

## About National Commodity & Derivatives Exchange (NCDEX) Limited Unlisted Shares

### Introduction

National Commodity & Derivatives Exchange Limited (NCDEX) is a leading online commodity exchange specializing in a wide range of agricultural and non-agricultural derivatives. NCDEX was incorporated as a public company on 23 April 2003 and commenced operations on 15 December 2003. On 28 September 2015, the exchange became a recognized stock exchange under the Securities Contracts (Regulation) Act, 1956, and is regulated by SEBI.

Prices are generally recognized as international reference prices. Our product basket has evolved over the years and we strive to offer a comprehensive product portfolio that meets the needs of everyone involved in the ecosystem. Technology is at the core of exchange operations and we are the first domestic exchange to operate in an uptime-certified Tier IV data center. We have an intuitive and proactive technology approach designed to enhance the trading experience of our participants. The larger NCDEX group, through its subsidiaries, offers an integrated and comprehensive market infrastructure that includes clearing and settlement services, repository services, and even an e-auction platform. NCDEX is deeply committed to the national objective of promoting and developing farmers and the agriculture sector at large and its relentless efforts to connect primary producers with the exchange have paved the way for sustainable and inclusive growth of the agricultural economy of our country. Our major shareholders such as the Life Insurance Corporation of India (LIC), National Bank for Agriculture and Rural Development (NABARD), National Stock Exchange of India (NSE), Canara Bank, Punjab National Bank (PNB) and Indian Farmers Fertilizer Cooperative Limited (IFFCO) are among the companies that have built India's economic success story in the last few decades.

### Mission and Functionality

Mission: NCDEX serves as a trusted platform for pricing and risk management, consistently offering a wide range of derivatives products that meet the needs of various stakeholders in the commodity value chain.

### Functions:

- Price Benchmark: NCDEX prices are considered as benchmarks for national and global commodity markets.
- Diversified Products: Offers commodity futures, commodity options, and index futures.
- Technology Leadership: First Indian exchange to operate out of a Tier IV data center, ensuring secure and efficient trading.

## Market Presence and Impact

- Market Transparency: NCDEX's online platform improves market transparency and helps farmers get better prices for their products.
- Removing Middlemen: Providing direct market access to farmers and traders reduces the role of middlemen.
- Agricultural Practices: Contracts standardize quality specifications, creating awareness and improving crop quality.
- Demat Account: Allows electronic trading of agricultural produce, simplifying transactions for traders.

## Shareholders and Governance

Its major shareholders include the Life Insurance Corporation of India (LIC), the National Bank for Agriculture and Rural Development (NABARD), the National Stock Exchange of India (NSE), Canara Bank, Punjab National Bank (PNB) and Indian Farmers Fertilizer Cooperative Society Limited (IFCO). NCDEX's board of directors consists of experts in agricultural markets and derivatives.

## Primary Traded Commodities

NCDEX trades 23 agricultural commodities that are less traded globally but are economically important to India, such as pulses, spices, guar, etc. This wide range of trading has established NCDEX as a leading agricultural derivatives exchange.

## Why did NCDEX incur losses in FY22-23?

### Q1: How did the suspension of products at the beginning of FY22-23 impact NCDEX?

A: The suspension of key products adversely affected the overall equity market performance.

### Q2: What was NCDEX's Average Daily Trading Value (ADTV) in FY22-23?

A: ADTV for FY22-23 was \$834 million.

### Q3: How has the Average Daily Open Interest (ADOI) changed in FY2022-23 compared to the previous fiscal?

A: ADOI increased to Rs 2,069 crore in FY2022-23, registering an increase of 6% compared to Rs 1,947 crore in the previous fiscal.

### Q4: How has the ADTV changed for continuing contracts in FY2022-23?

A: ADTV for continuing contracts has declined slightly.

### Q5: What does an increase in open interest mean?

A: The increase in open interest indicates strong support from value chain participants.

### Q6: What percentage of your exchange volume was previously generated by exposed commodities?

A: Exposed commodities previously accounted for 70% of trading volume.

### Q7: How did the loss of suspended contracts impact your deposits and deliveries?

A: Despite the suspension, the impact on deposits and deliveries was limited to a 20% loss. This Q&A format summarises key takeaways on NCDEX's achievements and challenges for the financial year 2022-23.

## Fundamentals

Fundamentals			
NationalCommodity & Derivatives (NCDEX) Limited Exchange	300 Per Equity Share	Market Cap (in cr.)	1064.28
Unlisted Shares Price		P/E Ratio	-38.04
Lot Size	1000 Shares	P/B Ratio	2.24
52 Week High	325	Debt to Equity	0
52 Week Low	210	ROE (%)	-5.89
Depository	NSDL & CDSL	Book Value	93.86
PAN Number	AABC19479D	Face Value	NA
ISIN Number	INE127G01010		
CIN Number	U1590MH2003PLC140116		
RTA	10		

## Financials (Figures in cr)

P&LStatement				
P&LStatement	2021	2022	2023	2024
Revenue	152	160	139	96
Cost of Material ConStJmed	0	0	11	0
Gross Margins	100	100	89.42	100
Change in Inventory	0	0	0	0
Employee BenefitExpenses	72	81	88	91
Other Expenses	75	69	71	70
EBITDA	-34	-35	-66	-65
OPM	-30.09	-30.43	-63.46	-67.71
Other Income	39	45	35	58
Finance Cost	1	2	1.5	1.3
D&A	25	24	25	25
EBIT	-59	-59	-91	-90
EBITMargins	-52.21	-51.3	-87.5	-93.75
PBT	-21	-17	-58	-33
POT Margins	-18.58	-14.78	-55.77	-34.37
Tax	-7	-5	-16	-5
PAT	-14	-12	-42	-28
NPM	-12.39	-10.43	-40.38	-29.17
EPS	-2.76	-2.37	-8.29	-5.52
Financial Ratios	2021	2022	2023	2024
Operating Profit Margin	-30.09	-30.43	-63.46	-67.71
Net Profit Margin	-12.39	-10.43	-40.38	-29.17
EarningPer Share (Diluted)	-2.76	-2.37	-8.29	-5.52



<b>Balance Sheet</b>				
<b>Assets</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Fixed Assets	13	10	8	43
CWIP	0	0	0	4
Investments	79	36	88	113
Trade Receivables	31	29	32	23
Inventory	0	0	0	0
Other Assets	954	856	748	658
<b>Total Assets</b>	<b>1077</b>	<b>931</b>	<b>876</b>	<b>841</b>
<b>Liabilities</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Share Capital	50.68	50.68	50.68	50.68
FV	10	10	10	10
Reserves	456	455	424	425
Borrowings	0	0	0	0
Trade Payables	12	11	9	9
Other Liabilities	558.32	414.32	392.32	356.32
<b>Total Liabilities</b>	<b>1077</b>	<b>931</b>	<b>876</b>	<b>841</b>

<b>Cash-Flow Statement</b>				
<b>Cash- Flow Statement</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
PBT	-21	-17	-58	-33
OPBWC	-24	-23	-62	-52
Change in Receivables	1	1	-3	8.6
Change in Inventories	0	0	0	0
Change in Payables	-3	-5	0	0.3
Other Changes	91	-146	-31	6.1
Working Capital Change	89	-150	-34	15
Cash Generated From Operations	65	-173	-96	-37
Tax	29	-8	-1	-18
Cash Flow From Operations	94	-181	-97	-55
Purchase of PPE	-13	-14	-14	-12
Sale of PPE	0	1	0	1
Cash Flow From Investment	48	52	97	96
Borrowing	0	0	0	0
Divided	-1.88	-2.42	-2.28	0
Equity	0.06	0.03	0.05	0
Others From Financing	-8.18	-5.61	-5.77	-6
Cash Flow from Financing	-10	-8	-8	-6
Net Cash Generated	132	-137	-8	35
Cash at the Start	121	253	72	64
Cash at the End	253	116	64	99