not be on the back foot there.

Devesh Agarwal: Understood. The only reason to ask this was because the competition already offers colocation services in equities. So, they are already at it. And do we also have prepared to kind of introduce within a month or so?

Praveena Rai: Yes, Devesh. We do have our plans in place, and we'll be able to activate them at short notice.

Moderator: Your next question comes from the line of Amit Chandra from HDFC Securities.

Amit Chandra: My first question is on the increase in the UCC that we have seen. So, for the full year, it's up by 64% and very heartening to see this. But obviously, it is because of onboarding of some of the discount brokers, non-discount brokers. So, is it fair to assume that the increase in the UCC is in the base or we can see furthermore participation in terms of more retail clients coming and trading on to the commodities because in terms of number of people trading, we are at 35% of what it is there in equities. So... and what is driving such a steep expansion in terms of the people who are trading on the commodities? Is it only the volatility or you see some active participation across -- or it is more like broad-based?

Praveena Rai: So, Amit, we would want to see a sort of democratic increase in participation without being overly aggressive in any one space. I think I'm quite happy with where we stand on the retail side. We don't believe that everyone who is an equity investor will end up becoming a commodity investor.

So, we are seeing the numbers ramp up steadily and evenly and we will continue to retain our efforts in that growth. A lot of actions that have been taken that we have worked with the market as well, as you said, with digital members, digital brokers, looking at things like the consolidated ledger, looking at user experience of MCX trading vis-a-vis the equity markets.

I think a lot of work went into that last year, and we are seeing the benefits of that. We think there is more user experience opportunity to streamline, and we continue to see interest in the retail segment. Having said that, as we look at the numbers from the AMCs, the mutual funds and many other segments like wealth and so on, so, we do believe that retail will also find these channels to start participating in the commodity market. So not all of this will be very straight. And there has been regulatory action where there is a lot more flexibility and opportunity that mutual funds will see in the coming months, when it comes to increasing the kind of commodity exposure in their portfolios. So, we think retail will participate in all these ways. And overall, we'd like to see that broader multi-segment participation to grow.

Amit Chandra:

Okay. And ma'am, my second question is in terms of the product pipeline. Obviously, you have mentioned last time also that we are -- we will be launching some of the metal contracts. So, where we are in terms of the launch of some new products, which can further diversify our volume contribution?

Plus, in terms of the index options scaling up, is it only the FPIs not being allowed into non-cash settled commodities-- is the only bottleneck there or is there some other things which is stopping the index options to scale up? And secondly, there was an article in the newspapers, which talked about some weekly contracts also being considered in the index side. Like, wanted your views on that?

Praveena Rai:

Yes. So, I think I'll first comment on this newspaper article, and we've, in fact, put out our own response on X, that misleading media information is really getting published. So, I will not really comment on that. But the question that you asked on -- what was the core question? ... Yes. On product pipeline, we do have a strong pipeline. We had a certain number of products that we wanted to look at last year, and we launched according to what we thought the market would be appropriate in taking. We are prepared with our next lot of products. And we -- again, we will look at the suitable requirements in energy, in metals, as well as other segments.

Now amongst the indices, interestingly, while we did talk a lot about the BULLDEX options, we found that this created a lot of interest in the future segment. And we are taking the feedback from the market in focusing our attention on futures on indices as well along with options. We will also be looking at moving further on METALDEX this year. So, there will be more work on the indices side as we both deepen and expand that portfolio.

- Moderator:** Your next question comes from the line of Mitesh from Axis Capital.
- Mitesh:** Most of the questions have been answered. Just on the participation side, how have been the trends in the participation in the month of April and May so far?
- Praveena Rai:** Mitesh, I don't think we are commenting on this quarter. I think we'll have to take your question in the next call. But there's no dramatic cause for concern.
- Moderator:** Your next question comes from Akhilesh Bhatte from Ampersand.
- Akhilesh Bhatte:** Congratulations on a good set of results. I had 2 questions. So first one was regarding your competitor launching multiple bullion products and energy products in the last quarter and -- maybe from last year onwards. So, what are we doing to sort of protect market share here?
- Praveena Rai:** So Akhilesh, yes, we are watching the space very closely. It is a large competitor. And yes, they have made their intention felt in the market with a lot of focus that they are placing on commodity segment. From whatever we see, our bullion numbers remain untouched when it comes to market share over the last 2 years.
- Some recent activity on changing expiry dates and so on, in the energy segment is leading to some kind of shallow, 1-day-in-a-month activity. So, I think it's also quite misaligned with the sort of global structuring on which our contracts are based and that is required for the integrity of the contract.
- So, at this stage, I think we don't want to be reacting and making any moves, which are not cognizant with the way commodity products should operate. Being highly focused on the space, we understand the structuring of these products and what the market needs. So, we will stay focused on continuing to drive participation in the existing portfolio and looking at what the market needs by way of new products. So, creating that awareness, bringing in new participants, creating more hedgers, all of those core actions are in play. And I think they're keeping us in good stead.
- Akhilesh Bhatte:** One more question regarding RBI launching new lending norms for prop traders. So, I just wanted to understand if you have done any sort of analysis on the sort of volumes that will be hit or maybe what sort of volumes are coming in from small prop traders versus big prop traders, if we have any numbers around that?

Praveena Rai: So, the RBI lending norms, the way we see it could have a potential impact. RBI, of course, has given further extension allowing the market to plan their mitigating factors, and we are also in touch and working with our members on the same. So, there will be a certain segment of members, across all segments of the trading markets who will have some of their credit lines impacted from this.

Moderator: Your next question comes from the line of Makarand Bhosekar from Proinvest Nirmiti.

Makarand Bhosekar: Am I audible?

Praveena Rai: Yes.

Makarand Bhosekar: Congratulations on good set of numbers. As we see a very good sequential growth in numbers of top line, I was expecting a kind of better expansion in margins, but somehow the product license fees and other expenses line items grew faster than the revenue. So, we could not see the expected margin expansion. So, can you tell me if there is any one-off in these line items or we can expect these as a normal base?

Praveena Rai: Makarand, we are in growth phase, and we are looking at actions to keep the market very, very relevant and to look at how we really develop the commodity markets to meet the requirements of the industry as well as the country, as we have to mature and have more sophisticated offerings available across the board.

And we have to keep our technology expense, our expense on our investments on people. All of these elements have to be built out, continue to be built out, to be ready to execute the plans that we have. So, if you are asking whether our focus is going to be on margins in the coming months, our focus will be on efficiency. Our focus will be on ensuring that whatever we do, is done in a manner that is most efficient on cost and smart. But the focus is not going to be on spending less. We have to continue to spend smart and do the right thing to be prepared for the future.

Makarand Bhosekar: Okay. So, there was no one-off item, right?

Praveena Rai: No.

Makarand Bhosekar: Okay, thank you. My next question is, as you said in the first -- answering the first question, that you are expecting the momentum to be continued. But when we look at the April

numbers, the volume seems to have dipped down quite a bit. So, do you think that we will be able to continue the sequential momentum?

Praveena Rai: So, we do believe that we will have a strong year. Now will every year -- every quarter be a big jump over the previous quarter, perhaps not. And we do see cyclicity in our business. We have seen that year-on-year where there are some quarters that are better than other quarters. So, there will be macro factors that will play out. There will be cyclicity that plays out. And I think in the broader context, we are in a strong and good place.

Moderator: Your next question comes from Lavanya from UBS.

Lavanya: Congratulations on good set of numbers. Most of my questions are answered. Just wanted to check on some of the cost line items. Software support charges, I mean, it has been quite stable compared to the jump which we have seen last year in Q4. And second is on the SGF spend. So, this time, we have taken a much higher contribution to SGF. So, how should one see this trend going ahead?

Chandresh Shah: Lavanya, this is Chandresh. So, the SGF spend is more to keep our reserve fund in a healthy position. So that it helps us in taking some decisions and mitigate risk. So, we always maintain the SGF at a healthy level, and we'll continue to do that. And it is in line with what we see the business going up and how it is growing. And also, SGF is a requirement of SEBI, and it is computed based on the formula and calculation methodology given by SEBI. And I think the other question you already answered that it is very much in line, software support.

Lavanya: Okay. Software support charges should be stable and incremental from here and most likely, we should see no jump in Q4. Is that something one should build in?

Chandresh Shah: So yes, like ma'am explained in the previous caller's response, so we are into growth phase, and we will keep investing in the business as and when what is required. The only thing is that it will be done very efficiently. So, when the business requirement is there, expenses will be incurred.

Moderator: Your next question comes from Vedant Agarwal from IIFL.

Vedant Agarwal: First of all, congrats on a great set of numbers. So, I wanted to understand 2 book-keeping numbers. So, what has been the interest income on margin money for 4Q FY '26 and for the whole year FY '26? And I also wanted to again touch upon other expenses like we have seen

a sharp jump in 4Q. So, what has been the key driver behind this? So, these are the two questions?

Chandresh Shah: Yes. So, this quarter, we have seen some increase in the margin money in terms of cash with the subsidiary, and that has helped in some increase in the income from that - INR59 crores in this quarter as against INR22 crores of previous year.

Vedant Agarwal: Okay. INR59 crores in this quarter versus INR22 crores of last year?

Chandresh Shah: Yes, quarter 4.

Vedant Agarwal: Quarter 4, okay. And also, if you could justify the increase in other expenses for this quarter?

Chandresh Shah: I think ma'am already answered in one of the previous responses that the expenses are incurred to meet our market development activities and business-related professional charges.

Moderator: Your next question comes from the line of Bharat Shah from BCS Capital Ideas Limited.

Bharat Shah: Hearty congratulations for very distinguished and defining results. I had 2 questions. The first one, in this very -- what prima facie appears to be a win-all kind of scenario where volumes are rising rapidly. We have increased number of market intermediaries. We have increased number of clients through those intermediaries?

And our product engine is working well. And all of this is resulting into dramatic growth rates across our product lines and the businesses. In such a very positive scenario, what can go wrong if something has to go wrong? And what can actually unravel or disturb the kind of great velocity that the engine has acquired?

Praveena Rai: So, I think it's a fantastic question. And we, of course, track all risks at every stage. Certainly, operating risk is number 1. And I think we've spoken in the past at length that, while the market offers opportunities, the ability to operate and deliver to that opportunity is really not something one takes for granted. So, whether it is the platform, whether it is our surveillance, whether it is our risk management, the operations of CCL when it comes to margins and collateral, each and every element of this gets challenged when there is a high degree of uncertainty in the market. So, this is a risk we are very cognizant of. I would say we spend most of our time on, in addition to all the other levers that you spoke about. I would think this is a hidden lever to add to that list.

The second is certainly the competition risk. I think this question was asked. So, we are cognizant that we have not had a strong competition really and have been a majority market share player, how to continue to be agile on our toes, continue to innovate, sort of challenge ourselves and really be our own competitor is the best way to state that off. So certainly, that risk again holds a lot of our attention.

And of course, I can go with a long list, the regulatory risk, et cetera, being in MII, our entire focus on working within the compliance framework, again, something that takes a lot of our attention with a strong compliance team, our investor services and relations, et cetera, et cetera. So, I think this will -- if you ask me, probably cover the top ones.

Bharat Shah:

Praveena Ji, I did not mean routine or regular threats, whether management competence will be there to match the competition. Obviously, that remains an ongoing issue of vigil, both within MCX as well as by the outside investors. Whether there can be regulatory oversight, which can curtail the remit of the business, obviously, some -- such issues will always be there in the horizon. I did not really mean things of this kind. I mean, operational routine risk, competitive risk, these are given. I mean they have to be there for any good management to deal with and to fight on.

What I meant was, for example, if you look at IEX, the energy Exchange, out of the blue, the market coupling issue has come. And that is very clearly derailed the situation because market price discovery is the key function of an Exchange. And when that gets taken away, then the role of liquidity and management in order to facilitate that efficient discovery becomes commoditized.

And therefore, Exchange becomes commoditized. And we are seeing how IEX is struggling with that issue. If you look at, for example, in the equity market, 3 years back, in the options, the share of BSE was next to nothing. I mean it was just a shade above 0. And today, in about 3, 3.5 years, it has climbed to, on an incremental basis, to almost about 37%, 38%. I mean, that kind of a change is truly a dramatic one. So, issues which are not in the realm of recognition because when things are good and healthy, risks don't look very real, and they appear distant in the horizon, but that's actually where the....

Praveena Rai:

Yes, Bharat ji, sorry. In the interest of time, if I may come in. I think I get what you're saying. I think I sort of touched upon those. And I think the examples that you gave are in the realm of

uncontrollables. So, I think we will be unable to really comment or really react to that question.

Bharat Shah: Okay. There is nothing that you are...

Moderator: Sorry, to interrupt.

Bharat Shah: No, I'm just finishing my first question. Please allow me to complete. Is there anything in the realm of recognition that you are concerned about or worried about?

Chandresh Shah: No, we are not worried about anything specific.

Bharat Shah: Okay. My second and last question is.

Moderator: Sorry to interrupt. Mr. Shah, may we request you to keep the questions brief. As I believe there are questions -- this is not the first question.

Bharat Shah: This was the first question in the context of which I raised the question. If you can allow me to complete it, it will be faster.

Moderator: Sir, may we request you to join the queue for any follow up questions. Your next question comes from the line of Bhavya Sanghvi from Alchemy Capital.

Bhavya Sanghvi: Congratulations on a great set of numbers. Most of my questions have been answered. Just one book-keeping question. Can you give me the transaction charges for the quarter and split it up between options and futures?

Chandresh Shah: So Bhavya, futures revenue for Q4 is INR242 crores and options revenue is INR569 crores.

Moderator: Your next question comes from the line of Subramania, an Individual Investor.

Subramania: Congrats on a great set of numbers. My questions have been previously answered.

Moderator: Your next question comes from the line of Dharmil Shah from Dalmus Capital Management.

Dharmil Shah: Firstly, congratulations on the great results. My first question would be on the similar lines like previous participants have inquired about, on the competition. So, like Bharat sir mentioned that equity Exchanges are getting into, not just the largest one, but I mean the other one has also shown some interest, in getting into the commodity side. So, just wanted to check, I mean, what are the key factors or drivers that would change retailer mindset to

shift from -- retailers or I mean rather any trader shift from MCX to other Exchange? I mean, what incremental do these Exchanges have to offer so that they gain some market share?

Praveena Rai: As I said, of course, competition is critical to watch out for, and we should not take the competitive stance lightly. So as equity Exchanges enter into the commodity space, there could be some natural sort of synergies they have there. However, the biggest moat really is the liquidity we have in our contracts. So, while it may be a tad easier, not much.

As I said, we've done a lot of work on user journeys and so on and so forth, and we continue to do so. So, while there could be -- it could be a tad easier, the real benefit for any participant arises from the fact that they are there in a liquid Exchange, they can enter and exit as they require, and they benefit from the overall investing or trading activity.

So, I think these are critical for us. And we think these are the biggest moats that we have. But we'll continue to work in the space without ignoring the fact that we should overcompensate for any experiential simplicity that may be available to users otherwise.

Dharmil Shah: Understood. And -- last question would be, again, there is one article in the newspaper today about some regulations being relaxed for agri commodities. So, do you think that could scale up in coming years? And what could be the size as -- I mean could it be as big as energy or bullion or -- just a rough sense there?

Praveena Rai: Sorry, I don't think there is this article, but I'm not able to comment on the backdrop to it. Of course, we are in discussions and working groups with the industry and the regulator to look at various kind of policies that the industry and market require. And agriculture is one of them. So, we are participating. And I think whatever opens up in that space will be beneficial. And we will also be looking at how we play a stronger role there. I wouldn't be in a position to share more than this at this point, please.

Dharmil Shah: Just jumping back to the first question, you mentioned that liquidity is the core thing that MCX has for commodity derivatives. But like in case of equities as well, I mean, BSE had gained within 2 years from -- I mean they had also 0 liquidity in that sense. So, what -- I mean what could go wrong in MCX as well? I mean just wanted to understand that liquidity -- I mean, there are -- if these Exchanges are coming up with more innovative products, which might seem more attractive to the investors and could the liquidity over time, I mean, build up for them as well?

- Praveena Rai:** I think we gave our comments earlier that these are uncontrollables that we will not really be commenting on. At this stage, the commodity market is at a fairly nascent to high-growth stage. Certain actions might take place in mature markets with different objectives. So -- but having said that, this is not a space that we can really comment on. It's not an actionable in our control.
- Moderator:** Our next question comes from the line of Madhukar from JPMorgan.
- Madhukar:** I have just one question. On SGF, how comfortable are we with the SGF position right now? And what is our sort of continuing policy in terms of what percentage of transaction charges are we contributing? Have we put out that number definitively sort of? Yes. That's my question?
- Rishi Nathany:** Yes. So, on SGF right now, we are in a comfortable position. We have a very good cushion on SGF.
- Chandresh Shah:** And Madhukar, we have not put out any percentage or anything of transaction charges for SGF.
- Madhukar:** Got it. So, is there sort of a number in terms of what volume option premium or futures that we would be comfortable with and beyond which we would require? I know some simplistic measure to just know that?
- Rishi Nathany:** So, Madhukar, it's just not a function of numbers. It's also a function of volatility and the margin levels. So, it's a combination of everything. So as volatility would increase or volumes would increase simultaneously and OI would increase, then only with the SGF requirement increase. So, it's very difficult to predict all the moving parts altogether. Having said that, we are in a very comfortable position regarding SGF. And as and when we have the requirement, we'll plan for it.
- Moderator:** May we request you to return to the queue for any follow-up questions, please. The next question comes from the line of Madhu Gupta from Quantum AMC.
- Madhu Gupta:** Congratulations for a good set of numbers. I just have 2 questions. First is, what is the revenue that you've earned from the electricity derivative contract and the transaction charge, which started in FY '26, the trading of electricity derivatives. That's the first question. The second question is you recently won the license to set up a Coal Exchange. What is the road map

there? What is the addressable market size? And how do you plan to set up the Exchange? And -- yes, if you could share some plans regarding that? Those are my two questions?

Praveena Rai:

So, electricity contracts are still in early stage at this stage, rather than tracking revenue, we look at the membership, onboarding, trading, throughput, so on and so forth. So, we are happy. We've got about 50 participants from the commercial participant side and a large number of members who contribute and trade, the UCC numbers also are going up month-on-month.

When it comes to coal, the coal Exchange is an independent entity. It will not be part of MCX as a company. It will operate as a subsidiary. Since we are an MII under the regulatory ambit of SEBI, we required the SEBI approval to go forward in this line of business.

The line of business we see is closely associated with what we do as a commodity derivatives Exchange, establishing a spot market in coal where there is a mechanism that exists. However, there is a lot of opportunity for structuring, consolidation, common platform pan-India and so on.

So, I think that's the opportunity we are looking at, and we are in the early stage of establishing that entity and taking it forward. At the right time, of course, the suitable regulator in that space will then form the rules, we'll have to apply and et cetera, et cetera. So, there is -- there are steps left before the actual entity starts getting operational.

Moderator:

The next question comes from the line of Deepak Ajmera from IGE India.

Deepak Ajmera:

Congratulations on a good set of numbers and excellent leadership. My question is on electricity derivative. Ideally, the potential for this market is significant. And what sort of initiative, whether it is Ministry, Exchange regulator or anything to develop this market that - on that you are working, if you can highlight, that will be helpful?

Praveena Rai:

Yes. Thank you, Deepak. I think we are very excited about the electricity contract, right, from launch to date, it has been growing month-on-month in its participation and presence in the market. We do work with the regulators, both the SEBI and CERC, but more importantly, a lot of work with the state regulators because a lot of policy really comes from the state. Converting a few DISCOMs is a very important part of the plan. It takes more time, but I think we are at a point where some of that is going to come in as well.

Looking at large traders who operate on the spot market has been important, and those were some of the early steps that have been taken, and we are starting to see some of the members and participants in the power space starting to participate regularly there. So, staying engaged with both the production side, be it solar or other producers, the consumer side, large industrial as well as the distribution side, are all actions that we are in the midst of.

Moderator: The next question comes from the line of Amit Chandra from HDFC Securities.

Amit Chandra: I have like 2 follow-up questions. The first is on the competition. You have answered about that in detail. But, just to understand better, is it the interoperability of the clearing corporations, which is not there between equities and commodities? Is that the main reason why we are not seeing the shift of the liquidity from one Exchange to another? And what's your view on the regulator allowing interoperability maybe at a later stage?

And secondly, on the impact of the RBI regulation. So, the -- if you see the clearing corporation funding from FDs and the bank guarantees, the total margin money that the clearing corporation have, MCX has the highest in terms of 55% to 60% of the total funding of the clearing corporation is through BGs versus 35% for the industry. So, is it a higher risk for us in terms of the impact that we see from RBI?

Rishi Nathany: So, to answer your question on BGs and FDs, frankly, for FDs it wouldn't impact as it is fully funded. In terms of BGs, I think your numbers are wrong. BGs contribute a much lower percentage than FDs. So, while there may be an impact, but the numbers may not impact as much as you are saying.

Amit Chandra: So, I'm talking about FDs and BGs combined. We don't have the quantification.

Rishi Nathany: Yes. So, you see the large portion -- the largest portion of that is FDs. So, I don't think that would get affected to that extent. Secondly, on your interoperability question. Liquidity does not just go away due to interoperability and what it is. Matter of liquidity we get liquidity. We have sticky liquidity. We have the industry participating. We have everyone, all the ingredients, which helped and also, you have to understand secondly that, interoperability is only possible when there is a 100% similar product. For example, in equity, the ISI Number security is the same, that is why interoperability can be possible. In commodities may be different.

Amit Chandra: Okay. So, the interoperability will not happen between equities and commodity, right?

Rishi Nathany: We're not saying that. We're just saying that at the end of the day, it's up to the regulator, but it's tougher to have.

Moderator: We will take the last question from the line of Devesh Agarwal from IIFL Capital.

Devesh Agarwal: Just one question. We see that this has been a very strong year for us in terms of profit accretion and cash accretion. But despite that, we have seen that the payouts have kind of gone down. So, just wanted to know your thoughts as to this cash that we are kind of conserving, what are exactly the plans for this? And what is the spend that we are expecting for the next year?

Praveena Rai: Yes, good question, Devesh. I think it's important for us to have the sort of funding chest that is required as we look at our growth. And this is not just from more of the same standpoint, there would be both organic, inorganic opportunities that we will continue to be looking at, new product segments, ancillary spaces. So, there are certain strategies that are at very early stage, but we do have strong plans for the capital on hand.

Moderator: Thank you. Ladies and gentlemen, I would now like to hand the conference over to Ms. Praveena Rai, MD and CEO, MCX, for her closing comments.

Praveena Rai: Yes. Thank you. Thank you to all. It is a phenomenal set of questions. As always, we answer some, and you also leave us with a lot of food for thought to take back as we look at execution of our plans for this year and the coming quarter. I really enjoyed the discussion. All of us did. Have a good day and look forward to connecting next time.

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