

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Dear Sir,

Sub: Confirmation of the Company Secretary and Compliance Officer of EKI Energy Services Limited (Listed Entity) w.r.t. valuation report obtained from the Registered Valuer.

The Board of Director of EKI Energy Services Limited (“*Demerged Company*”) and EKI One Community Projects Limited (*the Resulting Company* or *Transferee Company*) has approved the draft Scheme of Arrangement for De-merger of Generation Business of Demerged Company into the Resulting Company which is having status of 100% Wholly Owned Subsidiary Company of Demerged Company under section 230-232 of the Companies Act, 2013 at their meeting held on 10th February, 2025.

I CS Itisha Sahu, Company Secretary and Compliance Officer of EKI Energy Services Limited (Listed Entity) on behalf of the company do hereby confirm/declare that:-

- No material event impacting the valuation has occurred during the intervening period of filing the Scheme documents with BSE Ltd. (Stock Exchange) and period under consideration for valuation.
- I do hereby declare that the company has never issued any listed Debts in Past. Therefore, the details on any past defaults of listed debt obligations of the entities forming part of the scheme are **Not Applicable**.

For, EKI Energy Services Limited

Itisha Sahu
Company Secretary and
Compliance Officer

Date: 18/02/2025

Place: Indore

Regd. Office - Enking Embassy,

Plot 48, Scheme 78 Part 2, Vijay Nagar,

Indore-452010, Madhya Pradesh, India

Corp. Office - EKI EMBASSY, A35, Scheme 78, Part 1,

Phase 2, Indore, Madhya Pradesh 452010

An ISO 9001:2015 certified organisation

CIN - L74200MP2011PLC025904

GSTIN - 23AACCE6986E1ZL

UAM (MoMSME) - MP-23-0014187

CA PANKAJ SHAH

Chartered Accountant and Registered Valuer (SFA)

112, Manas Bhawan 11 RNT Marg, Indore – 452001
pankajgshah@gmail.com, +91 9691893040

28.01.2025

To
The Audit Committee/The Board of Directors
EKI Energy Services Limited
Indore

To
The Board of Directors
EKI One Community Projects Limited
Indore

Dear Sir,

Sub: Recommendation of equity share entitlement ratio for the Proposed Demerger by EKI Energy Services Limited of its Trading and Project Development Business to its Wholly Owned Subsidiary company – EKI One Community Projects Limited

Dear Sirs,

We refer to the engagement dated 7th January 2025 whereby EKI Energy Services Limited ("EKI") ("EKI"/"Demerged Company"/"Transferor Company") has requested Mr. Pankaj Shah ("PS" or "Valuer" or "us" or "we") to recommend an equity share entitlement ratio in connection with the proposed demerger ("Proposed Demerger" or "Transaction") of its Trading and Project Development Business ("Demerged Undertaking") to its wholly Owned Subsidiary company - EKI One Community Projects Limited ("Resulting Company"/"EKI One" "Transferee Company").

(EKI and EKI One Company together referred as "Companies").

SCOPE AND PURPOSE OF THE EQUITY SHARE ENTITLEMENT REPORT

We understand that the Board of Directors of EKI propose to demerge and transfer the Demerged Undertaking to Resulting Company with from the Appointed date as defined in draft Scheme of Arrangement in the nature of Demerger. This is proposed to be achieved by way of a composite scheme of arrangement under Section 230 to 232 of the Companies Act 2013 and



other applicable provisions of the Companies Act 2013 ("Proposed Scheme"). Under the Proposed Scheme, as consideration for the transfer of Demerged Undertaking, the shareholders of EKI will be issued equity shares of EKI One/Resulting Company.

PS has been requested by the Board of Directors of EKI to submit a report/certificate recommending an equity share entitlement ratio, as at date of the **appointed date i.e. 1st January 2025**, in connection with the Transaction. We understand that this equity share entitlement report ("Share Entitlement Report") will be used by the Client for the above mentioned purpose only and, to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the Transaction.

The scope of our services is to arrive at the equity share entitlement ratio for the aforesaid Transaction in accordance with generally accepted professional standards and the standards and the Valuation Standard prescribed by the Institute of Chartered Accountants of India as well as International Valuation Standard 2023 as may be applicable. This Share Entitlement Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the Share Entitlement Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

REGISTERED VALUER

The Registered Valuer CA. Pankaj Shah is a fellow member of Institute of Chartered Accountants of India and Registered Valuer for Securities and Financial Assets having Registration no. IBB/RV/06/2020/13735.

SOURCES OF INFORMATION

In connection with preparing this Share Entitlement Report, we have received the following information from the management of the Companies ("Management"):

- Shareholding pattern of the Companies as on 31 December 2024;
- Audited Financial Statement as at 31st March, 2024 as well as provisional financial results as at 31st December, 2024;



- Segment report for the proposed demerged undertaking for Trading and Project Development Business allocation made by the management of EKI in the financial results as at 31st December, 2024.
- Interviews and discussions with the Management to augment our knowledge of the operations of the Companies;
- Draft Scheme of Arrangement in the nature of Demerger;
- Details of current and proposed corporate structure;
- Other information, explanations and representations that were required and Management;
- Such other analysis, review and enquires, as we considered necessary.

The Companies have been provided with the opportunity to review the draft report (excluding the recommended equity share entitlement ratio) as part of our standard practice to make sure that factual inaccuracies/ omissions are avoided in our final report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The service does not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Share Entitlement Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; and (ii) the date of this Share Entitlement Report and other information provided by the Management.

A valuation of this nature is necessarily based on the information made available to us as of, the date hereof and the prevailing market conditions, if impacting the company. Events occurring after the date hereof may affect this Share Entitlement Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Share Entitlement Report.



The recommendation(s) rendered in this Share Entitlement Report only represent our recommendation(s) based upon information received from EKI and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). Further, the determination of equity share entitlement ratio is not a precise science and the conclusions arrived at, in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single equity share entitlement ratio. While we have provided our recommendation of the equity share entitlement ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the equity share entitlement ratio of the equity shares of EKI and EKI One/Resulting Company.

You acknowledge and agree that you have the final responsibility for the determination of the equity share entitlement ratio at which the Proposed Demerger shall take place and factors other than our Share Entitlement Report will need to be taken into account in determining the equity share entitlement ratio; these will include your own assessment of the Transaction and may include the input of other professional advisors.

In the course of the valuation, we were provided with both written and verbal information. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification the accuracy and completeness of information made available to us by EKI. We have not carried out a due diligence or audit of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided. We are not legal or regulatory advisors with respect to legal and regulatory matters for the Transaction. We do not express any form of assurance that the financial information or other information as prepared and provided by EKI is accurate.

Our conclusions are based on these assumptions and information given by/on behalf of the Companies. The Management of EKI has indicated to us that it has understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors, incompleteness or inaccuracies in the



information furnished by EKI and its impact on the Share Entitlement Report. Also, we assume no responsibility for technical information (if any) furnished by the Companies. Nothing has come to our attention to indicate that the information provided was materially mis-stated/incorrect or would not afford reasonable grounds upon which to base the Share Entitlement Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of EKI, their directors, employees or agents. In no circumstances shall the liability of the Valuer, its partners, directors or employees, relating to the services provided in connection with the engagement set out in this Share Entitlement Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

The Share Entitlement Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Share Entitlement Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the provisional financial statements of the Companies. Our conclusion of value assumes that the assets and liabilities of the Companies, reflected in its respective latest balance sheets remain intact as of the Share Entitlement Report date.

This Share Entitlement Report does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

We have carried out valuation in accordance with the principles laid in ICAI Valuation Standards, as applicable to the purpose and terms of this engagement. The fee for the Engagement is not contingent upon the results of the Share Entitlement Report.



We owe responsibility to the Board of Directors of EKI and EKI One which have retained us, and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of the other. We do not accept any liability to any third party in relation to the issue of this Share Entitlement Report. This Share Entitlement Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. It is understood that this analysis does not represent a fairness opinion.

This Share Entitlement Report is subject to the laws of India.

Neither the Share Entitlement Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement. Further, it cannot be used for purpose other than in connection with the Transaction, without our prior consent in writing. In addition, this Share Entitlement Report does not in any manner address the prices at which equity shares will trade following consummation of the Transaction, and we express no opinion or recommendation as to how the shareholders of either Companies should vote at any shareholders' meeting(s) to be held in connection with the Transaction.

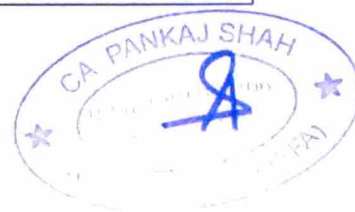
BACKGROUND OF THE COMPANIES

EKI Energy Services Limited

EKI is a company incorporated under the Companies Act, 1956 bearing corporate identification number L74200MP2011PLC025904 and having its registered office at Plot No. 48, Scheme No. 78, Part II, Vijay Nagar, Indore – 452010 and corporate office at 903, 9th Floor, NRK Business Park, PU-4, Vijay Nagar, Indore - 452010. EKI is primarily engaged in the business of Carbon Advisory and Emission Reduction Offsets. The equity shares of EKI are listed and frequently traded on BSE Limited.

The Share Capital Structure of EKI as of 31 December 2024 is as follows:

Particulars	INR
Authorized Capital	50,00,00,000
5,00,00,000 Equity Shares of INR 10 each	
Total	50,00,00,000



Issued, Subscribed and Paid Up Capital 2,76,03,694 Equity Shares of INR 10 each	27,60,36,940
Total	

Resulting Company

Resulting Company/EKI One is a company incorporated under the Companies Act, 2013 as a private limited company on 12.10.2022 which has been converted into a public limited company on 28.01.2025 and have CIN: U74999MP2022PLC063039 and have its registered office at Plot No. 48, Scheme No. 78, Part II, Vijay Nagar, Indore – 452010. Resulting Company is a wholly owned subsidiary of EKI. Resulting Company is engaged in the business of Carbon Advisory and Emission Reduction Offsets.

The Share Capital Structure of EK1 One as of 31 December 2024 is as follows:

Particulars	INR
Authorized Capital 1,00,000 Equity Shares of INR 10 each	10,00,000/-
Total	
Issued, Subscribed and Paid Up Capital 1,00,000 Equity Shares of INR 10 each	10,00,000/-
Total	10,00,000/-

OBJECT/ RATIONALE OF THE SCHEME:

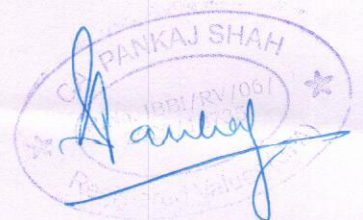
The proposed restructuring would:

- Owning to the different segment pertaining to Generation Segment, where the carbon credits are issued from the projects implemented, developed and owned by the company Division/ Undertaking (as defined below), the management believes that demerger of the Demerged Undertaking (as defined below) will enable it to give desired attention and help to achieve greater focus on the Trading & Other Business Segment, where the carbon credits are purchased from various vendors and are sold to customers among other ancillary activities with the specified users which will result in better and more efficient management of the business activities of EK1.
- The Generation Segment, where the carbon credits are issued from the projects implemented, developed and owned by the company is one of the most important



activities which needs to be strengthen for having the good content in hand all the time to avoid thirds party dependency. Growing up an independent Generation Segment, where the carbon credits are issued from the projects implemented, developed and owned by the company in longer term can result into a separate profit center.

- Further, the Scheme would bring synergy of operations and lead to greater internal control on business processes and facilitate ease in decision making. It is therefore proposed to merge the Demerged Undertaking relating to Generation Segment, where the carbon credits are issued from the projects implemented, developed and owned by the company (as a Generation Division) with EKI One as an undertaking.
- The demerger of the Generation Division/undertaking business in EKI One will unlock the potential value of Generation Division business and help in sole focus in the production house activities and to attract investors, strategic partners, and stakeholders, etc.
- EKI will continue with the core activities of Trading & Other Business Segment, where the carbon credits are purchased from various vendors and are sold to customers among other ancillary activities.
- The financial position of each of the Demerged Company and the Resulting Company shall reflect a positive net-worth upon the Demerger becoming effective.
- Enable each business to pursue growth opportunities and offer investment opportunities to potential investors; and
- The other benefits of the proposed demerger include:
 - i. Optimum and efficient utilization and rationalization of capital, resources, assets and facilities;
 - ii. Enhancement of competitive strengths including financial resources;
 - iii. Obtaining synergy benefits;
 - iv. Better management and focus on growing the businesses;
 - v. Reduction of overheads, administrative, managerial and other expenditure;



- vi. Simplify shareholding structure and reduce shareholding tiers;
- vii. Achieving economic goals.

BASIS OF TRANSACTION - PROPOSED SCHEME:

Basis the Proposed Scheme, the Transaction contemplates the demerger of Demerged Undertaking from EKI and transfer to Resulting Company.

Pursuant to the above scheme, the existing paid up share capital on the Resulting Company/ EKI One which is hold and owned by EKI shall be extinguished upon approval of the Scheme by the Hon'ble National Company law Tribunal and become effective; and

All the existing shareholders of EKI as on the record date as may be declared by the Companies shall become shareholders of the Resulting Company/ EKI one and the shareholding of EKI One would reflect the mirror/same shareholder in the Resulting Company. The effect of the demerger would be that each shareholder of EKI becomes the owner of shares in the Resulting Company through the mechanism as explained in the Proposed Scheme.

Accordingly, any entitlement ratio can be considered fair for the above demerger including the entitlement ratio proposed in this Share Entitlement Report. Given the above, the Management has requested to compute the Share Entitlement Ratio considering the Mirror/similar shareholding of the shareholders of EKI in the Resulting Company/ EKI One.

The Proposed Scheme will include the following:

- Demerger and transfer of De-merged Undertaking from EKI to Resulting Company EKI One:

Resulting Company, which is a wholly owned subsidiary of EKI, shall issue shares to the equity shareholders of EKI in consideration of the transfer of Demerged Undertaking.

As mentioned above, post the Proposed Demerger all the shareholders of EKI will be the ultimate beneficial owners of EKI One in the same ratio (inter se) as they hold shares in EKI. Therefore, no relative valuation of Demerged Undertaking of EKI and of EKI One is required to be undertaken for the Proposed Demerger. Accordingly, valuation approaches as indicated in the format given hereunder, as prescribed by circular number NSE/CML/20L7/12 of NSE and



LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not relevant in the instant case.

Valuation Approach	Project Development Business		EKI One	
	Valuer per share	Weight	Valuer per share	Weight
Asset approach	NA	NA	NA	NA
Income approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative Value per share	NA		NA	

BASIS OF EQUITY SHARE ENTITLEMENT RATIO

As on 31 December 2024, the issued, subscribed and paid up capital of EKI consists of 2,75,33,367 fully paid up equity shares of face value INR 10 each.

As set out above, Resulting Company is wholly owned subsidiary of EKI, hence all the shareholders of EKI would also become shareholders of Resulting Company and their shareholding would mirror/similar in Resulting Company.

We understand that, in consideration for the demerger of Demerged Undertaking, Resulting Company/EKI One may issue 1 (One) fully paid up equity share of the face value INR 10 each for every 1 (One) fully paid up equity shares of the face value INR 10 each in EKI.

Further, we have given due consideration to the twin factors of the level of paid-up equity share capital that is considered reasonable for the Demerged Undertaking proposed to be transferred to EKI One and of avoiding fractions in the share entitlement.

Based on the aforementioned and that upon demerger, the set of shareholders and holding proportion being proposed for Resulting Company is identical to that of EKI, the beneficial economic interest of the equity shareholders of EKI in Resulting Company will remain same at the time of the Transaction.



CONCLUSION

We believe that the above share entitlement ratio is fair and reasonable considering that all of the shareholders of EKI are and will, upon demerger, be the ultimate economic beneficial owners of Resulting Company and in the same ratio (inter se) as they hold shares in EKI, as on the decided by Management of EKI in the Proposed Scheme.

Our Report and share entitlement ratio is based on the envisaged equity share capital structure of EKI and Resulting Company as mentioned earlier in this Report. Any variation in the equity capital structures of EKI and Resulting Company apart from the above mentioned Proposed Scheme may have material impact on the share entitlement ratio.

Respectfully submitted.



CA. Pankaj Shah

ICAI Membership No. 129087

IBBI Registered Valuer no.: IBBI/RV/06/2020/13735

UDIN: 25129087BMLLOW2727

Indore

28.01.2025