

October 25, 2024

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

Scrip Code: 543284
Symbol: EKI

Subject: Press Release on financial results for the quarter ended September 30, 2024.

Dear Sir(s),

In compliance with the provision of regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith press release on un-audited standalone and consolidated financial results for the quarter and half year ended September 30, 2024.

Kindly take the above information on records.

Thanking you,

Yours Faithfully
For EKI Energy Services Limited

Itisha Sahu
Company Secretary & Compliance Officer

Encl: a/a

EKI Energy Services Limited Announces Financial Results for the First Half of the FY 2024-25

Indore, [October 25, 2024]: EKI Energy Services Limited (EKI), a global leader in carbon credit development and trading, and climate change solutions, reported its financial results for the second quarter of FY24-25. Amidst the turbulence in the carbon markets, driven by regulatory changes and growing constructive criticism across the globe, EKI remains committed to advancing decarbonization efforts while expanding its portfolio. The company continues to strengthen its liquidity, streamline operations by diversification and consolidate its leadership position in the sector.

Chairman Manish Dabkara expressed confidence in the company’s status, stating: “Despite the volatility in the carbon markets and unpredictable policy updates, we are strategically positioned to weather the turbulence. Our focus on financial prudence, innovation, and strategic partnerships ensures that we remain on track to achieve our long-term vision of a low-carbon, climate-resilient future.”

Financial Highlights:

- EKI and its subsidiaries remain in a robust financial position, maintaining a strong cash reserve with no outstanding loans. Our focus on liquidity ensures operational flexibility and resilience, supporting sustainable growth.
- Consolidated revenue of INR 143.13 Crores for Q2 FY24-25 demonstrates stability, with EKI maintaining a strong liquidity position and an effective cost management strategy to enhance profitability.
- The company's subsidiaries have contributed positively to the overall performance, with more orders received for the Surya Nutan indoor solar cooking device, Oorja improved cookstove, and continued growth in the power trading sector as well.
- The bio briquettes plant in Dindori, Maharashtra, of our subsidiary, GHG Reduction Technologies Private Limited, manufactured and sold nearly 455 tonnes of briquettes in the this quarter. We have received an order of surya nutan (clean cooking device) from a renowned international foundation, which will be delivered in upcoming quarter.
- The reversal of contract assets and contract liabilities is set to positively impact our financials resulting in enhancement of our balance sheet, providing greater financial clarity and supporting stronger growth projections as we continue to optimize our revenue streams.

ICVCM's Regulatory Shift: A Challenging Overhaul

The global carbon market has been affected by recent developments, especially the International Carbon Reduction & Offset Alliance's (ICVCM) rejection of several established renewable energy (RE) methodologies. These methodologies, many of which originated from the Clean Development Mechanism (CDM), were essential in facilitating carbon credit issuance for grid-connected renewable energy projects. However, ICVCM has raised concerns regarding the financial additionality and baseline determination of these projects, stating that they no longer meet the criteria for Core Carbon labels.

From the very onset of climate consciousness, renewable energy technologies have played a pivotal role in global decarbonization efforts. Grid-connected RE projects, particularly in emerging markets, have contributed significantly to reducing carbon emissions. However, the recent decision to halt carbon finance for such projects poses a challenge for the industry.

Chairman Manish Dabkara commented, "Having worked on numerous RE projects worldwide, we find this decision perplexing. The general perception of assessing grid-connected RE projects based solely on their levelized cost of energy generation overlooks the high cost of distribution due to low capacity utilization, particularly in remote areas. The opportunity to evaluate the financial additionality of these projects on a case-by-case basis should not be dismissed. This could impact emerging technologies like geothermal and offshore wind, where penetration remains low. We remain hopeful that ICVCM will reconsider its stance, especially after potential modifications by the UNFCCC's Art 6 supervisory body, expected at the upcoming COP29 conference."

Strong Future Outlook

Despite the regulatory turbulence, EKI remains optimistic about the future of the carbon markets. The company is confident that demand for high-quality carbon credits will continue to grow, supported by increasing global commitments to carbon neutrality and stricter emissions reduction targets. EKI is well-prepared to adapt to evolving market dynamics, leveraging its expertise in both voluntary and compliance carbon markets.

Biomass Briquettes and Expansion in Africa

EKI's subsidiary, GHG Reduction Technologies Private Ltd., has made significant strides in the production and dispatch of biomass briquettes. The company has ramped up production and delivered over 455 tonnes of bio-briquettes in this second quarter. These briquettes offer a sustainable alternative to traditional fossil fuels, helping to reduce deforestation and carbon emissions across rural communities.

In another milestone development, GHG Reduction Technologies has also set up a new manufacturing unit in Nairobi, Kenya, in collaboration with local partner MCI Limited. This new facility is part of EKI's larger clean cooking initiative in Africa, which aims to transform cooking practices and reduce carbon emissions. The Kenya plant will play a crucial role in scaling up production and supply of biomass briquettes across the continent.

Success in Malawi: Carbon Credits for Clean Cooking Initiative

In another milestone achievement, EKI was granted permission to issue 1.4 million tonnes of carbon credits for its clean cooking initiative in Malawi. The initiative, which focuses on distributing improved cookstoves to rural households, has already reached over 25,000 households, benefiting 250,000 people. By the end of the year, EKI aims to distribute cookstoves to 50,000 households, significantly improving health outcomes and reducing carbon emissions in the region.

EKI Academy: Empowering the Next Generation of Climate Warriors

To address the growing need for expertise in environmental services, EKI has launched the EKI Academy. The academy offers comprehensive training in key areas such as GHG accounting, carbon credits, sustainability, ISO standards, and more.

In addition to standard courses, the academy will also offer specialized training in emerging areas such as Nature-Based Solutions (NBS), Extended Producer Responsibility (EPR), and Paris Agreement implementation.

Looking Ahead

As the carbon markets continue to evolve, EKI remains at the forefront of driving sustainable, long-term growth. The company's strong financial performance in Q2, coupled with strategic expansions in clean energy and decarbonization initiatives, positions EKI to lead the charge in building a low-carbon, climate-resilient future.

About EKI Energy Services Ltd

EKI Energy Services Ltd. is a leading Carbon Credit Developer & Supplier across the globe. It is the first ever company to list a Plastic Project from India with Verra - a global accreditation standard located in Washington, USA. Founded in 2008, the Bombay Stock Exchange (BSE) listed company has been passionately working towards rehabilitating the planet to a future of net-zero carbon emissions. EKI offers sustainable solutions for climate change and carbon offsets with global standards like CDM, VCS, Gold Standard, GCC, IREC, TIGR and others. With an aim to contribute to the development of a climate resilient global economy, the company offers strategic solutions to businesses and organizations globally to achieve their climate ambition. EKI offerings span across Carbon Credit/Asset Management, Carbon Credit Generation, Carbon Credit Supply, Carbon Credit Offsetting, Carbon Footprint Management, Sustainability Audits, as well as Carbon Neutrality and Climate Positive initiatives. The company is present in 16+ countries and has 3500+ customers across 40+ countries. As on date, EKI has supplied over 200+ million offsets. Visit our website to know more: <https://enkingint.org/>

For more details or to contact us, please reach out to - media@enkingint.org

Cautionary Statement Regarding Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of applicable securities laws. These statements are based on the current beliefs, expectations, and assumptions of EKI Energy Services Ltd. (the "Company") management, and they involve inherent risks and uncertainties.

Words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "should," and similar expressions are intended to identify forward-looking statements. These statements are subject to a number of risks and uncertainties.

The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Investors are cautioned not to place undue reliance on these statements.