

November 14, 2022

To,  
**BSE Limited**  
Corporate Relationship Department,  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai-400001.

**Scrip Code: 543284**  
**Symbol: EKI**

**Sub: Intimation under Regulation 30 and 46 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 - Transcript of Investor Call.**

Dear Sir(s),

With reference to our letter dated November 02, 2022 and pursuant to Regulation 30 and 46 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read along with SEBI (Listing Obligations & Disclosure Requirements) (Second Amendment) Regulations, 2021, please find enclosed the transcript of the Investor call for Q2 and FY23 financial results held with the Investors/ Analysts on November 07, 2022 to discuss the Unaudited Financial Results of the Company for the quarter and half year ended on September 30, 2022.

The above information will also be made available on the website of the Company: [www.enkingint.org](http://www.enkingint.org)

We request you to kindly take the above information on record.

Thanking you

For **EKI ENERGY SERVICES LIMITED**

**ITISHA** Digitally signed  
by ITISHA SAHU  
Date:  
**SAHU** 2022.11.14  
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**Itisha Sahu**  
**Company Secretary & Compliance Officer**

**Encl: a/a**



“EKI Energy Services Limited  
Q2 FY ‘23 Earnings Conference Call”  
November 07, 2022



**MANAGEMENT:** **MR. MANISH DABKARA – CHAIRMAN AND MANAGING  
DIRECTOR AND CHIEF EXECUTIVE OFFICER – EKI  
ENERGY SERVICES LIMITED**  
**MR. MOHIT AGARWAL – CHIEF FINANCIAL OFFICER –  
EKI ENERGY SERVICES LIMITED**

**MODERATOR:** **MR. SWARNIM MAHESHWARI – NUVAMA WEALTH  
MANAGEMENT**

**Moderator:** Good day, ladies and gentlemen and welcome to the Q2 FY '23 Earnings Conference Call of EKI Energy Services Limited hosted by Nuvama Wealth Management. 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 the conference call please signal an operator by pressing star then zero on your touchstone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Swarnim Maheshwari from Nuvama Wealth Management. Thank you and over to you, sir.

**Swarnim Maheshwari:** Thank you Michele and good afternoon, everyone. On behalf of Nuvama (Erstwhile) Edelweiss, I welcome you all on this EKI Energy Q2 and H1 FY '23 concall. From the management today, we have with us Mr. Manish Dabkara, CMD and CEO of EKI Energy; and Mr. Mohit Agarwal, CFO of EKI Energy. Without further ado, I would hand over the call to Mr. Manish for his opening remarks, and then we can start -- we can have the Q&A session. Thank you and over to you, Manishji.

**Manish Dabkara:** Thank you, Swarnim. Good afternoon, everyone. Though, most part of festive is behind us, before moving on, I would like to wish you all, that may the guiding light base you all with happiness and quality time with all your love ones. Hope, you all had a good time with your loved ones, plus you have all been doing well. Wishing you all continued good health and good times.

Today, we as a team, welcome you all to our earnings call for quarter 2 and half year ended FY '23. I would more importantly thank each one of you who are onboarded us as our stakeholders and well-wishers. Thank you for being an important part of our journey and supporting us in our quest to drive the world towards a net zero future. Today, with me for the call is our CFO, Chief Financial Officer, Mr. Mohit Agarwal; and our Investor Relationship Partner, Orient Capital.

As we close past half the year and ring in another quarter, I am delighted to share with you all that we have yet another half year of amazing performance and continued growth for H1 FY '23 on a standalone basis, our topline has grown a phenomenal 50.4%, while EBITDA grew by 74.3% and PAT by 72.3% as compared to the same period last year.

On a standalone basis for H1 FY '23, EBITDA margin stood at 28.5% and PAT margin stood at 21.2%. Our numbers are proof to the incredible growth that we are all doing, being able to withstand the global macroeconomic headwinds and fears of slowdown to show such resilience, despite the odds is an incredible feat. To emerge stronger from all that is par excellence.

We are a net debt-free company. Our cash flow from operations has improved as compared to same period last year. In H1 FY '23, cash flow from operations stood at INR 151.3 crores as compared to INR 34.6 crores last year. Also, our liquidity has improved considerably for H1 FY '23 and stood at INR 186.5 crores in the form of cash and liquid investments. This quarter, we achieved many milestones. The first one is, we became the first ever company to list the Plastic Project from India with Verra, - a global accreditation standard located in Washington USA. We

will soon become the first ever company to generate international plastic credits for collecting and recycling plastic waste in the country through this project.

The second one is, we partnered with Singapore based ICAM, Impact Climate Asset Management PTE Limited to launch INR 1,000 crores, that is around \$125 million, climate impact fund to develop GHG, greenhouse gases mitigation projects with a deep focus on community development across the globe. EKI will invest up to INR 200 crores, that means \$25 million as an anchor, investor in the fund.

EKI will also act as a project implementer partner, this venture will ensure the long-term sustainable supply of quality carbon credits, as well as place the company in global climate finance market.

Third one is our subsidiary, GHG Reduction Technologies Private Limited has completed the capacity expansion to achieve one of the highest production capacity in the world. Our manufacturing plant located at Nasik, now has the capacity to manufacture up to 5 million improved cookstoves per year. The highest ever in the biomass category.

Our green cooking initiative continues to drive community upliftment, while also helping in the generation of high-quality carbon credits. We have distributed around 5 lakh – 500,000 cookstoves till date within India.

–Fourth one is - Further enhancing our leadership as most trusted and preferred partner for end-to-end management of smart city projects across the country, we have now been onboarded by Varanasi Smart City.

We now offer expert advisory or consulting services for the end-to-end management for all the climate-related projects of Varanasi Smart City, including renewable energy projects, renew -- energy efficiency waste projects, waste management projects, other technological projects.

Fifth one is, we are now part of the country's first of its kind, strategic alliance of industry stakeholders from the realm of climate change and carbon credits in India. The carbon market association of India will work towards empowering India's journey to –net zero through climate positive advocacy and initiatives. It will aid the establishment of a robust domestic carbon markets in India.

The association will collectively formulate recommendations across a wide range of topics, which includes national emission trading scheme; Article 6.2 of the Paris Agreement; Article 6.4 of the Paris agreement, Carbon Border Adjustment Mechanism, CBAM; Carbon Neutrality, Net Zero Goal and Voluntary Carbon Markets amongst others.

I'm the first President elected for this association. We are glad that the Power Minister himself has put the stance on the ban of carbon credit export from India to other countries to rest 0. He clarified this to media last month on the side-lines of an industrial event and stated that the carbon credits from the country will continue to be exported worldwide.

This clarification was long due and will now enable the entire industry ecosystem to continue its growth towards strengthening the country's domestic carbon market with a steady supply of credits that will further accelerate India's journey to a carbon-neutral future and pave the way for the market to unlock new potential and unleash a new era of environmental activism in India. Carbon credits are imperative and integral for climate positive actions.

Indian carbon market is gearing up for the revolution with the development of National Emission Trading Scheme, or (National Cap and Trade regulatory carbon markets.) The Energy Conservation Act 2022 will further empower the domestic carbon market, a robust National Emission Trading Scheme will enable a strong supply of carbon credits to meet the country's NDC and export the higher – for higher forex, economical and development benefits.

Meanwhile, the demand for voluntary carbon markets has been consistently rising exponentially, even as corporate and businesses are increasing their climate action investments. And since voluntary carbon markets are not being governed by Article 6 of the Paris agreement, there is not any regulation over the voluntary carbon markets, not only in India, but across the world.

We estimate that about 30% of the global share of voluntary carbon market that have got retired belongs to our portfolio during last quarter. The future market looks promising for EKI and will grow substantially with the surge in supply of credit, origination of credits. Demand of credits by off-takers, that means through corporates and businesses around the world with Net Zero commitment, as well as National Emission Trading Scheme in India, which is expected to be operational in full fledge in next three years' timeline.

Globally also, it is estimated that the carbon markets will grow exponentially. Mckinsey estimates that the demand for carbon, it will too surge and that it will be worth upwards in the range of around to USD 50 billion to USD 150 billion by year 2030. This is a great news for Team EKI, and we all set to make most of this growing opportunity.

We are now gearing up for a conference of parties meeting No. 27, that is COP27. We started our journey to COP27 in April as we imbibed a new brand identity that focus on our vision to stay the planet to a nature of future. We also announced host of strategic plans in preparation for COP27, and this included our commitment to become a net zero company by year 2030. In addition to defining our target to mobilize up to 1 billion carbon fitted within next five year that means by year 2027.

As we continue our journey together as one team stronger than ever, we promised to keep the aiming high. We are enthusiastic about the next quarter and are constantly working towards achieving our strategic growth objectives. None of this, however, could be accomplished without the support, interest, you all have on us. Thank you for being our constant support.

Now I'd like to hand over the call to Mohit for financial updates. Thank you very much.

**Mohit Agarwal:**

Thank you, Manishji. Good afternoon to everyone. Yes. We have indeed had an exceptional half year performance again. Team EKI is growing stronger each day. Let me now take you through

some of the amazing financial highlights for H1 first half of Financial year 2023. In H1 FY '23, our standalone revenue increased by 50.4% to INR 957.6 crores compared to the same period last year. Also, our H1 FY '23 standalone EBITDA margin increased by 390 bps INR 272.9 crores as compared to the same period last year. H1 FY '23 standalone PAT stood at INR 202.6 crores and PAT margin stood at 21.2%, which is an increase of 280 bps from the same period last year. As Manish already said, our liquidity has also improved this quarter, and it stands at INR 186.5 crores which is a testament to our commitment to grow by following prudent financial practices. This is all from my side. We will now open the floor for question-and-answer session. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer-session. We have the first question from the line of Venkatesh from Introhive. Please go ahead.

**Venkatesh:** I have a quick question on the -- in the last quarter, the sequence of investor presentations. I would like to know, is there any progress or update on the rest of presentation?

**Manish Dabkara:** So you are asking about the outputs of the calls that we have done.

**Venkatesh:** Yes, correct. Yes, Manishji, correct. Is there any outcome? Are there any of the update in progress, anything which you would like to share?

**Manish Dabkara:** Yes. So this is the regular activity that we do call with various investors. And definitely, the interest is growing up within India -- within the domestic level at the international level. Once we have any significant updates, definitely at the right time, we will do -- come up with the proper update related to the same for all of our stakeholders.

**Moderator:** Thank you. We have the next question from the line of Rajesh Chawdhary from Zenith. Please go ahead.

**Rajesh Chawdhary:** My question is regarding the plastics recycling project that you have mentioned in the call. So how big is that market? And how much revenue are we anticipating from that?

**Manish Dabkara:** Yes. So carbon credit is an environmental commodity. Similar to that, Plastic credit is also going to become the similar commodity. As you know, various companies, specifically at the international level, now they had declared that they want to become plastic neutral and to become a plastic neutral company, definitely, they need plastic credit, so one carbon credit is 1 ton CO2 carbon dioxide or greenhouse gas emission reduction from the atmosphere. Similarly, if we do collect 1 ton plastic, then we are eligible to earn 1 plastic credit further, if we do recycle that specific 1 ton plastic that had been collected, we are eligible to earn another plastic credit. So such kind of plastic credits, they are at the nascent stage in the global plastic markets.. But as you know, in India, at the international front, various organizations in India, we do have EPR Extended Producers Responsibility. Similarly, in the compliance and the voluntary level across the world, there is a high momentum related to this plastic waste reduction. And the market size and the rates would not be -- I would not be able give you the proper answer for the same because this is a specific commodity at the nascent stage, but we are very sure that in near future in next

two years to three years' time line, it will get high momentum, and we are getting positioned ourselves in reference to generating the similar quantity based on these demand as compared to carbon credits, we are getting up self-positioned

**Rajesh Chawdhary:** Would you have any ballpark estimate of the revenues that we can garner for, say, next couple of years?

**Manish Dabkara:** It depends on the pledges that the international community will do sign and the demand that will get generated. So as of now, the market is at the nascent stage. But definitely, once we'll do get good momentum since you know across the world with Verra, which is based at USA, around 20 projects had got applied and only two, three projects had got registered to get the initial supply of the credits. So the whole market is at the nascent stage and we are -- once it will grow, we do have a plan that we should be having a good market share globally as what we do have in carbon markets.

**Moderator:** Thank you. We have the next question from the line of Abhishek Sharda from Hem Securities. Please go ahead.

**Abhishek Sharda:** One thing I want to ask for the volumes for this quarter for Q2 FY '23?

**Management:** Yes. what quarter?

**Abhishek Sharda:** Yes, sir. For Q2 FY '23?

**Manish Dabkara:** Yes. So during the last quarter, we had supplied around the 19 million carbon credits to the global carbon credit industry.

**Abhishek Sharda:** Okay. So it's similar to Q1 FY '23, right? 19 million plus 19 million, 38 million that you have given in H1 FY '23?

**Manish Dabkara:** Yes. To our industry, as you know, the second half used to be in the better position as compared to the first half. And the guideline that had been given in the past during the past calls, definitely, we are on the same track to follow the same to deliver the same.

**Abhishek Sharda:** In terms what are the expectations that till end of FY '23 will be like the credit sold will be how much the volumes?

**Manish Dabkara:** So during last financial year, we had supplied around 87 million carbon credits and around 100 million to 105 million credits, we are -- so we are sure that we will be able to supply the same, that is approximately 20% growth in reference to the volume that we had supplied as compared to last year.

**Abhishek Sharda:** Okay, sir. And sir, the major reason for the muted revenue and EBITDA in terms of Q-o-Q basis? Or is it some seasonal like Q2 is not seasonally not good or some other reason?

**Manish Dabkara:** As I stated in our industry, major buyers are located at the developed economies like Europe. In Europe, their financial year and calendar year used to get ended during December. So during first half, the buyers, they used to inquire they used to take the pulse(20.24) of the market, while during second half to exhaust their budgets to become -- and to achieve their carbon neutrality goal, they used to procure during the second half. That is the very well-known global trend in our carbon markets. So the second half always used to remain very positive, giving a very good result as compared to the first half, and we are anticipating that we will follow the same past experience.

**Abhishek Sharda:** Yes, right. Understood, sir. Last question I want to ask that like Europe is a major contributor of our revenue, right? Around 55%, as you mentioned in the investor presentation. So are we facing, are you witnessing any slowdown in demand from this region due to some macro issues? Or is it fine?

**Manish Dabkara:** Yes. Because of the Russia, Ukraine war, as you know, the energy prices are high and there was -- there is an impact during the first half, as you know, because the war had got started around during the February during February, as far as their first half, the war had got started. And because of the same their priority to buy or to be to achieve their carbon neutrality had got somehow shifted to the second half. But now we are looking that everything or the demand, again, as compared to the last year is on track, and we would be able to achieve the guidance that we have given during last calls.

**Moderator:** Thank you. We have the next question from the line of Mahendra Jain from Way2Wealth. Please go ahead.

**Mahendra Jain:** Thanks, Manishji. Good set of result. Sustaining margin. Sir, my question is regarding the matured market and Interpol have warned regarding carbon credit fraud, and it's very difficult to control fraud because there is no lack of any central regulator or something like that? So are we facing any this kind of scrutiny from government authorities or how we manage this thing to certify the things that we are not giving any kind of that part of things or like any KYC regarding your clients or something? What is the process for companies following regarding?

**Manish Dabkara:** Yes. So actually, whatever the guidelines that had been issued by Interpol is related to the investments if you are looking to invest into -- to buy the credits from the compliance market or from the voluntary market, all the guidelines are related to the same. Actually, we are not into that specific domain of getting the investment from the clients and hold the credits for them. So all those specific guidelines are not very much applicable on us. In our business, we do sign emission reduction purchase agreements from the buyers who are looking to buy credits originated from developing nations. And the transaction is very simple. We do transfer carbon credits from our registry account to their registry account and get the revenue from sale of carbon credit as per the signed agreement. So there is not any chance of getting a fraud. The fraud is related to actually the fraud is related to, like, if someone is building 100 carbon credits. And for the same 100 carbon credit, if we do take investment from five different investors. -- and then doing a misinterpretation or giving wrong information to the investors that we are -- that specific



investor or the fund management company is holding 500 carbon credit for five different companies. So all this different frauds had been observed at European Union Emission Trading Scheme or UK Emission Trading Scheme. Since we are not working in all those specific markets, compliance market, and we are not into the business of getting the investments and holding the credit for our investors. So all such kind of frauds are irrelevant to our business model.

**Mahendra Jain:** Sir, one more thing, where we see our company in the next three years? And a surprising pattern of voluntary market, sir, can you just a little bit guide

**Manish Dabkara:** Yes. So as during the statements that had been given during the call. So we are looking to generate or supply around 1 billion carbon credits by year 2027. So we are on that specific track, which apply to the international voluntary markets. By that time, we do anticipate that domestic emission trading schemes, not only in India, while in other nations like in Turkey or in Southeast Asian nations, or in African nations, Emission Trading Scheme will be well to get their own position. And so we would be getting apart from that 1 billion carbon credit that we are looking to supply in the international voluntary markets, we are anticipating that additional growth opportunity we will be able to get during the same point in time. And so definitely, the expansion to the domestic admission creating markets definitely are going to support our top line and bottom line. So this is the growth path.

**Mahendra Jain:** Can you pricing of -- so it will remain same as it is or if the demand will increase, so price may go up around that 2027 let say?

**Manish Dabkara:** Yes. So as for the researchers, if we do find over the Google done by Bloomberg our or maybe Mackenzie or maybe IBCB, they are anticipating that the market size will do increase from \$1 billion to \$2 billion as compared to year 2021 calendar year -- it is being anticipated by year 2025 by year 2030 the market size only for the voluntary carbon markets will be around \$50 billion to \$100 billion. So definitely, as the market size will increase and the supplies are not -- will not follow the same path as compared to the demand.

And definitely, we are anticipating that the price is -- and that is a global phenomena. The demand is high and supplies are less. So the prices definitely will go up. So as looking as the present economical scenario or political scenario across the globe, we are anticipating that the market size will increase, demand will increase and so the prices will follow the same part.

**Mahendra Jain:** Last question, are we looking more players into this field in the next 10 years in India, sir? Like are we expecting more player to come through the market can become more mature like?

**Manish Dabkara:** It depends on the competitors, how are they going to get positioned themselves -- but our position is very well defined that we will do supply 1 billion carbon credits having maximum market share in developing nations.

**Moderator:** Thank you. We have the next question from the line of Nikhil Oswal from Oswal Finance.

- Nikhil Oswal:** See, this is with respect to the inventory based on what you have given in the investor presentation. Based on the inventory numbers given in the investor presentation, see, H1 sales is 38 million carbon credits and corresponding value comes to INR 957 crores. So I arrived at an approximate figure of like INR 250 per carbon credit. Now the stock in hand, what we have on 30th September is 10 million -- and which should essentially translates to around INR 250 crores of inventory. Then why is the inventory valued at INR 142 crores, could you just elaborate on that?
- Mohit Agarwal:** I just want to say, inventory valuation is being done on the basis of cost or market value, whichever is lower as per the accounting standard. And which value we have already explained in our previous calls also, we always value the inventory on a cost -- that's why you are finding that 10 million carbon credits valued at INR 144 crores, which is its market value might be in between to 225 to 250 as of now.
- Nikhil Oswal:** Sure. Fair enough. I just wanted that clarification. And one other question is the -- on Page 31 of the investor presentation, it says that there are no restrictions on voluntary carbon exports currently from India. So I wanted to check what percentage of our sales are voluntary carbon credits or rather voluntary carbon exports?
- Manish Dabkara:** So Article 6 of the Paris agreement do not -- or any domestic law across any developing nation do not govern import and export of the voluntary carbon markets. As of now, whatever the credits, carbon credit that are being generated during last five years in any developing nation used to get sold in the voluntary market, 99% of the credit used to get sold in the voluntary market since there is not any compliance market. The compliance market under the Paris agreement or under the domestic law are going to get themselves positioned in the next three- to five-year time line. And so in our volumes -- now for the last five years, not in fact the last few quarters. But during the last five years, 100% of the volume used to get sold in the international, the voluntary markets.
- Moderator:** Thank you. We have the next question from the line of Jaykumar Patil from SG Balekundri and Company. Please go ahead.
- Jaykumar Patil:** My question was the sales decreasing quarter-by-quarter because in September '21, INR 443 million the same was to INR 681, 687 March again, reduced to 475 June in 508, now it is 459. It's more or less the last year's third figures are there. So what's the reason why the sales are decreasing here quarter-by-quarter. And what are the actions you are taking to improve it?
- Manish Dabkara:** Yes. So I stated during the last conversation, the second half for our carbon markets used to give stronger results as compared to the first half. And so on a quarter-to-quarter basis, there may be some differences. But if you do analysis on a half year basis, then it will give you proper estimation about the performance of the organization. Because all the quarters never remains the same as the buyers who are based at the develop nations, they want to exhaust they want to achieve -- they want to exhaust their budget so that they had kept to achieve their carbon neutrality or net-zero journey to attend that specific goal.

So December month is very important for our industry. The quarter three and quarter four to exhaust and for them, it will be quarter four and quarter one. So to exhaust to achieve -- to exhaust the funds that they had earmarked for the achievement of their carbon neutrality goal or net-zero goal they use to do procurement during that specific two quarters. And that is the reason the first half of our Indian financial system used to be weaker as compared to the second half of our financial system for our specific results.

**Jaykumar Patil:** And one more question I want to the price share prices, since last 10 months because we can say reduce the 50% So any other reason other than?

**Manish Dabkara:** Yes. So our main goal is to generate or to develop carbon credit and supply to the international carbon markets. We are very well positioned in reference to the market share that we do have, not only in India, in all developing economies. And we are doing -- and we are very well placed in all those specific results have further doing expansion of the organization that we upward integration or the integration with the technology world or financial world. We are very well positioned in all different aspects whatever that can be achieved in our carbon markets.

So in the business aspects, we are very well positioned while -- it depends on the stakeholders, how they position themselves. So I would not be able to comment on that specific aspect but we'll be able to comment over the specific business performance in all different verticals that we are working.

**Moderator:** Thank you. We have the next question from the line of Sanjay Sharma from Octopus. Please go ahead.

**Sanjay Sharma:** First of all, congratulations Mr. Dabkara for good result. I have very specific questions. Number one question is besides the voluntary market, is there a compliance market, too? Question number one, question two, if yes, how big is it? Question number three, is the compliance market likely to go up with countries passing new policies?

**Manish Dabkara:** So as I was understood if your question in, please do make me correct. So the first question you have asked is what is the difference between the compliance and voluntary market. Is it the same?

**Sanjay Sharma:** Not the difference, but is there a compliance market too? -- does it exist along with the voluntary market?

**Manish Dabkara:** So to understand there are -- in our carbon markets, there are two different categories. One is the compliance market, another one is the voluntary market. Compliance market can again be divided into two parts, the compliance market driven through the international treaty. And the second one is the compliance market driven through domestic law. So as you know, from your 2005 to year 2020, there was a treaty called Kyoto protocol.

And as per that Kyoto protocol, it had been decided that all developed nations should reduce their emissions. And if they are not able to reduce they can buy carbon credits originating from

developing nations like India and China. And so that specific market is called as the compliance market under Kyoto protocol.

And now we are into the Paris agreement data that had been started from year 1 January 2021, and we'll do end up to a year by the end of the century. And under the Paris agreement, it has been mentioned or it had been accepted or negotiated by all the nations that now the accountability is there with all the nations, either develop, developing or economics on the transition or under developed nations. And so each nation has declared that they will become a...

**Moderator:** Mr. Sharma, can you please repeat the question?

**Sanjay Sharma:** What I asked was, besides the voluntary market is there a compliance market also? And if yes, then how is the compliance market compared to the voluntary market in percentage terms?

**Mohit Agarwal:** Take down the question from Sharma. And Mr. Sharma, we will give back to him on his mail ID, if it is possible.

**Moderator:** Thank you sir.

**Sanjay Sharma:** Yes, I would be happy if you can do that.

**Mohit Agarwal:** Sorry, sir, -- sorry for our network issue. We will definitely really get back to you through the mail. -- is it okay.

**Moderator:** That would be fine, sir. He said it's okay. We have the next question from the line of Deepanshu Soman from Shivansh Holdings LLP. Please go ahead.

**Deepanshu Soman:** First of all, congratulations on a very nice numbers reported and especially on the balance sheet side, -- two questions I had is, one, I see an increase in the trade receivables. So any explanation for that? And second-- the guidance credit sizes YTD, I think they are down -- so are we looking to mitigate the revenue shortfall to increase in volumes or what is the strategy over there?

And the third question is on the AIF side, what we are trying to create, has the capital allocation already been done -- is it a timeline that we are going to do the capital allocation of the INR 200 crores. And if the fund how we are thinking to deploy and how basically it is going to increase our presence in the ESG market. How do we see this?

**Mohit Agarwal:** Okay. First, can you repeat your first question?

**Mohit Agarwal:** So the first question was on that? I believe it was. Yes, I will confirm you that our receivables are always between 15 to 20 days on a client basis. There are various clients where we are offering a credit line of almost 5 to 7 days also. That means we are receiving the funds well within the norms and the contractual agreements. However, sales are being done in a different timeline, be it month end or quarter end or whatsoever. And due to that, our closing balances, if

you will check on last year, last quarter also, that is also in the range of INR 319 crores, and now it is INR 314-315 crores. is almost the same.

And I will confirm that we have received almost INR 80 crores to INR 90 crores during this quarter. during this month only October itself. That means our debtors are inline with the contractual agreements and our overall working capital is well within the one month time horizon & we are very much hopeful that we will do more review in near future as per the business requirements.(45.55) That is the first question. I have answered you. And second question you have asked on the profitability for credits, right, profitability and how we are going to manage all these things in the future. We are deploying the funds whatever the accruals, which we are accruing from our own business in development of our own projects like community-based projects and nature-based projects. However, nature-based projects is taking a time, decision period ranges from four to six years, while community-based projects like distribution and implementation of the improved cook stove that takes approximately 20 to 24 months time horizon. That means, so in that scenario, we are very much confident that down the line after one year, all this our investments, which we are developing our own projects and infusing money in that, credits will get started after 12 to 18 months' time horizon to some extent.

And in full pledge, it will start after 18 to 24 months, and that will give us the full bottom line as well as the top line, apart from the existing business, which is going on right now. That existing business will also have a 20% or 25% which our MD has already given a guideline approximately 20% unit growth, that will remain there. In that way, we are very much confident that our bottom line or you can say, per credit realization will remain same or it will grow after two quarters to three quarters.

**Deepanshu Soman:** I got the point. I just wanted to check, how – trend for the quarter-on-quarter price of in the volutary market. So whether the prices were stable or whether the prices were delining on a quarter-on-quarter basis?

**Management:** Prices are stable. If you will check that, our average realization is in between \$3 to \$3.25 approximately, on an average I'm talking about.

**Deepanshu Soman:** Okay. So the prices were stable for the last quarter.

**Management:** Yes. Now coming to your third question,

**Manish Dabkara:** I want to add one thing, the average prices that we have observed for the sale for the carbon credits during last financial year is almost the same during this financial year. So everything is quite stable in reference to the prices.

**Mohit Agarwal:** Third question was, ICAM investment plan how we are going to take that.

**Manish Dabkara:** Please take it forward.

**Mohit Agarwal:** Yes, sir, I just want to explain you that INR 200 crores, which we have given the EMR fund, which we are going to deploy in the next six to eight months' time horizon from our own accruals,

and by investing this, we will act as an implementation partner also. That means whatever the fund will be generated by the dedicated fund that is the fund we are creating in Singapore with that EKI will act as a implementation partner and EKI will no doubt make -- take a benefit of two, three things. EKI will get share whatever the credits will be generated as per the prudent discussions between both the parties.

Apart from that, EKI own investment will give them -- give us 100% credits supply in near future. And third benefit is our climate -- our footprint or you can say our will be in global markets in climate finance marketplace also. These are the three broad benefits, which we are looking right now, which will flow to the EKI. And this all type of our own in development, own developed this one project, be it in a community-based projects or a nature-based project, this will give an annuity returns for next five years for community and 25 to 30 years in nature-based projects. That is the annuity which we will get in near future, and that will make our top line and bottom line additionally from the existing business.

**Moderator:** Thank you. We have the next question from the line of Milind Raj an individual investor. Please go ahead.

**Milind Raj:** My question is, in the investor presentation, you have given the pipeline of credits, which says that until financial year '24, it will be 375.6 million. So is this the order pipeline or you are saying that this will get reduced by your projects?

**Management:** So for that specific number or the volume, the high volume that we are going to generate, the contracts are already there in place. That means we have got the contracts from the sellers or the project owners. We are working on those projects, which are there at the validation stage, validation and registration stage and secondary verification and issuance stage. So the contracts are already there in place to answer and those credits will get delivered during the second half and during next financial year.

**Milind Raj:** Okay. So going by the average, then are we saying that we'll achieve almost like 10x of what we have achieved in this first half?

**Management:** So it depends, like various projects are there at various stages of preparation of the documents, submission to get issuance, issue and getting the issuance approval. So the guidance that we have given for this financial year, we are well placed on the specific guidance that we have given for around 100 million to 105 million credit during this financial year. During next financial year, definitely at the right point in time, we will be able to give you the best position depending on the credits that you would be able to get issued during next financial year.

As we are anticipating, everything remains fine depending on the issuances that we would be able to get on time from the security relative program, security relative likely in development mechanism, CDM or verified carbon standard, standard of global carbon council. And that much volume definitely would be available with us before end of next financial year. And that is going to contribute, all these volumes are going to contribute to our 1 billion carbon credit goal that means 1,000 million credits. Already, almost 200 million credits, we have achieved. This 400

million will make 600 million credits and the remaining 400 million, we would definitely be able to achieve before year 2027 in the international voluntary carbon markets. So that is the position that we have in the present scenario.

**Milind Raj:** Okay. And sir, my second question is if you can share an update in terms of the JV with Shell as to how much Shell has invested so far? And what, if at all, they have invested full amount or what we are doing in tranches? And since I understand these are nature-based solutions, the revenue from this project will start only after five years, six years? Is that the case, sir, and maybe very long term?

**Manish Dabkara:** Yes. So nature-based credits as compared to technology or community-based credits that they used to get a longer crediting period from 30 years to 90 years, while the technological base credit used to get crediting period, the crediting period means the period for which during which we would be able to get the issuance of carbon credits. So that is the crediting period means. So for nature-based solution projects, specifically, as you know, the plant or the trees that needs to take time to grow at the substantial stage. And so minimum four years is a timeline or gestation period which is required for nature-based solution projects.

Two projects already being onboarded, which are going to get invested from Shell. And we are anticipating the similar number we would be able to achieve during the second half of this financial year. Further apart from the investments or the projects which are invested agreeable where in the Shell is invested to onboard the projects. Apart from that, we are also having number of projects for which the investments have already been done or the other investors are there and we are giving the advisory services because under that specific JV, we have two targets one is giving advisory services for the projects which are already about investment opportunity and another one is the project which are looking for the investments.

So the two projects which are looking for the investments are already onboarded, while many similar projects which are already got investment opportunity, so we are only giving advisory services for those projects. Many projects are there which are -- whichever onboarded. So that specific goal of joint venture is well placed and the other relevant information related to the investments the types of credits are confidential in nature as of now. And definitely, at the right position or right point in time, we will do make a specific disclosures.

**Milind Raj:** Okay. So you're saying that you'll not be able to disclose the amount of investment by Shell? Is it, sir in terms of dollar investment...

**Manish Dabkara:** Yes, as present point in time, what were the information disclosures, which are required as per law, definitely, we do make the disclosure. But as of now, it's -- this specific information are confidential in nature.

**Moderator:** Thank you. Ladies and gentlemen, due to time constraint, that was the last question that the management could answer. I would now like to hand the conference over to the management for closing comments.

**Manish Dabkara:** So thank you very much, everyone, for joining this call, and we wish you all very high success in your specific areas of working. Thank you very much for joining this call.

**Management:** Thank you.

**Mohit Agarwal:** Thank you, everyone. And if anyone are left out from taking the questions from our side, I'm requesting to share that question with our IR partners so that we can answer in the due course. Thank you.

**Moderator:** On behalf of Nuvama Wealth Management, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.