

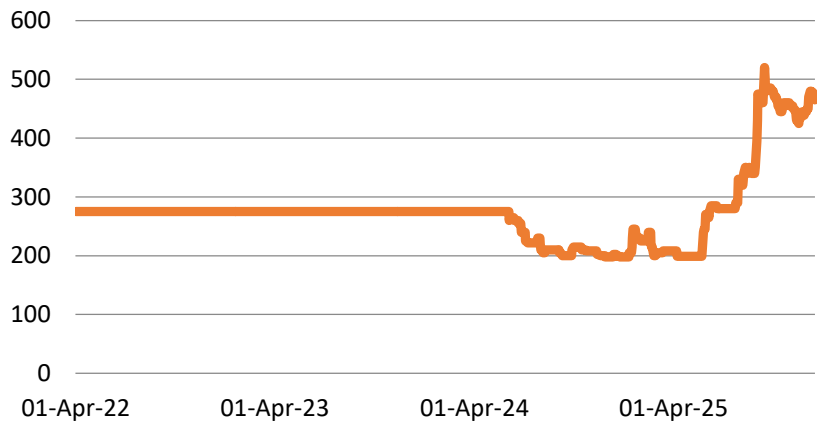


Company Highlights

ISIN Number: INE127G01010
Face Value (INR) : 10
Authorised Share Capital: INR 70 Cr.
Paid Up Capital: INR 50.68 Cr.
Outstanding Shares : 506,76,000
Status : Unlisted
Industry: Financial Services
Business Divisions: trading, clearing & settlement, risk management, technology, market development, and regulatory compliance division
HQ: Mumbai, Maharashtra
CEO & MD: Arun Raste

NCDEX Limited

Price Movement of NCDEX Limited (in ₹)



Key Financial Metrics

Particulars	FY25	FY24	FY23
Revenue from operations (in Cr.)	88.19	96.40	103.93
Total Income (in Cr.)	122.06	136.06	135.57
Total Expenses (in ₹ Cr.)	197.01	187.22	196.24
EBITDA (in Cr.)	-48.86	-25.18	-34.04
PBT (in Cr.)	278.82	-33	-58.01
PAT (in Cr.)	236.09	-27.70	-42.37
EPS (in ₹)	46.86	-5.14	-8.01
Adj. EPS (in ₹)	-21.29	-7.42	-7.31

Executive Summary

National Commodity & Derivatives Exchange Limited (NCDEX) remained a key market infrastructure institution in India's agricultural commodity derivatives ecosystem during FY25. The Exchange recorded **gradual stabilization in trading activity**, supported by product rationalization and improved alignment of contracts with physical market dynamics. Participation from hedgers, including corporates, traders, and Farmer Producer Organizations (FPOs), showed selective improvement, reinforcing NCDEX's role in price discovery and risk management. Financially, NCDEX maintained **cost discipline** despite elevated spending on technology, compliance, and regulatory requirements. Operating performance showed modest improvement; however, **core operations continued to face pressure** due to subdued volumes and high fixed-cost intensity. Investments in technology infrastructure, cyber security, and business continuity remained a priority, reflecting the Exchange's regulatory obligations and systemic importance.

Shareholding Pattern as on 31st March 2025

Entity	%
National Stock Exchange of India Limited	15.00
Life Insurance Corporation of India	11.10
Others	73.90

FY25 reported profitability improved sharply; however, this was **primarily driven by exceptional and non-recurring items**, rather than a structural recovery in operating performance. Adjusted profitability metrics remain negative, indicating that the underlying business has yet to achieve sustainable profitability. The risk management framework remained robust, with no major settlement defaults or systemic risk events reported. Overall, FY25 reflects an **accounting-led earnings recovery alongside incremental operational stabilization**, with long-term sustainability dependent on a sustained revival in volumes and operating leverage.

***Note:** Given that FY25 profitability was significantly influenced by exceptional items, the analysis also presents adjusted EPS excluding one-time gains to reflect the Company's underlying earnings profile.

Major Highlights – FY25 of NCDEX Limited

Major Highlights

- Reported **improvement in overall financial performance**, supported by stable transaction fee income.
- Operating performance showed marginal stabilization, though core profitability remained under pressure, despite continued regulatory and technology-related cost pressures.
- Witnessed **better trading activity and liquidity** in select agricultural commodity contracts, particularly in pulses, oilseeds, and spices.
- Continued focus on **deepening participation from hedgers**, including corporates, traders, and Farmer Producer Organizations (FPOs).
- Emphasis on **product rationalization and contract redesign** to improve alignment with physical market dynamics.
- Increased focus on **options contracts in agricultural commodities** to enhance hedging flexibility and risk management efficiency.
- Maintained a **robust risk management framework**, including real-time surveillance, dynamic margining, and stress testing.
- No major settlement defaults or systemic risk events reported during the year.
- Continued **investment in technology infrastructure**, focusing on platform stability, cyber security, and disaster recovery preparedness.
- **Technology and compliance expenses remained elevated**, reflecting the regulatory intensity of operating as a SEBI-regulated market infrastructure institution.
- Strong adherence to **SEBI regulations, governance standards, and internal controls**, with active Board oversight.



Financial Highlights

₹ (in crores)

Particulars	Financial Year					CAGR
	FY25	Y-o-Y Growth	FY24	Y-o-Y Growth	FY23	
Revenue from Operations	88.19	-8.52%	96.40	-7.25%	103.93	-5.33%
Other income	33.87	-14.60%	39.66	25.35%	31.64	2.30%
Total Income	122.06	-10.29%	136.06	0.36%	135.57	-3.44%
Finance Cost	1.00	-26.47%	1.36	-9.93%	1.51	-12.84%
Depreciation & Amortization	25.09	1.91%	24.62	-1.99%	25.12	-0.04%
Total Expenses	197.01	5.23%	187.22	-4.60%	196.24	0.13%
PBT Before Exceptional Items	-74.95	46.50%	-51.16	-15.67%	-60.67	7.30%
PBT After Exceptional Items	269.05	-751.93%	-41.27	-37.47%	-66.00	-259.75%
EBITDA Before Exceptional Items	-48.86	-94.04%	-25.18	-26.03%	-34.04	12.80%
PAT (after exceptional items)	236.09	-952.31%	-27.70	-34.62%	-42.37	-277.29%
No. of Eq. Shares Outstanding	5,06,76,000.00	0.00%	5,06,76,000.00	0.00%	5,06,76,000.00	0.00%
Equity Share Capital	50.68	0.00%	50.68	0.00%	50.68	0.00%
Current ratio	1.80	-2.88%	1.85	10.27%	1.68	2.31%
Total Net Worth	750.60	57.70%	475.97	-3.46%	493.04	15.04%
Total Assets	1,245.91	48.63%	838.28	-4.30%	875.99	12.46%

Adjusted PAT - Reconciliation Table (₹ Cr.)

Particulars	FY25	FY24	FY23
PAT	236.09	-27.70	-42.37
Exceptional Items	344	10	-5
PAT Before Exceptional Items	-107.91	-37.59	-37.04

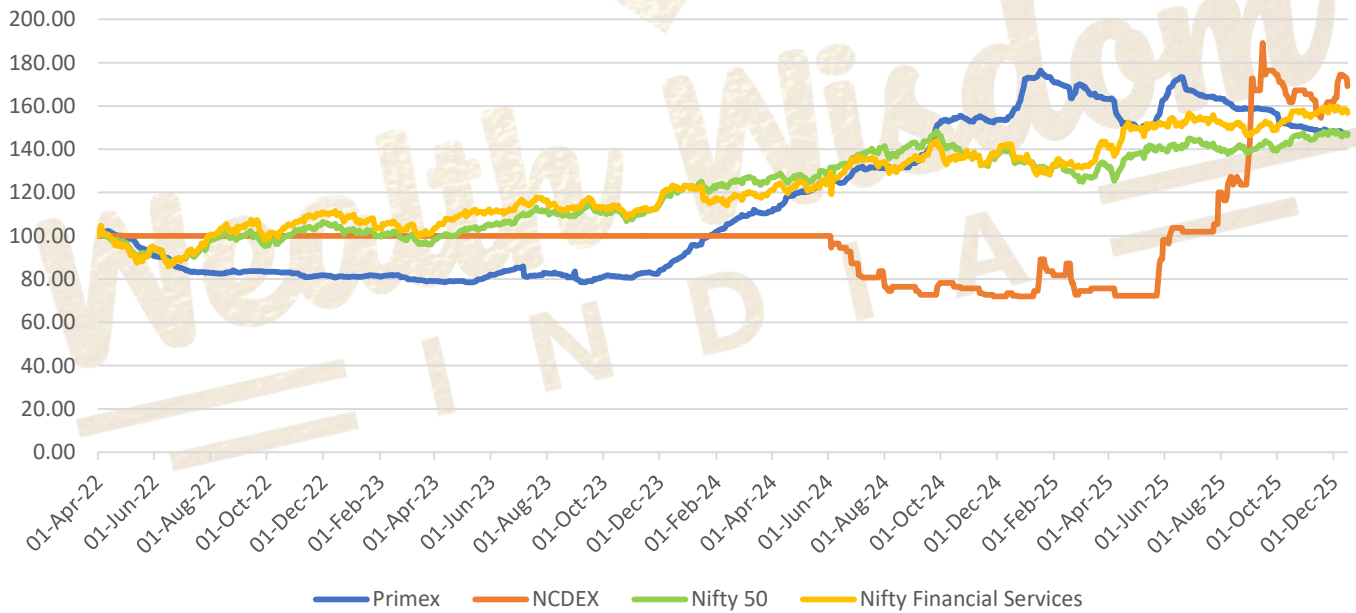
Valuation Ratios

Particulars	FY25	FY24	FY23
Price (in ₹)	208.00	275.00	275.00
Price Growth (%)	-24.36%	0.00%	0.00%
Price -BV (x)	1.40	2.93	2.83
Price -BV Growth (%)	-52.04%	3.59%	6.70%
BVPS (in ₹)	148.12	93.92	97.29
BV Growth (%)	57.70%	-3.46%	-6.28%
EPS (in ₹)	46.86	-5.14	-8.01
Price- Earnings (x)	4.44	-53.50	-34.33

FY25 saw a sharp share price correction of 24.4% despite a strong rebound in reported EPS to ₹46.86 and book value growth of 57.7%. As highlighted in the annual report, the earnings recovery was largely driven by exceptional and non-recurring income as discussed in executive summary, while core operations remained under pressure. Consequently, valuations de-rated sharply, with P/B declining to 1.4x, reflecting market caution on earnings sustainability.

Price Movement

Relative Price Movement (in ₹)



Relative Price Performance Analysis

The chart compares the price performance of **Primex**, **NCDEX**, **Nifty 50**, and **Nifty Financial Services** over the period from April 2022 to December 2025 and highlights clear differences between company-specific trends and broader market movements. The **Nifty 50** and **Nifty Financial Services** indices exhibit a steady and consistent upward trajectory with moderate volatility, reflecting overall market resilience and sustained strength in the financial sector. **Primex** shows a strong rally from late FY23 through early FY25, outperforming the benchmark indices during this phase. However, this outperformance was followed by increased volatility, indicating that gains were driven largely by cyclical or event-led factors rather than long-term fundamentals.

In contrast, **NCDEX** underperformed significantly during **FY24**, experiencing a sharp decline and extended consolidation at lower levels. From mid-FY25 onwards, the stock witnessed a strong recovery, closing the performance gap with benchmarks. Overall, the chart suggests that **company-specific developments had a greater influence on stock performance than broader market trends**.

Financials

Financial Metrics

Particulars	FY25	FY24	FY 23
Cash flow metrics (in ₹ cr.)			
Operating cash flow	11.84	-55.41	-96.89
Financing cash flow	-7.48	-6.41	-8.41
Investing cash flow	60.18	95.97	97.14
Net cash flow	64.54	34.15	-8.16
Common size ratios -as a % of sales			
EBITDA margin	-55.40%	-26.12%	-32.75%
EBIT Margin	-83.85%	-51.66%	-56.92%
Adjusted PAT margin	-88.41%	-27.63%	-27.32%
Employee cost	108.78%	94.40%	84.84%
Operating expenses	222.26%	192.80%	187.37%
Return ratios			
RoNW	31.45%	-5.82%	-8.59%
RoCE	-9.19%	-9.88%	-11.36%

**Note: Adjusted Profit After Tax (Adjusted PAT) has been calculated by excluding exceptional and other non-recurring items from reported PAT to reflect the company's underlying operating performance. Adjusted PAT and related margins provide a more meaningful assessment of sustainable profitability and may differ materially from reported figures.*

Financial Metrics Summary

The company's financial performance over FY23–FY25 reflects **improving liquidity but continued weakness in core operating fundamentals**. Operating cash flow turned positive in FY25 at ₹11.84 Cr. after significant outflows in the preceding two years, indicating better working capital management and reduced operating losses. However, the scale of operating cash generation remains limited and insufficient to independently sustain operations. Net cash flows improved materially in FY25, primarily driven by strong investing cash inflows, suggesting continued dependence on **non-operating and asset-related sources** rather than internal accruals.

Revenue performance weakened over FY23–FY25, with consecutive declines highlighting persistent demand pressures and limited pricing power. Although the rate of decline moderated in FY25, the absence of top-line growth indicates that a structural recovery has yet to emerge. Reported EBITDA growth reflects base effects, while EBITDA margins deteriorated further, underscoring continued operating stress, particularly in FY25; however, this improvement is largely attributable to a low base effect rather than a fundamental turnaround.

Profitability metrics continue to be under stress. EBITDA margins remain deeply negative, deteriorating further in FY25, reflecting the company's inability to absorb fixed costs at current revenue levels. Adjusted PAT margins also remain sharply negative, confirming that the core business remains loss-making even after excluding exceptional items. Cost structure analysis highlights elevated fixed-cost intensity, with employee costs exceeding revenue and operating expenses consistently surpassing sales.

Return ratios present a mixed picture. While RoNW turned positive in FY25, the improvement in RoNW is accounting-led and driven by exceptional items, while operating returns remain weak, as reflected by negative RoCE, indicating weak capital efficiency. Overall, despite improved liquidity, sustainable recovery will depend on revenue revival and meaningful cost rationalization.

Impact of Exceptional Items on Reported Profitability

FY25 reported profitability improved sharply despite weak operating performance, driven largely by **exceptional and non-recurring income**, including **one-time gains from investment divestments / stake dilution (notably in group or associate entities)** and other exceptional recoveries. These items more than offset operating losses arising from **lower trading volumes, regulatory constraints, and high fixed costs**. Excluding exceptional items, the company's **core operations remained loss-making**, indicating no structural earnings turnaround. A key risk is the **non-repeatable nature of such exceptional gains**, which makes reported profitability volatile and raises concerns over **earnings sustainability and dependence on non-operational income** going forward.



Peer Comparison (CMP Dated December 16, 2025)

Particulars	NCDEX Ltd.	IEX India Ltd.	MCX India Ltd.
CMP* (in ₹)	475.00	140.40	10,164.00
Market Cap (In Cr.)	2,407.11	12,519.37	51,834.74
Revenue From Operations (In Cr.)	88.19	537.26	1,112.66
Total Income (In Cr.)	122.06	657.37	1,208.86
Total Expenses (In Cr.)	197.01	107.46	511.55
PAT (In Cr.)	236.09	429.17	560.04
EPS (Earnings Per Share) (in ₹)	46.86	4.83	109.82
BVPS (Book Value Per Share) (in ₹)	148.12	12.74	369.50
P/E	10.14	29.07	92.55
P/BV	3.21	11.02	27.51
ROE	31.45%	37.90%	29.72%
3 year CAGR Sales	-5.33%	10.26%	29.40%
3 year CAGR Net profit	-277.29%*	11.95%	55.49%
Operating Margin	-83.85%	86.28%	62.90%
Asset Turnover ratio	7.08%	29.93%	25.73%
Current ratio	1.80	1.57	1.87

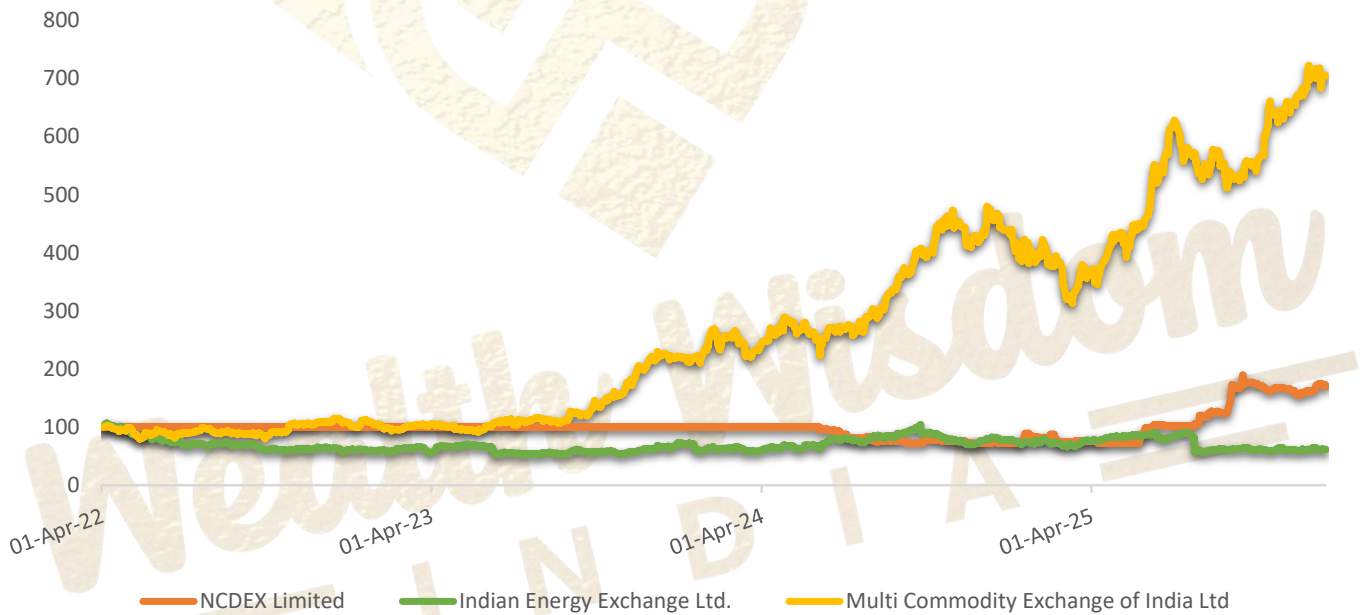
*Note: Net Profit CAGR for companies with negative base-year PAT is not mathematically meaningful and may distorted values.

**Note: P/E Ratio of NCDEX not meaningful due to exceptional-led earnings.

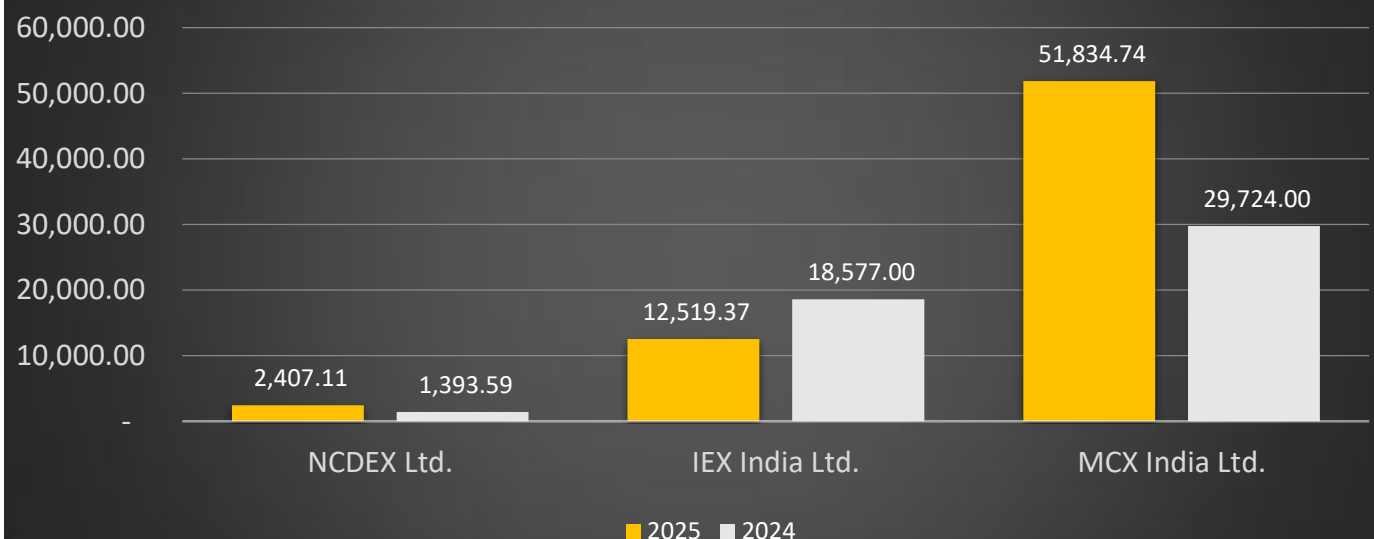
***Note: ROE is calculated on reported earnings, which are influenced by exceptional items in FY25.

Relative Price Movement

Price movement pattern (in ₹)



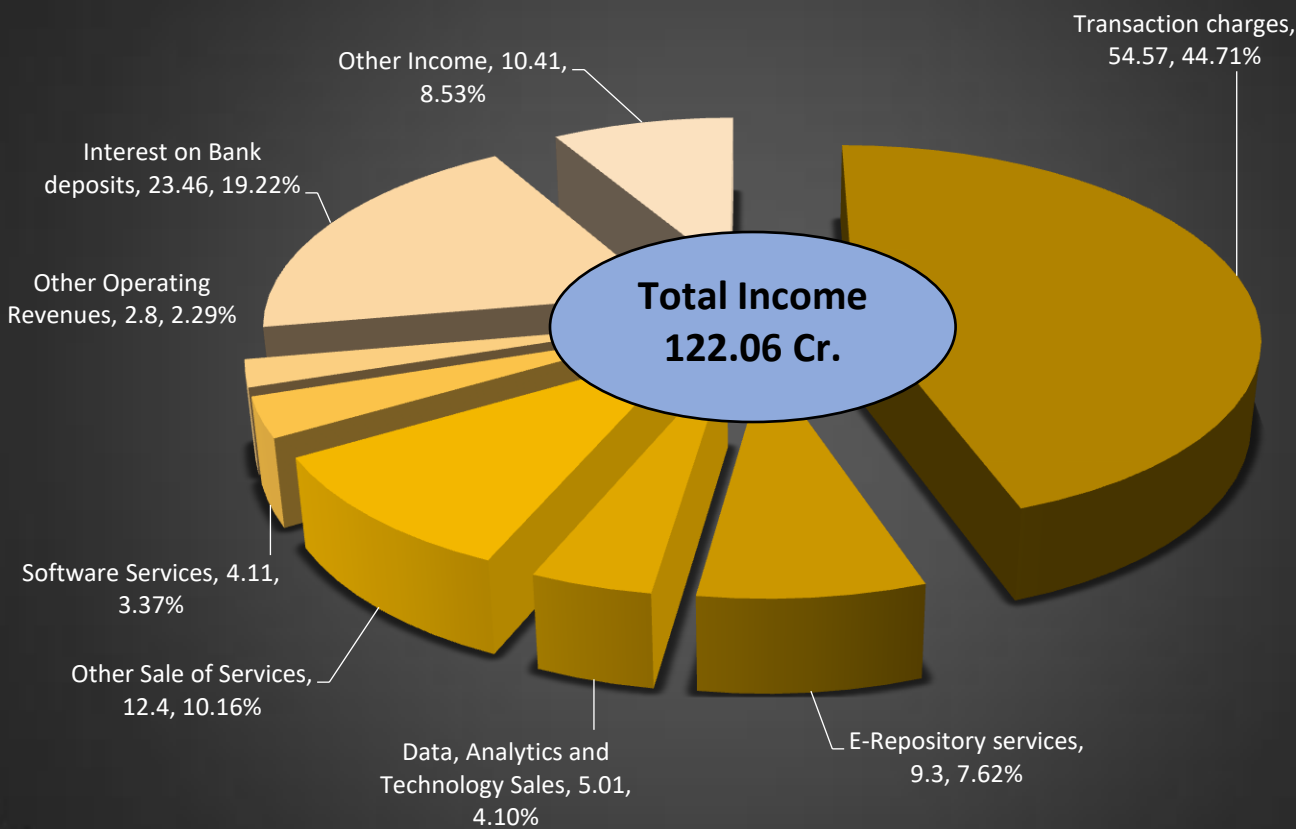
Market Cap (in Cr.)



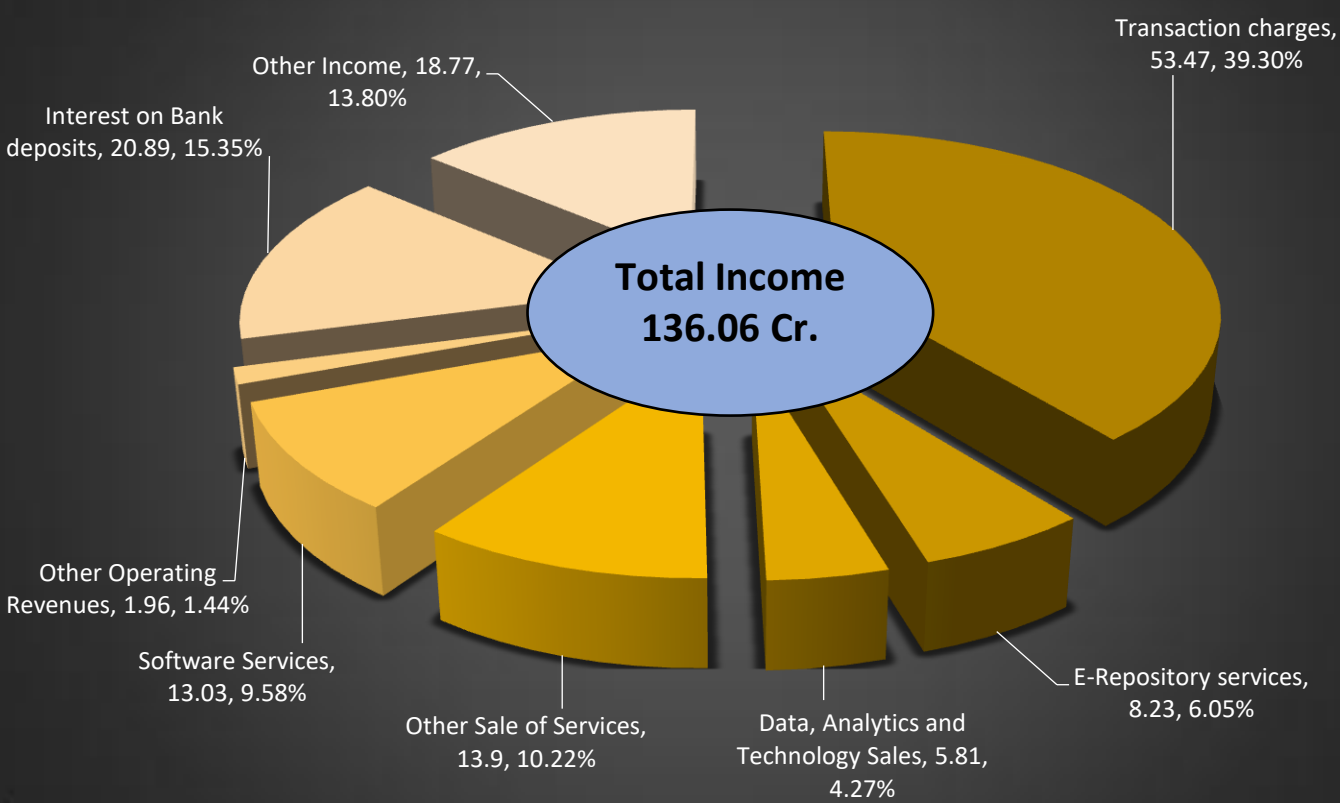


Financials

Total Income Bifurcation (in Cr.) - FY25



Total Income Bifurcation (in Cr.) - FY24



Total Income Bifurcation Summary – FY24 vs FY25

Total income declined from ₹136.06 Cr. in FY24 to ₹122.06 Cr. in FY25, reflecting pressure on overall revenue levels. However, the **composition of income improved**, with a higher share coming from core operating activities.

Transaction charges increased in absolute terms (₹53.47 Cr → ₹54.57 Cr) and rose sharply in contribution from **39.3% to 44.7%**, reinforcing their position as the **primary revenue driver** and indicating improved quality of earnings.

In contrast, **interest on bank deposits** increased in value (₹20.89 Cr → ₹23.46 Cr) and contribution (**15.4% → 19.2%**), suggesting continued reliance on treasury income amid subdued operating scale.

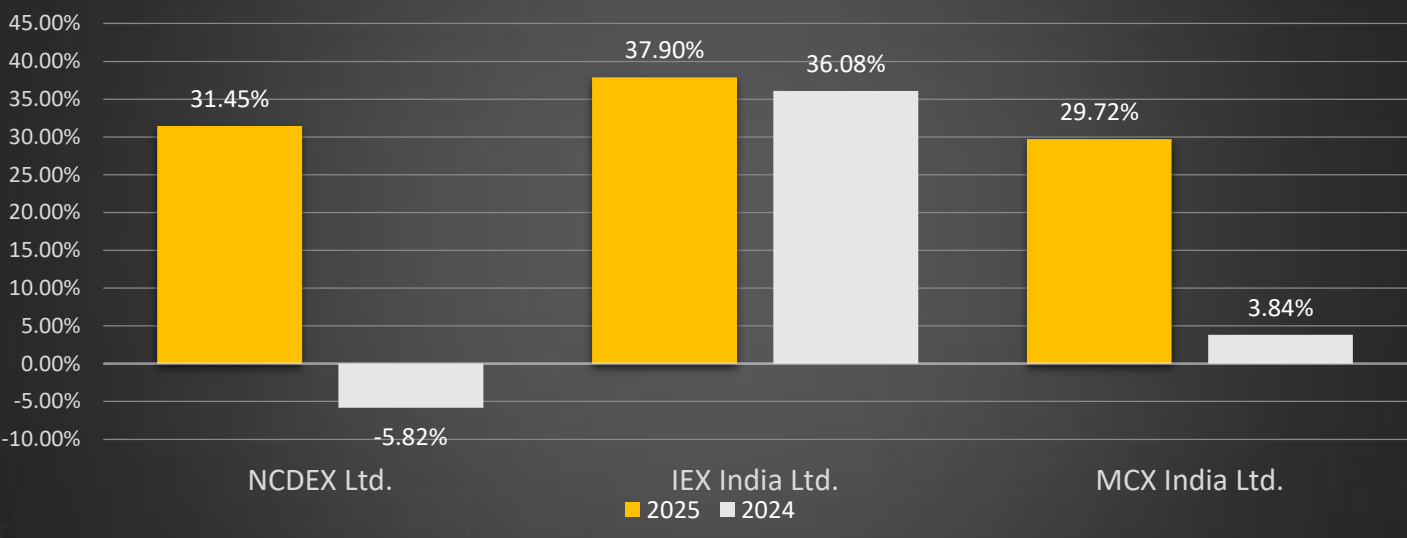
Other income and ancillary service revenues (software services, other sale of services, data & technology, and e-repository services) declined both in absolute terms and as a percentage of total income, indicating **rationalization and lower traction in non-core revenue streams**.



Key Metrics

Exhibit 1: Return On Equity

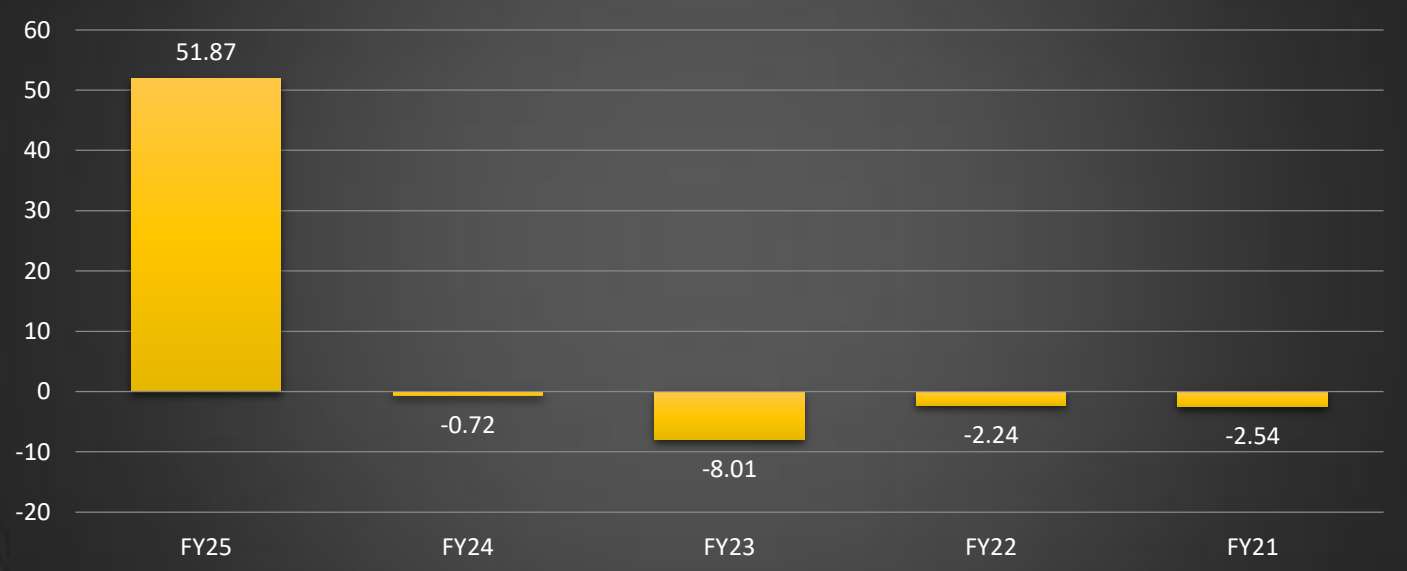
ROE (in %)



**Note: NCDEX ROE for FY25 is influenced by exceptional items and is not comparable with peers' operating ROE.*

Exhibit 2: Earning Per Share

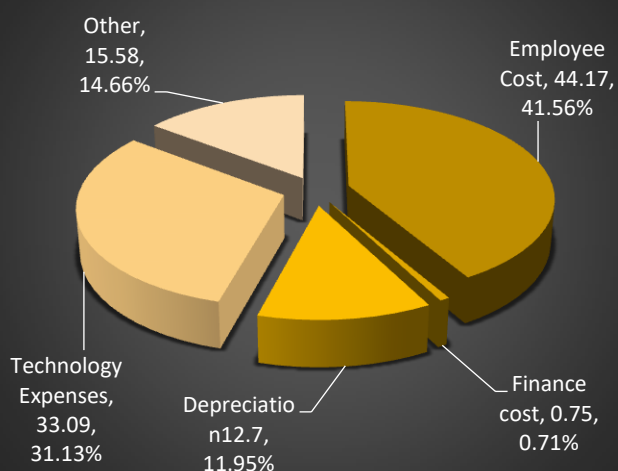
EPS (in ₹)



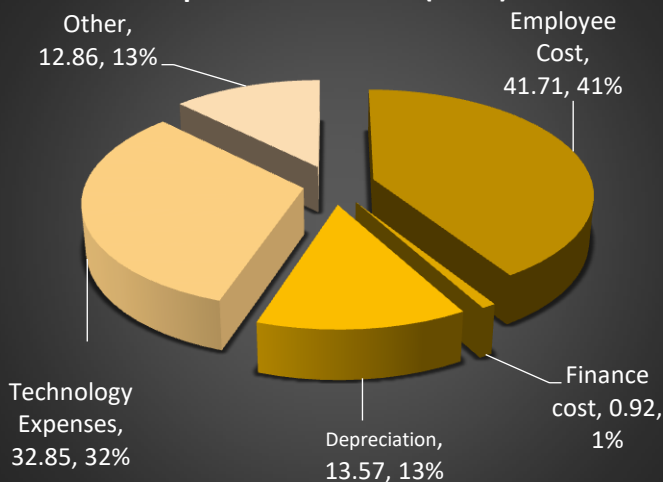
**Note: The sharp increase in EPS in FY25 is largely attributable to exceptional and non-recurring income, while core operating performance trends are discussed in the executive summary in prior years due to regulatory constraints, lower trading volumes, and high fixed costs. Accordingly, FY25 EPS should be interpreted with caution and alongside adjusted profitability and operating cash flow trends to assess earnings sustainability.*

Exhibit 3: Total Expenses Bifurcation

Total Expense Bifurcation (in Cr.) - FY25



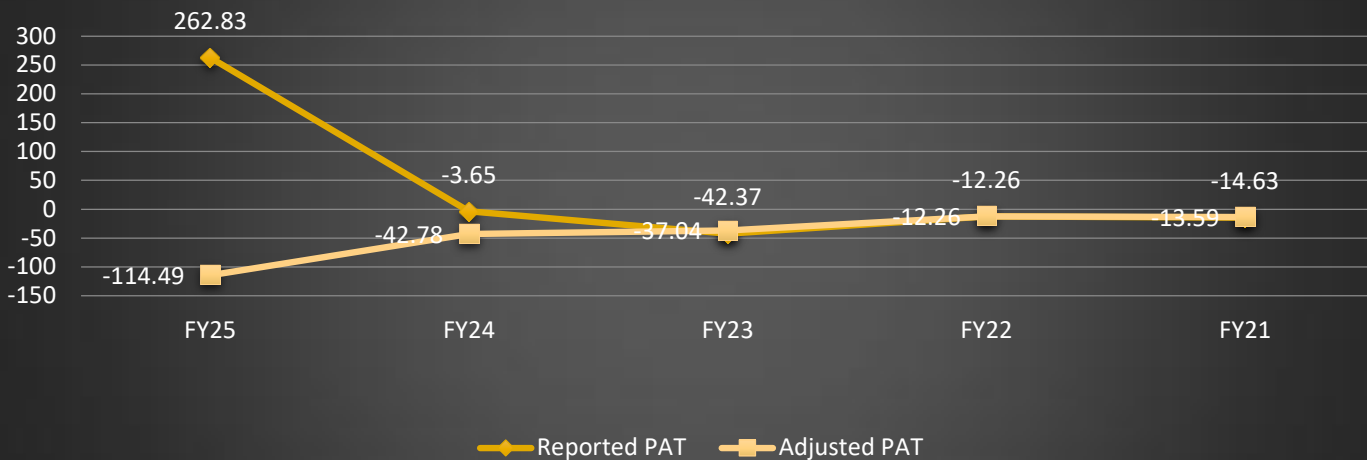
Total Expense Bifurcation (in Cr.) - FY24





Highlights

Reported PAT vs Adjusted PAT Trend FY21 - FY25 (in Cr.)



***Note:** The analysis reveals a clear divergence between reported and underlying profitability. While FY25 shows a sharp increase in reported PAT, this improvement is primarily driven by exceptional and non-recurring items. Adjusted PAT remains negative across the period, indicating that the company's core operations have not yet achieved sustainable profitability. Accordingly, the FY25 profit surge should be viewed as accounting-led rather than reflective of a structural operating turnaround, and greater emphasis should be placed on adjusted earnings when assessing long-term performance.

Key Risks Associated with NCDEX Limited

1. Regulatory & Policy Risk

NCDEX operates in a highly regulated environment under SEBI and other statutory bodies. The **continued suspension of several key commodity derivative contracts for over three and a half years** has materially impacted trading volumes, liquidity, and revenue generation. Any further adverse regulatory decisions, delays in approvals, or changes in policy frameworks could significantly affect business continuity and growth.

2. Revenue Concentration & Volume Risk

The Exchange's income is closely linked to **trading volumes and open interest**, which declined sharply in FY 2024–25 (ADTV down ~29% as per annual report disclosures). Prolonged low volatility, reduced participation from traders, or lack of traction in newly launched products may continue to pressure core revenues.

3. Dependence on Exceptional Items

The turnaround in profitability during FY 2024–25 was largely driven by **exceptional items**, while core operations continue to report losses before exceptional items. This raises concerns about the **sustainability of earnings**, as recurring operational profitability has not yet stabilized.

4. Market & Commodity Price Volatility Risk

NCDEX is exposed to **global commodity cycles**, geopolitical disruptions, climate variability, and supply-demand imbalances. Unpredictable price movements can reduce hedging effectiveness, discourage participation, and impact both farmer and trader confidence.

5. Product Adoption & Innovation Risk

While the Exchange has introduced **new futures, options, and proposed segments (equity derivatives, weather derivatives)**, there is a risk that these products may face **slow adoption**, as seen in certain recently launched contracts. Failure to achieve sufficient liquidity could limit diversification benefits.

6. Technology & Cyber security Risk

As a market infrastructure institution handling large-scale digital transactions, NCDEX faces **cyber security, system failure, and data integrity risks**. Although the Exchange has strengthened cyber controls, the evolving nature of cyber threats remains a material operational risk.

7. Subsidiary & Joint Venture Performance Risk

The Group's overall performance is influenced by its subsidiaries and joint ventures. While some entities contributed positively, others reported **losses**, indicating **execution and profitability risks** within non-core or emerging businesses.

8. Reputational & Stakeholder Trust Risk

Any failure in settlement systems, technology outages, regulatory non-compliance, or prolonged product suspensions could erode **market confidence**, particularly among farmers, FPOs, and institutional participants—key stakeholders in NCDEX's ecosystem.

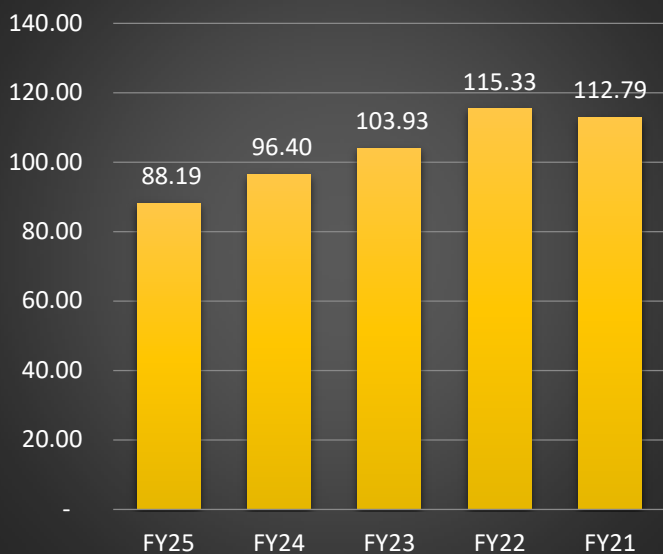
9. Execution Risk in Strategic Expansion

Planned expansion into **equity and equity derivatives** introduces execution, compliance, and competitive risks. Entering a mature and highly competitive segment may require substantial investment before achieving breakeven.

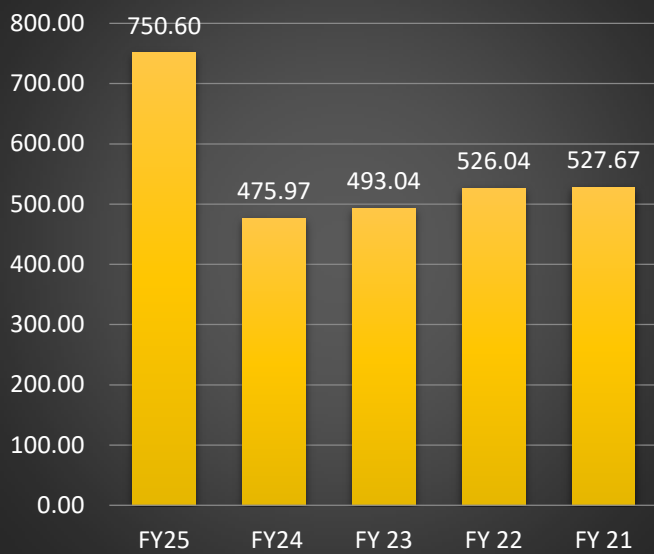


Highlights

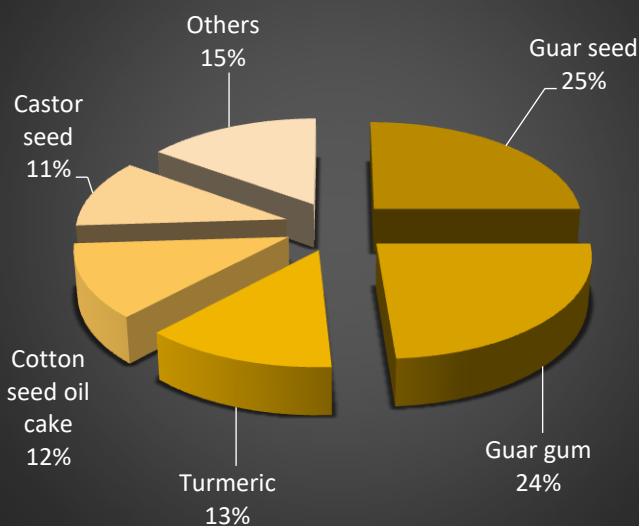
Revenue from operations (in Cr.)



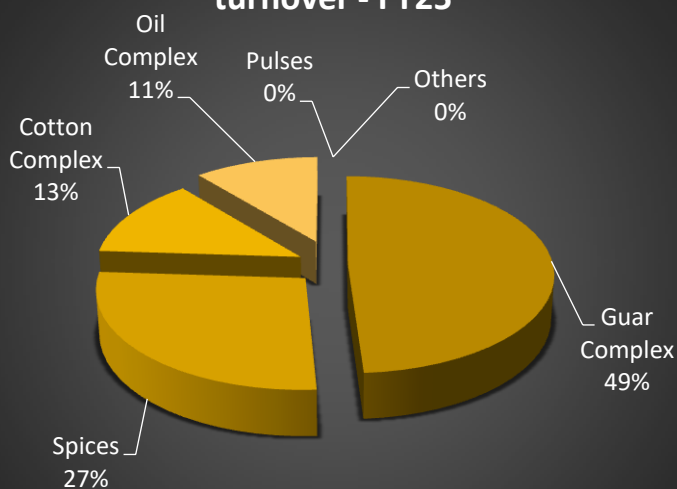
Total Net worth (in Cr.)



Turnover of top 5 commodities - FY25



% share of commodity groups in turnover - FY25



Disclaimer

The figures as on 31 March 2025 have been sourced from the Company's Annual Report. This material has been prepared for information purposes only and is based on publicly available information, internally developed data, data obtained from the NSE website, and other openly available and reliable sources. However, we do not warrant the completeness, accuracy, or reliability of the information contained herein.

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NCDEX is compared with IEX and MCX only to provide industry context on exchange-led business models. Given differences in product mix, regulatory history, scale, and listing status, the comparison is qualitative and directional in nature. Financial metrics and valuation parameters are therefore not directly comparable and should be interpreted with caution