

Multi Commodity Exch

27 January 2026

Operator: Good day and welcome to the Multi Commodity Exchange of India Limited Q3 FY26 earnings conference call. Joining us on this call are Ms. Pravina Rai, Managing Director and Chief Executive Officer, Mr. Rishi Nathani, Chief Business Officer, Mr. Chandresh Shah, Chief Financial Officer, Mr. Manoj Jain, Chief Compliance Officer, and Mr. Praveen DG, Chief Risk Officer.

As a reminder, all participant lines will remain 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 the conference call, please signal the operator by pressing star then zero on your touch-tone telephone. Please note that this conference is being recorded. I will now hand the conference over to Ms. Pravina Rai, MD and CEO MCX, for opening remarks. Thank you and over to you, Ma'am.

Management: Thank you very much. Good day to everyone and a warm welcome for joining us today for the quarterly earnings call. We are delighted to share that the third quarter of FY26 has been a strong and defining quarter for MCX. It reflects the momentum we have built for our business, products, and market participation in the context of the broader macroeconomic environment. Our performance during the quarter underscores the resilience of our platform, the strength of our operating model, and the important and growing relevance of commodity derivatives in India's evolving financial ecosystem.

For the quarter ended December 31, 2025, our consolidated revenue from operations grew by 121% year-on-year to 666 crores, while EBITDA grew by 144% to 527 crores. Profit after tax proportionally grew by 151% to 401 crores. This robust performance was supported by an increase in macroeconomic activity both at the global and country level, along with supported efforts around products, participation, and delivery to scale both at the operating and risk management levels.

Our average daily turnover (ADT) in futures and options rose to 7.5 lakh crores. You would recollect that in the first half of the year, we clocked 4 lakh crores while we closed the previous year at about 2 lakh crores. This represents a year-on-year growth of about 220%. On a 9-month basis, we see healthy growth trends too, with revenue from operations up by 72% to 1,413 crores and PAT increasing by 89% to 802 crores.

Operationally, the quarter was marked by deepening participation across segments, particularly in bullion, but well supported by other commodities. Bullion now contributes 69% of the average daily turnover. Its portfolio includes many successful product launches for Gold Mini, Gold 10 futures, silver monthly options expiry, smaller denomination contracts, and monthly options on the MCX iCommdex Bullion Index. These initiatives reflect our continued focus on expanding product breadth while enhancing liquidity and risk management efficiency for all participants. New participants by way of new members, FIs, and domestic financial institutions also contributed to the healthy uptick in our volumes.

Throughout this phase, we remain firmly guided by the highest standards of governance, compliance, and market integrity. Our priority continues to be delivering a robust, transparent, and resilient marketplace that creates long-term value for hedgers, investors, members, and all our stakeholders. As we look ahead, we are confident in our strategic direction and operational readiness to support this excellent phase of growth in India's commodity derivatives market with

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innovation, prudent risk management, and sustainable value creation.

We extend our sincere gratitude to all stakeholders, the regulator, member brokers, vendors, partners, and associates for their continued and unwavering support towards MCX. With this, I conclude the opening remarks and look forward to an interesting discussion in the following Q&A session.

Operator: Thank you. Ladies and gentlemen, we will now begin the question and answer session. Anyone who wishes to ask a question may press star and 1 on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use their headsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

We take the first question from the line of Devesh Agarwal from IIFL Capital. Please go ahead.

Devesh Agarwal – IIFL Capital: Good evening everyone and thank you for the opportunity. Firstly, heartiest congratulations to the entire team for a great set of results and numbers. Very good numbers, Ma'am. My first question is regarding the number of traded UCCs, which have seen a significant jump this quarter on a sequential basis. Could you help us understand what is driving this growth and do you expect these numbers to grow even in the upcoming quarters?

Management: Thank you, Devesh, for the appreciation; we will certainly pass it on to the entire MCX team. We have two contributing factors at the heart of this growth in UCCs. One is an exercise in exploring and aligning the user experience across members for commodity derivatives trading. We identified early on that experiences like a common ledger and a front-screen experience for retail participants were important criteria.

In reviewing experiences end-to-end, our teams and members have looked at the opportunities they seek for the commodity derivatives market. Members aligned the experience to be a common one, whether it is equity investing or commodity derivatives investing. We believe that is one of the drivers of the uptick. Alongside that is the addition of new members who have come into our fold, which has contributed to new UCCs. Both of these are driving factors. We expect this momentum to continue for some time because there is significant headroom from where we stand today compared to the potential.

Devesh Agarwal – IIFL Capital: Ma'am, regarding these new members, when you speak about headroom, are you talking about headroom within the new members who have joined, or are there other big members active in equity who haven't started offering commodities yet?

Management: Headroom comes from both. At a large business level and specifically regarding UCC participation, we see headroom at an all-India level.

Devesh Agarwal – IIFL Capital: Sure. My next question is regarding gold and silver delivery, which increased on our platform this quarter. Does this additional delivery lead to additional costs for the company, and in the event of a short delivery, what is the liability on the exchange?

Management: No, there is no additional cost to the company because these are managed as part of warehouse negotiations and what participants pay for the services. We are happy to see this healthy

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delivery despite global conditions. It was managed actively by the exchange. Regarding the potential impact of short delivery, there are well-established guidelines and rules, including penalties, to manage those circumstances. These are standard processes and we are well-equipped to handle them.

Devesh Agarwal – IIFL Capital: Have there been any instances of short deliveries in the last 3 or 4 months?

Management: No, nothing abnormal.

Devesh Agarwal – IIFL Capital: With increased activity in both futures and options turnover, what kind of technological enhancements will be required and what is the capex you intend to spend to build more capacity?

Management: This is an ongoing exercise. With growth—and more importantly, the expectation of growth—comes the continuous need to keep our technology up-to-date, resilient, and scalable. We will continue to be in investment mode as we have been in the past. We see this as a necessary and positive part of our business.

Devesh Agarwal – IIFL Capital: Is there any particular metric you track regarding the orders the system can handle? What has been the build-out over the last 12 months, and what is the capacity relative to the peak orders seen this quarter?

Management: We have seen a significant increase in our order volumes this quarter. While I don't have the specific numbers right in front of me, the system has held strong thanks to past investments. We have strong oversight over future requirements. This is not a one-time measure; it is a routine activity that will continue to persist in an efficient manner.

Devesh Agarwal – IIFL Capital: Perfect, that's all from my side. Thank you.

Operator: Thank you. In the interest of time and fairness, we request you to restrict yourself to two questions per participant. We take the next question from the line of Amit Chandra from HDFC Securities. Please go ahead.

Amit Chandra – HDFC Securities: Thank you for the opportunity. Very strong numbers, Ma'am; congratulations to the whole team. Regarding the volume uptake, we are seeing new highs every month. The mix has been fairly distributed between energy and bullion contracts. However, you mentioned focusing on metal contracts to diversify the portfolio as volatility potentially declines. What is the strategy for increasing volumes on metals? Also, we have launched index options but are seeing minimal traction. Do you have an update on the index option side?

Management: Rishi will take your questions on this.

Management: To answer your first question on base metals, we are focusing on all four segments: Agri, metals, bullion, and energy. In base metals, we have seen traction in copper futures and options, as well as zinc. Nickel, which we launched this year, is now seeing good volumes and a healthy buildup of open interest (OI). Regarding the index, while index options haven't seen the traction we expected, index futures have seen good momentum. We hope that once futures gain

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enough momentum, options will follow.

Amit Chandra – HDFC Securities: Regarding the sharp increase in UCCs due to new members, we have seen the full 3-month impact of new member additions. On other equity exchanges, the number of people trading options is almost 5 times higher. These people coming to MCX are mostly retail and HNIs. Since the proportion of FII or institutional participation isn't increasing as much as the client category, is this growth mostly due to volatility? How sticky do you expect these participants to be in the long term?

Management: The UCC number subsumes many categories. While there are double-digit numbers of FIIs and other participants, there is headroom because of general investor interest. We don't believe commodities will necessarily be for everyone or the entire addressable equity audience, so growth may flatten at a certain level of maturity, but we aren't there yet. We are seeing impact from other categories as well.

Amit Chandra – HDFC Securities: Is it also because the cost of trading for commodities has become lower versus equities, given that STT is 2x of CTT? Additionally, the mini contracts in commodities are much smaller than equity contracts. Is this structurally helping attract more retail customers?

Management: Those are factual statements about the landscape that have existed for a while. We don't have a specific view on how that is specifically affecting the current uptick separately from other factors.

Amit Chandra – HDFC Securities: Thank you and all the best.

Operator: Thank you. We take the next question from the line of Prayesh Jain from Motilal Oswal Financial Services. Please go ahead.

Prayesh Jain – Motilal Oswal Financial Services: Hi, good evening everyone. Congratulations on a great set of numbers. We've seen a jump in base metals. We previously discussed challenges regarding multiple delivery centers. Have you consolidated the number of delivery centers, and what has specifically caused the sudden increase in base metal volumes?

Management: We have seen an uptick in base metals volume with quarter-on-quarter growth of 156% and year-on-year growth of 77%. We took specific actions, including consolidating warehouses. Copper has moved to a single warehouse based on delivery data and member feedback seeking simpler transparency. We have also engaged the market regarding GST awareness to help participants handle deliveries. Additionally, several members have set up dedicated commodity desks, showing capacity building in the broader ecosystem. These factors, along with metal price volatility and industrial demand, have contributed to this growth.

Prayesh Jain – Motilal Oswal Financial Services: Do you plan to extend the single delivery center model to other base metals?

Management: We are reviewing and consolidating. Nickel is already operating in one center as a relaunched contract with a revised trading and delivery unit. For other contracts, we are consolidating primary warehouses and rationalizing those that are not effective.

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Operator: Thank you. We take the next question from the line of Chintan Sheth from Capital. Please go ahead.

Chintan Sheth – Capital: Thank you for the opportunity and congrats to the team for the great set of numbers. The January momentum continues to look strong. Could you elaborate on upcoming product launches and provide an update on the pipeline? Also, regarding SGF (Settlement Guarantee Fund), should we expect the consistency of SGF as a percentage of revenue to continue as volumes rise? Finally, if you could split the revenue between futures and options, that would be helpful.

Management: Chandresh, could you provide those numbers? Revenue from futures was 227 crores for this quarter and options was 380 crores. Regarding expenses, we believe our expenses are lagging behind our growth in terms of what we need from a technology and operating standpoint. We will look to normalize this over time. We are currently planning for next year to ensure we can proactively shape the Indian commodity derivatives market efficiently.

Chintan Sheth – Capital: Lastly, an update on new launches?

Management: It is difficult to comment on specific future launches. We are focused on stabilizing the launches we have already made. We have a healthy pipeline, but we will time them based on internal processes and market conditions.

Chintan Sheth – Capital: Thank you. I'll join the queue.

Operator: Thank you. We take the next question from the line of Ansuman Dev from ICICI Securities. Please go ahead.

Ansuman Dev – ICICI Securities: Congratulations on the numbers. Regarding the SGF, could you quantify the requirement given that volumes have increased significantly, or is there a specific policy? Secondly, at what volume level are we comfortably placed with our current technology? If futures go to 1.5 trillion or 2 trillion per day, can we handle it?

Management: SGF is a requirement prescribed by SEBI. We keep reviewing the requirements and contributing as needed to ensure a safety net. A strong SGF provides a safety net and gives us some flexibility in managing margin requirements. We don't have a specific quantification to share right now. Regarding volume, we are well-placed for a significant multiple of our current volume. We are building readiness to handle a 10x volume scenario.

Ansuman Dev – ICICI Securities: Thank you.

Operator: Thank you. We take the next question from the line of Akhilesh Bhatta from Ambersson Capital. Please go ahead.

Akhilesh Bhatta – Ambersson Capital: Thank you for the opportunity. Given the increase in volatility in gold and silver, do you anticipate an increase in margin requirements from the regulator? How does that function?

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Management: Margins are primarily dependent on volatility. We have standard initial margins based on Value at Risk (VaR), as well as additional margins and Extreme Loss Margins (ELM). It is a fixed formula that looks at price movements in each commodity.

Management: This is a standard daily process. Every day, margin calculations happen based on current volatility and prices. If we see the need, additional margins are levied. India is a conservative market with some of the highest margins globally, which protects the exchange and clearing house.

Akhilesh Bhatta – Ambersson Capital: So the risk of a participant not honoring a transaction is very low because of these systems?

Management: Yes, the risk is typically limited to a single day and is well-covered by initial margins.

Operator: Thank you. We take the next question from the line of Ankul M from Orlise Investment. Please go ahead.

Ankul M – Orlise Investment: When are you launching derivatives on aluminum or nickel? Also, our electricity derivative market share is low compared to NSE; are we planning options there?

Management: For any product, there is a regulatory threshold of 1,000 crores ADT in a complete one-year cycle before we can apply for options. Once aluminum or electricity crosses that threshold on futures and we see market appetite, we will work toward that. In terms of electricity, participation from clients is high, and we look forward to adding more value-chain participants.

Operator: Thank you. We take the next question from the line of Sanket Korda from Avendus Spark. Please go ahead.

Sanket Korda – Avendus Spark: Product license fees hardly grew despite significant revenue growth. It was around 4.1% of transaction income compared to the usual 6–7% range. How does this work? Also, out of the 601 crores in transaction income, how much is float income from margin money?

Management: Product license fees are primarily related to energy contracts because we settle based on international prices from CME. When bullion grows, it doesn't lead to a direct license cost because we settle on our own prices. Regarding float income, it is approximately 45 crores.

Sanket Korda – Avendus Spark: Other than silver, which commodities saw margin increases in Q3 or January?

Management: Gold, copper, other base metals, and natural gas saw margin increases. It typically increases by a percentage point or more depending on volatility. For example, if initial margin is 7%, it might go to 8–9%. If volatility cools off, the margins automatically come down because they are based on the Exponentially Weighted Moving Average (EWMA) model.

Sanket Korda – Avendus Spark: Understood, very useful.

Operator: Thank you. We take the next question from the line of Parikshit Gupta from Fair Value Capital. Please go ahead.

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Parikshit Gupta – Fair Value Capital: Regarding the risk to your monopolistic position, especially in bullion, do you anticipate any risk of sharing the price discovery for MCX?

Management: Competition risk exists as other exchanges are vying for share. We are cognizant of this and respect the environment. As long as we stay focused on growth and innovation, we are well-positioned as the primary commodity derivatives exchange for India. We have no intimation from SEBI regarding splitting the market pie.

Operator: Thank you. We take the next question from the line of Anand Daskaran from KC Marvel. Please go ahead.

Anand Daskaran – KC Marvel: Could you repeat the breakup for futures and options revenue for Q3 FY26?

Management: Futures revenue was 227 crores and options revenue was 380 crores.

Anand Daskaran – KC Marvel: Regarding the new index options, what ADT do you expect in the next 3 or 4 years?

Management: We cannot provide an estimated ADT, but Bullex futures have shown good performance. Index options take time to build, similar to nickel, but the traction in futures is heartening.

Operator: Thank you. We take the next question from the line of Prayesh Jain from Motilal Oswal Financial Services. Please go ahead.

Prayesh Jain – Motilal Oswal Financial Services: Regarding the regulator's discussion on increased participation from banks, what is needed for new participants to join? Also, is there any update on co-location facilities?

Management: Those are ongoing conversations under regulatory consideration, so we cannot share more at this time. FPIs are onboarding and their volumes are growing.

Operator: Thank you. We take the next question from the line of Vedant Sardha from Nirmal Bang Securities. Please go ahead.

Vedant Sardha – Nirmal Bang Securities: How do you see the risk of different market participants entering the segment?

Management: The risk is real. We are preparing through enhanced product and participation activity, market outreach, knowledge sharing with members, and technology innovation. The way to hold fort is to be proactive and execute our plans.

Operator: Thank you. We take the next question from the line of Aditi Parmar from Iwealth Fund. Please go ahead.

Aditi Parmar – Iwealth Fund: If futures and options revenue were 227 crores and 380 crores, the balancing figure is about 58 crores, which is higher than the historical 30–37 crores. What is the reason for this? Also, why have other costs increased to 23 crores?

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Management: That balancing figure includes float income and warehousing income from our subsidiary. The increase in other expenses relates to administrative costs, CSR spends, legal professional fees, and business promotion activities to support the increase in volume.

Operator: Thank you. We take the next question from the line of Aditya Yadav from Transend Capital. Please go ahead.

Aditya Yadav – Transend Capital: Are there any plans to increase the dividend payout ratio given the high free cash flow generation? Secondly, do you see further operating leverage as volumes scale?

Management: We will make dividend decisions at the end of the year, taking growth and capital requirements into account. We do see efficiency, though our spends will remain commensurate with what is needed to execute our plans and handle the volume.

Operator: Thank you. We take the next question from the line of Shrenik Mehta from Indo Elves Wealth. Please go ahead.

Shrenik Mehta – Indo Elves Wealth: How will growth work if gold and silver prices come down? Is there a correlation between price growth and activity?

Management: Volatility, whether prices go up or down, brings a role for the exchange. If volatility were to completely normalize, growth might steady, but we believe we have established a new baseline. Having multiple segments like energy and base metals helps us when bullion is less volatile.

Shrenik Mehta – Indo Elves Wealth: If prices remain flat or decline for several quarters, do you stay at the current baseline or could volumes decline?

Management: We cannot give forward-looking forecasts on price. Volatility is the environment in which we play, and it hasn't historically dropped to zero globally.

Operator: Thank you. We take the last question from the line of Abhishek Jain from Shikarji Advisors. Please go ahead.

Abhishek Jain – Shikarji Advisors: Most of my questions have been answered. Thank you for the opportunity.

Management: Thank you, Abhishek.

Operator: Thank you. Ladies and gentlemen, with that we conclude the question and answer session. I now hand the conference over to Ms. Pravina Rai for her closing comments.