

July 30, 2024

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 Meet.

Dear Sir(s),

With reference to our letter dated July 17, 2024 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 meet held with the Investors/Analysts on Wednesday, July 24, 2024 to discuss the Un-Audited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2024.

The above information will also be made available on the website of the Company: www.enkingint.org

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

Thanking you

For **EKI ENERGY SERVICES LIMITED**

Itisha Sahu
Company Secretary & Compliance Officer

Encl: a/a



**“EKI Energy Services Limited
Q1 FY’25 Earnings Conference Meet”**

July 24, 2024

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

COORDINATOR: **MS. ITISHA SAHU – COMPANY SECRETARY – EKI ENERGY SERVICES LIMITED**

Coordinator:

Okay, so good morning everyone on behalf of EK Energy Services Limited.

I extend a warm welcome to all the participant on the quarter First ending 2025 Financial results Discussion Call.

Today, on the call we have with us Mr. Manish Dabkara, Chairman and Managing Director, and we have Mr Mohit Agarwal Our Chief Financial Officer. I hope everyone had an opportunity to go through the investor deck and the press release that we have updated on the Exchange website and on the Company's website.

A short disclaimer before we start, this call will contain some of the forward-looking statements which are completely based on upon a believed opinion and expectations as of today. These statements are not a guarantee of future performance and involve unforeseen risk and uncertainties.

Today with that, I would like to hand over the call to Mr. Manish Dabkara for his opening remarks over to you sir.

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Yes, thank you Itisha.

Hello everyone! I extend a welcome to all of you. We are grateful to have you with us as we discuss EKI Energy Services Limited's performance for the first quarter of FY24-25. Joining me on this call is our Chief Financial Officer, Mr. Mohit Agarwal. I hope you've had a chance to go through our investor presentation and press release, both of which are available on the stock exchange's as well as our company's website. This quarter has been marked by significant strides, strategic expansions, and a strong financial performance, laying a solid foundation for our future growth as well as this financial year.

Winds are finally changing for our industry after the past 2 difficult years. Focus is more on high-quality offsets, more regulations and stricter regulations are coming in, which is a good news for us and all stakeholders of the industry. International integrity standards getting stricter and bringing new standards have brought depth, credibility, and integrity to voluntary carbon markets, further stabilizing them. The Biden-Harris Administration from US government, bringing new guidelines and principles for high-integrity voluntary carbon markets, addressing transparency and accountability concerns; with this, EKI has been one of the biggest beneficiaries with improved market and quality conditions. The endorsement seeks to bolster the credibility of carbon credits, which is essential for effectively addressing climate change and maintaining market integrity under increasing scrutiny.

The ICVCM announced the first carbon-crediting methodologies that meet its high-integrity Core Carbon Principles (CCPs) earlier in this quarter. This means that the high-integrity CCP label can now be used on an estimated 27 million carbon credits generated by projects that tackle potent greenhouse gases by capturing methane from landfill sites and by destroying ozone-depleting foams and refrigerant gases from discarded equipment such as refrigerators and air conditioners.

Another 27 categories of carbon credits, representing over 50% of the voluntary carbon market, remain under active assessment by ICVCM. In addition, certain other methodologies addressing landfill gas and ozone-depleting substances, covering an estimated 4 million more issued credits, are still being assessed.

EKI's extensive experience in developing and managing high-quality voluntary carbon offset from the projects, projects coupled with our deep understanding of the global carbon market, allows us to support various stakeholders as they navigate this transformative initiative. EKI is committed to playing a proactive role in facilitating India's ambitious clean energy transition and achieving its climate goals.

We are not completely out of the waters yet but the tides have already started turning back, reflecting in our results. In 2022, challenging macroeconomic conditions and geopolitical situations, especially in Europe, shifted focus from demand of carbon credits and the conditions in 2023 continued on the same path. However, as the situations stabilize, we have begun to see an upward trend.

Our strategic entry into the power trading has yielded exceptional results, contributing a big chunk in form of Rs 136.20 crore to our consolidated revenue. This new business vertical has not only diversified our revenue streams but also positioned us as a key player in the evolving energy scene.

One of our most ambitious services is decarbonization. We offer comprehensive, end-to-end solutions for both sellers and buyers of carbon credits.

For sellers, we handle everything from carbon credit project identification to registration and finally getting the verification to get the issuance of the carbon credits. While for buyers, we help determine their carbon footprints and facilitate their journey on a low-carbon pathway to become.. to get decarbonize and achieve carbon neutrality and natural goals. Our services include green power transition, biogas system supply, Improved Cookstove supply for offsetting, sustainability reporting, and various other services.

We also leverage advanced AI tools for our associate, WOCE Solutions, to ease the decarbonization journey for our clients, helping them achieve carbon neutrality for their residual emissions.

We are proud to announce our plan to adopt the Sustainable Finance Disclosure Regulation (SFDR), which will enable us to access European investors for our climate-positive initiatives. This aligns with our goal of providing decarbonization products and services that help our clients achieve net-zero and carbon neutrality goals.

We welcome the release of recent India's detailed compliance carbon market regulations under the Carbon Credit Trading Scheme (CCTS) 2023, which comes under Energy Conservation Act, 2022. This development, marks a major step forward in India's journey towards achieving its ambitious climate goals. India is a large and growing economy, so the CCTS is likely to create significant demand for compliance carbon credits. This could lead to a rise in carbon prices globally in the compliance market, which would incentivize further emission reduction efforts worldwide. By establishing a clear framework for mandatory emission reduction and credit trading, the Indian Carbon Market will unlock a wave of new mitigation opportunities across various sectors, driven by both public and private entities seeking to meet their emission reduction targets.

This will contribute to India's NDC goals and global climate change mitigation efforts. The increased focus on carbon reduction has the potential to spur innovation in clean technologies within India. These advancements would benefit not just India, but the entire world.

EKI remains resolute in its commitment to clean energy initiatives. Our investments in clean energy efficient cook stoves, coupled with the recent milestone of registering and issuing Asia's first improved biomass cook stove project under the VERRA's Sustainable Development Verified Impact Standard also called as SD VISTA standard, show our dedication to driving sustainable solutions. A large chunk of these investments have started to give revenues and are going to do more for us in the coming quarters and the rest of the financial year.

Our new bio-briquette production facility in Dindori of Maharashtra India, has successfully supplied over 200 tonnes of bio-briquettes, demonstrating our ability to create concrete impact. Bio-briquettes don't just improve environmental health, they improve communities. By transforming waste into a valuable resource, they create jobs and reduce pollution. Fossil fuels can take a backseat with bio-briquettes. This rather green fuel source cuts dependence on dirty energy and paves the way for a cleaner future. From healthier families to thriving communities, bio-briquettes offer a sustainable solution. They benefit society, the environment, and the economy, creating a win-win for a healthier, more prosperous world.

We are excited to announce our strategic partnership with FARI Solutions. This collaboration will boost our carbon credit processes, fortify our competitiveness, and contribute to global climate action. Our AI-powered ESG compliance platform, 'esgpro.ai', launched through our associate

WOCE Solutions, is a testament to our commitment to innovation and empowering businesses in their ESG journey.

International integrity standards getting stricter and bringing new standards have brought depth, credibility, and integrity to the international voluntary carbon markets, further stabilizing them. The Biden-Harris Administration from US government bringing new guidelines and principles for high-integrity voluntary carbon markets, addressing transparency and accountability concerns; with this, EKI has been one of the biggest beneficiaries with improved market and quality conditions. The endorsement seeks to bolster the credibility of carbon credits, which is essential for effectively addressing climate change and maintaining market integrity under increasing scrutiny.

While our Q1 results are promising, we are mindful of the recent global economic challenges and their potential impact on various sectors. However, based on our strong fundamentals, strategic initiatives, and the growing demand for sustainable solutions, we are super-optimistic about our future growth trajectory.

The carbon market is witnessing significant transformations. The merging of compliance and voluntary carbon markets, coupled with increasing regulatory scrutiny, presents both opportunities as well as challenges for us. A strong outcome at COP29 (Conference of Parties meeting no. 29) which is going to happen at Baku, Azerbaijan at the end of this year, with renewed commitment from participating nations, could pad confidence in carbon markets as a viable tool for emissions reduction. This has a potential to increase international cooperation and harmonization of carbon market rules, facilitating smoother trading and market expansion. Ambitious climate pledges from countries at COP29, as expected, could translate to a higher demand for carbon credits to meet their Nationally Determined Contributions targets, which they had submitted to United Nations Framework Convention on Climate Change (UNFCCC). This would drive up carbon credit prices and incentivize investments in carbon reduction projects.

COP29 is likely to focus on establishing stricter guidelines for carbon market accounting and verification processes. This would promote transparency, improve the integrity of carbon credits, and attract more participants to the market, eventually benefiting established players like us.

The Carbon Market Association of India is also set to play a crucial role in the upcoming quarters as India works towards operationalizing its National Framework for the Indian Carbon Market through the Carbon Credit Trading Scheme 2023 (CCTS). CMAI is continuously bringing together diverse stakeholders in the Indian carbon market, facilitating knowledge sharing, collaboration, and addressing challenges related to the CCTS implementation along with the offset mechanism

which government of India planning to implement, also be the India's voluntary carbon market. It is also raising awareness about the ICM and its benefits for businesses and the environment, while educating the public on carbon offsetting and the role of carbon markets driving broader societal support for climate action.

EKI is well-positioned to navigate this evolving industry and capitalize on the emerging trends, given its firm footing at the moment. EKI has mobilised around 2.4 million carbon credits in the first quarter of 2024; it is a promising start. Looking ahead, we see big openings to continue our growth trajectory. We are prepared to meet the increasing demand for high-quality carbon credits and are excited to drive change through innovative solutions and our expanding portfolio of services and projects. While our Q1 results are promising, we are mindful of the recent global economic challenges and their potential impact on various sectors. However, based on our strong fundamentals, strategic initiatives, and the growing demand for sustainable solutions, we are super-optimistic about our future growth trajectory.

In closing, I would like to express my sincere gratitude to our employees, clients, stakeholders and shareholders for their unwavering support. It is their passion and commitment that has fueled our success so far. Thank you for joining me today, and I look forward to sharing our continued success with you in the future in continue building a sustainable future.

With this I hand over the call to Mr. Mohit Agarwal to discuss the financial performance of our organisation.

Thank you

Mr. Mohit Agarwal, CFO, EKI Energy Services Ltd.

Thank you, Manish ji. Thank you Itisha for giving me opportunity.

Thank you and good morning, everyone. Turning to our financial performance for the first quarter of financial Year '24-'25.

Our standalone revenue for Q1 is Rs. 41.68 Crore, reporting a profit of Rs. 3.48 Crores. Standalone operational cash flow of the company is Rs. 61.84 Crores due to reduction of advances to creditors, realization from inventory and trade receivables and other measures taken by the management.

We anticipate substantial revenue booking from Cookstove projects due to the issuance of credits during the remaining period of current financial year.

Our subsidiary, GHG Reduction Technologies Private Limited, the manufacturing arm of the EKI group is manufacturing bio briquette at a reasonably good rate, resulting in contribution to farmers income along with upward sale of the briquette as an alternative to Fossil Fuels.

Our other subsidiary, engaged in power trading business has also turned a profit during this quarter, which is which is around Rs. 47.66 lakh of profit for the quarter 1 financial year 24-25. The Company has taken multiple measures to strengthen the internal financial controls within the organization. The Company is committed to robust corporate governance also.

Finally, we would like to emphasize that we are a debt free company at both standalone and consolidated level, except for negligible amount of vehicle loans which are being used for business purposes.

Our liquidity position is also very robust, providing the company with a competitive advantage for future expansion and diversification, ensuring the sustainable business growth. Our standalone liquidity is Rs. 177 crores and consolidated level Rs. 208 crores in the form of mutual fund, fixed deposits, etc. As a part of the management team and leaders in the carbon market we assure all the stakeholders that our industry will overcome current challenges and thrive in the near future.

Thanks to all the stakeholders for their support and confidence on us we are happy to answer the queries of our stakeholders now. Over to Itisha.

Coordinator

Thank you, Mr. Manish Dabkara, and Mr. Mohit Agarwal.

Anyone who wishes to ask the questions may kindly raise their hand or type the question in Q&A Section.

We also request to all the participants to please limit the question to one question per participant, seeing the time limit.

Thank you.

So now first question we have from Mr. Chirag Jain, Chirag I request you to kindly unmute yourself.

Mr. Chirag Jain

Hello, hello Am I audible now?

Coordinator

Yes

Mr. Chirag Jain

Yeah hi sir, Thanks for the opportunity.

So just, I had two quick questions, because we are focusing on multiple type, multiple revenue segments, don't you think that we are losing out on the key segments like advisory business, which has no fixed asset requirement and we are moving towards asset heavy business, which has much lower potential compared to the advisory business which gives you higher margins without any fixed assets, something like can you give some clarity on that talk.

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Yeah. So as you know, our main business is to support or the core services with which we are working for last 15 years, is to support carbon credit project sellers to develop their project for getting the registration verifications and then ultimately getting the issuances of the carbon credits and for the buyers we are working to determine their carbon footprint and support them to have low, low decarbonization pathways and finally giving them the carbon credits to achieve carbon neutrality and net-zero goals. So whatever the new services that we have started is totally to support the decarbonization pathway because various buyers are there once we do help them to determine the carbon footprint and have their full plan prepared on how to get decarbonize or how to reduce their emissions whatever they're doing so they always ask us from where they can get The Green power? From where they can get the Green fuel? How they would be able to do the sustainability recording with the help of softwares or record all the data that can be captured with the help of software from AI or API enabled meters? So whatever the services that we are.... that we have added is to support the present clients for their decarbonization pathways, and it will not create the additional pressure on our business development unit or marketing for sales unit to acquire more and more clients, but for the same clients we are trying to expand ourselves to support our top line, bottom line and further to support a decarbonization pathway, so that is the exact plan we do have.

Mr. Chirag Jain

So just to clarify, we have good chunk of revenue coming from advisory business, am I right?

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Definitely that we are not going to reduce that specific service, that is the core expertise we do have.

Mr. Chirag Jain

So, can you give a percentage wise split.

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Mohit?

Mr. Mohit Agarwal, CFO, EKI Energy Services Ltd.

Yes, I will give you Chirag consulting business you mean to say the carbon credit business. Which we are, which is the core business for us and as we have earlier also stated that there is, we are charging as a comprehensive income to any client, not as a consulting separately and carbon credit separately.

What Manish, is telling that carbon market carbon credit is our core business and all the businesses, other business like power trading and others are.... are complementing the core business. That is the thing.

Mr. Chirag Jain

So sir, I wanted the split of revenue. Why... the split you type... you diverse classify your revenue into from three types first being consultancy, second being ESG, third being project development, so can you give the percentage split for that?

Mr. Mohit Agarwal, CFO, EKI Energy Services Ltd.

Okay, I understood if you will refer the segmentation report you will find out the two verticals and the consulting business which you are talking about ESG and others That business has started in last 9-10 month or twelve month period they are having a minuscule income, minuscule participation in overall turnover that is somewhere around 5 to 7%.

Mr. Chirag Jain

No issues Since lastly before I can proceed further.

Mr. Mohit Agarwal, CFO, EKI Energy Services Ltd.

Yes, yes

Mr. Chirag Jain

I had some big query because your commentary seems to be contradicting the other players commentary, so they are on the carbon credit side, so they are what other players are saying that end customers, for example, a Varun beverage wants to buy something like carbon credit, so they are pressurizing more and more on the plastic recyclers to get the margin same so earlier they would get 11%. So now what they are trying to do is pay around 7 to 8% to the recyclers and 2 to 3% to the carbon credits, so they are aren't trying to increase the carbon credit price because the supply is massive and the regulations aren't so by binding on them to do it for that. So I was just trying to figure out the commentary seems to be very contradicting on that part.

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Actually, I'm not able to understand the example which you had quoted is related to, I think EPR- Extended Producer Responsibility for the plastic or for other different products that need to get recycled, so our carbon credit is somehow different from the Green credits or the EPR credits and for any company for their residual emissions. The example which you have quoted.... you have quoted is related to the recycling obligation,

Yes, recycling obligation for the whatever the plastic, any, any producer or any any company is inducing in the Indian market that is, that specific example is related to that, but the business, although we also provide the EPR services, although the contribution into the top line and bottom line is very, very small because recently we have started that specific activity, But for the carbon credit the thing is whatever the emissions that you are doing, try to reduce as much as you can and for the residual emissions clients used to buy or the buyer used to buy the carbon credit from the international voluntary carbon market.

So there is no new obligation on how many tons of CO₂ or how much percentage of the emission reduction they should reduce or they can buy the credit, so there's no new obligation at all within any international global standard or international or global standard within our carbon credit business.

Mr. Chirag Jain

So just to clarify, I wanted to imply that if that's happening with EPR, so why wouldn't that happen with the carbon credit market also, because we have seen that in the past two years.

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

So what is the obligation which had been given under the EPR, so like x percentage of whatever the plastic that had been in use need to be recycled with the compulsory level and for the remaining one someone can buy EPR credits. Is it the same?

Mr. Chirag Jain

Yes

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

I haven't heard about such kind of government obligation that x percentage of plastic should be recycled by the inducer and some percentage they can buy in the form of EPR credits, although I have not heard about the same, but will do recheck but in the international voluntary carbon market for the companies who are looking to buy carbon credits to, to achieve carbon neutrality or net zero goals, there is no any obligation at all at the present scenario.

Mr. Chirag Jain

I have many other questions I will get back in the queue.

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Yes, yes

Coordinator

Thank you, Mr. Chirag. So now next we have Mr. Kaustav Bubna sir, sir please.

Mr. Kaustav Bubna

So I mainly wanted to understand what is this power trading business you're doing, in it I feel like it's contributed meaningfully in your top line. So could you understand the nature of the.... Could you explain to us the nature of the contracts and exactly how you plan to scale this business? What are you exactly doing? Can you explain?

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

yes, thank you Mr. Kaustav

So we basically provide advisory services, trading and investment services into the international voluntary carbon markets or the international voluntary carbon credits, so there are two different entities with which you work, one is the seller of carbon credits another one is the buyer of carbon credits. Definition of carbon credit is one ton.

Mr. Kaustav Bubna

Sorry I don't know if you got my question I was talking about this power trading, the power trading business.

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Okay

Mr. Kaustav Bubna

Could you explain the you, you. It says that you incorporated a subsidiary to do power trading and that is contributed meaningfully, right to your earnings this quarter.

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Yes, yes

Mr. Kaustav Bubna

I was, I was asking more on that could you explain to me what that part of the business is and how come that has contributed suddenly this quarter and what are you exactly doing in that business and how, why do you think it will contribute meaningfully for the rest of the year and years ahead.

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Yeah. So, as I was mentioning during the earlier question, we are looking forward to support the buyer of carbon credits, not only by the credits for their residual emissions but also supply them The Green fuel in the form of briquette in the form of green power so that is why we had incorporated a new company with the name of EKI Power Trading Private Limited. We have got the license from Central Electricity Regulatory Commission for Trading of the electrical energy within Indian borders, so and that is the exact business we do under that specific domain. And we, we are intended to buy and sell electrical energy basically focus on The Green power generated from these renewable energy projects like solar, wind, hydro, biomass, biogas, power plants and either with the help of spot trades or with the help of forward trades or through the exchanges.

So these are the three different activities we would be doing, so, it is quite similar for us as compared to the carbon credit trading in the international voluntary carbon markets that we do, and this is specific subsidiary had contributed significantly during quarter one because during last financial year it was not very much operational in nature, but during the quarter one it got operationally and now we are looking forward to support, the buyers or the clients who are looking to decarbonize their own productions or throughout their supply chain. So that is the exact business activity we are looking forward to do that with that subsidiary.

Mr. Kaustav Bubna

Could you if it's possible, could you explain in detail one contract that you've got so I get an understanding of exactly who your customer is because... and, and and you say that this business is going to contribute meaningfully to the bottom line this year and in the next come in the coming year. So how, how do you plan to scale this? I mean what type of numbers do you see from this business? What are the unit economics of this business?

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Yeah. So, with the buyers of the carbon credits we first help them to determine their carbon footprint, so that means how many tons of CO₂ they are emitting, then the second step is we support them to reduce their tons of CO₂, that they are emitting so with the help of supply of green power, which is generated from the renewable energy projects like solar, wind... as I mentioned earlier, while the companies, if they use green power, their emission, their scope 1, scope 2 emissions us just to get reduced drastically, and so the requirement to buy the carbon credits at last would be reduced, although for many clients it is not very easy to procure electrical energy from renewable energy power projects because each state they do have different, different regulations at the state level to procure renewable energy from open access, so we do have many clients in India to whom we are, we are giving the sustainability services helping them to determine their carbon footprint and then decarbonization and ultimately supply the credits to them.

So, with the same clients we would, we are trying to supply this electrical energy so for each company which is located in India as of now they used to buy electrical energy from the local distribution company.

They can also buy the electrical energy from the traders like, us who had got the licenses from the Ministry of Power and can do trading of electrical energy and bringing the supply of green or renewable energy to those factors to decarbonize their scope 1 and scope 2 emissions, so that is the exact thing we are looking to do and definitely at the top line to the bottom line, this specific subsidiary will do contribute very significantly in quarters to come or next financial years to come.

Mr. Kaustav Bubna

Excellent, and this last question I have from my side on your general Carbon Credits business your standalone entity seems to have turned around on operating performance this quarter. So, I want to understand how have the carbon credit rates moved last time we were given a breakup of the actual rates in the market, so could you explain how much have they increased or on that sort.

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Yes, actually you see during year 2022 to 23 there was lots of criticism that had been done by the Western world media over quality of carbon credits, and over The Green washing issue to overcome this specific two issues a lots of support had been given by the US government as it as recently US government had came up with the clear statement that they do support international voluntary carbon markets. Further, two different agencies came into the force. One is ICVCM, which is working to define what is the definition of quality of carbon credit and another one is VCMI, both are international in nature.

Other VCMI is working over defining how to avoid green washing that may be done by a few of the buyers in the western world, which are based at the Western world, though, so with these three different momentums, one is from the US government and another one is from VCMI and ICVCM. Now various buyers are there which are coming in the market and now buying the, the credits at the, with the larger volumes, so now with that specific, three specific movements we have got the positive numbers in our in our P&L and balance sheet.

Mr. Kaustav Bubna

Alright, Great thank you.

Coordinator

Thank you Mr. Kaustav. Now we have few questions in the Q&A section.

First, we have from Mr. Rampoojan

Question: What is the revenue and PAT targeting for year 2025 if possible, give info.

Mr. Mohit Agarwal, CFO, EKI Energy Services Ltd.

Yeah, Manish ji, you will you answer, or should I?

As a listed company, we have never given in a guidance in the market, but I will assure you that that we had having a strong business model, innovative operational efficiency and offering coupled with increasing client base, so that we are confident of maintaining growth momentum in going forward, that is the response from our side for this question.

Coordinator

Thank you, Mr Mohit Sir, the next question we have from Vikram Singh

Question: Do we have any existing patent, how much we are investing in R&D and carbon removal technology.

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Yeah. So, with our subsidiary GG Reduction Technologies Private Limited, we do have, we have applied for the patent for the design related to the improve cook stoves, for the carbon removal technologies we are working towards developing the projects related to the biochar production in

India and various other nations, further enhance rock weathering and the advanced technologies which are there in the carbon removal sector.

Although you know, we do have another subsidiary called as Amrut Nature Solutions Private Limited, we are....wherein, we are working to develop carbon removal projects, which comes from the nature based solution activities like afforestation, reforestation, agriculture and mangrove sectors. So, these are all the activities we are doing in the for generation of the carbon removal-based carbon credits.

Thank you.

Coordinator

Thank you, sir. Next to question we have from Mr. Yogesh.

Question: Is there any chances in future, the company will go for new business like renewable energy sector as we have already entered biogas and power sector?

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

If we do have plans, but it is not very much concrete as of now, but once it will be there. The concrete decision would be taken by the board of Directors that we will do inform to the stakeholders of ours.

Coordinator

Thank you, sir.

Next question we have again from Mr Vikram Singh.

Question: How much scope in terms of number we can see after launch of India CCTs or revenue potential for EKI in India after CCTS.

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Yeah, So CCTS means Carbon Credit Trading Scheme wherein Indian and government is going to give target to the large emitters based in India, the capping would be given on per product basis. For example, if there is a steel company or yeah for example steel company is there and that if at the target, the potential target, for example, if it's given by the Ministry of Power, is they can produce one ton steel while producing five tons CO₂ , if, if any, specific company is emitting more than five tons then they need to buy carbon credits if they are, if they would be emitting less than they are allowed to buy carbon credits.

So, since India is the third largest greenhouse gas emitter and as of now, if you see the carbon market potential within European Union Emission Trading Scheme. It is around 900 billion dollar is the market size within European Union's, ETS emission trading scheme. So once India's ETS will be there in full shape and size because as of now, only the detailed procedure had been given by a Ministry of Power, the companies, the list of companies and the target had not been given, so it is not very easy answer, that how much would be the contribution from the CCTS to the EKI's

top line- bottom line but as in next three.. two to four months' timeline I think Government of India to come up with the clear company list and their targets and the baseline also whatever they are emitting, so exact deficit we would be able to determine and probably the revenue contribution from trading of carbon credits and from giving advisory services to determine carbon footprint services and decarbonization pathways, we would be able to give the clear answer in next coming few quarters. Thank you.

Coordinator

Thank you, sir. Next question we have from Mr. Sajan Digwania

Question: What is carbon inventory as on 30 June 2024 units and value?

Mr. Mohit Agarwal, CFO, EKI Energy Services Ltd.

Yeah, I will answer it.

The value of the inventory is Rs. 105 Crores and units are in approximately 9 million Credits.

Coordinator

I hope this answers the question.

Next, we have from Mr. Nitin Gandhi.

Question: Reason for drop in standalone other expenses Rs. 8 crores from 15 crores.

Mr. Mohit Agarwal, CFO, EKI Energy Services Ltd.

Okay, Manish I will answer in this question.

Sir, as we have inventories in our books of account, and that's why we have not taken issuance of new new carbon credits, We have sold the credits from our own inventory, therefore the registration fees, issuance fees has been declined quarter on quarter. That's why you are, you are saying in a decline in other expenses.

Coordinator

Thank you, sir. Next, we have again from Mr. Sajan

Question: Same way, what is the same data for briquettes manufacturing and selling? What is the gross margin percentage?

Mr. Mohit Agarwal, CFO, EKI Energy Services Ltd.

For briquette, we are... raw materials are.... sugarcane thrash or some other Agri. products, and we have a margin of around 8 to 10%, but it, it totally depends on the pricing going on daily basis because due to the senility and monsoons, etc. The prices are going a change on a daily basis or you can say fortnightly.

Coordinator

Thank you, sir. Next question we have from Mr. Sandesh.

Question: What is the current market share of EKI in India and worldwide? Who are the competitors in India and worldwide?

Mr. Mohit Agarwal, CFO, EKI Energy Services Ltd.

I will ask Manish ji to answer this.

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Yeah. So the current market shares, if you see the three years average in the global carbon market, we have supplied more voluntary carbon markets, we have supplied more than 20% carbon credits, and in India it is more than 85%, so that is the market share we you have in India and worldwide and the competitors in India and worldwide, so global competitors we do have is the companies are like South Pole or Climate Partner, Climate Impact partners these are all the competitors of ours at the global domain.

Thank you

Coordinator

Thank you, sir. Next, we have question from Mr. Sajan.

Questions: How many cookstove we have supplied till June and how many carbon units we will get annually from it? Is it verified and in inventory or verification and certification is under process. If under processed by when these units will be available for sale?

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Yes, so as of now, sir, the number of cookstoves, for which we have worked are located in India, Ghana, Malawi and Kenya and it is approximately 2 million cook stoves we have manufactured and distributed. Approximately for each cook stove the number of carbon credits, depending on the VERRA or Gold Standard, it used to vary in between three to seven and many projects have got approved, but the substantial projects which had been deployed are under verification so, in... to get the clear timeline related to the issuance of the carbon credits is very, very tough because the VCS and gold standard they are not able to anticipate the exit timing wherein they would be able to complete their assessment or issuance of the carbon credits, but anytime in near future those credits will do see the issuance of the carbon credits and then we would be able to sell them as soon as possible, depending on the market conditions in the international voluntary carbon markets. Thank you.

Coordinator

Thank you, sir. Next, we have again from Mr. Sajan

Question: What is the quantity in units Power bought and sold with average unit prices?

Mr. Mohit Agarwal, CFO, EKI Energy Services Ltd.

I will answer this question. Sajan ji.

We have sold approximately 17 crore units during first quarter and average pricing is somewhere around 7.5 to 8 rupees per unit.

Coordinator

Thank you sir.

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

We have some hands raise, so we can take now those.

Coordinator

Yes, we have some in queue with us Mr. Chirag Jain again, si, kindly unmute yourself.

Mr. Chirag Jain

Hi Sir, thanks for the follow-up. Sir, I had the query similar to what you answered previously, also recently. On the government agencies is not being able to identify the number of carbon credits per emission, Okay. So that thing I was trying to figure it out because previously also there was similar thing that happened in EPR that the players lobbied for the delay in the execution of the period, timeline period that is being provided so that affects us. So how do you see that?

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

I cannot comment over such kind of issues that have been created by the relevant stakeholders, relevant industry stakeholders and the government of India, but as you know this during just four, five days back only, this detailed procedure had been there or had been released by Bureau of Energy Efficiency under Ministry of Power, and as of our information very soon the list of companies list and their target, along with the baseline emission that they're doing, will be there very soon. So, we do not think such kind of issues may come up in the India's CCTS or the Compliance Emission Trading Scheme within India.

Mr. Chirag Jain

Got it, the fixed assets have increased from up by approximately Rs. 100 CR. So that has been for Carbon Stove, cook stoves and briquettes am I right?

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Specifically cook stoves.

Mr. Chirag Jain

Okay, so what is the currently, quarterly run rate production for that?

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

So, these are whatever the assets are there. Mohit, please correct me those had been invested during last financial year.

Mr. Mohit Agarwal, CFO, EKI Energy Services Ltd.

Yes

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

During this financial year for last.. if you see past few quarters, since the turbulence is not there. Since the turbulence is still do exist, so the production rate is very, very slow as compared to what we were doing during last one, one and a half year back. So as of now, since the market conditions are improving in the production and further deployment of the improved cook stoves will be there in place very soon. We will do come up with these substantial numbers very soon.

It is not as up to the market which we were doing in the past.

Mr. Chirag Jain

So, for any, any percentage or absolute number that you can provide with for a quarterly basis.

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

As of now, we do not have the ready numbers available with available with us but if you will do email us, we will be able to give the specific information which, which we can make it public.

Mr. Chirag Jain

Sure, sir last question before I get back in the queue. There was an announcement of COO stepping down, so can you give light on that?

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

So, all those specific information mentioned to the closure which we have done at BSE. If you have any other information which you need to ask, then kindly do let us know.

Mr. Chirag Jain

Yeah. So that the announcement that you made didn't make it clear that he, would he be continuing with us in the same for the biomass or bio, the recycling part, or he would be pursuing it separately by himself? That wasn't clear made in an announcement, so that's the query.

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Yeah, it will do refer It had been mentioned that he will be focusing over the removal based technology in which, as I have mentioned earlier also that we are looking to establish ourselves into the bio char based carbon credits in rock weathering base carbon credits, removal that means the removed based carbon credits, so it had been made in the disclosure It had been informed in the disclosure that he would be focusing on those specific sectors wherein companies looking to grow at much faster pace.

Mr. Chirag Jain

So, he is with EKI, as a employee currently? Hello, hello am I audible? Hello am I audible, am I?

Coordinator

Yes

Mr. Chirag Jain

So, my query is he employed currently with us or not?

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Sir, whatever the disclosures which are required as per the regulations, we are disclosing the same on time to time basis and if you have any specific question can you do email us, we will do reply the same to you appropriately.

Mr. Chirag Jain

Sure, I'll get back just. Thank you.

Coordinator

Thank you, Mr. Chirag,

Last question we have from Mr. Nitin

Question: Please give reconciliation of standalone PBT to consolidate PBT which business has suffered for three crores loss?

Mr. Mohit Agarwal, CFO, EKI Energy Services Ltd.

Yeah Manish ji. I'm as I'm relying on this question as we have seen that Rs. 3.3 crore approximately, for a standalone and our two subsidiaries, which is GHG Reduction technology and where we have incurred the losses, as well as there is a depreciation loss in Singapore subsidiary. Because of the projects which was done by Singapore in Africa is registered now and according to the accounting policy we have booked the depreciation on the, on them. That's why the major contribution are from these two subsidiaries, Apart from this Amrut nature is also contributing losses to us as of now because a revenue will in will start from 2026 onwards, that's the reason these are the breakup for the losses which we have incurred.

Coordinator

Thank you, sir. Next, we have in queue with us Mr. Kasutav Bubna.

Mr. Kaustav Bubna

Yeah, can you hear me?

Coordinator

Yes, sir.

Mr. Kaustav Bubna

So just back on this power trading business. How consistent will the revenues be going into a quarter two, quarter three, quarter four? Will it be lumpy or do you, or do you think the same type

of revenue contribution will be there from this power trading subsidiary, or do you think it'll be lumpy. What is the nature of the business?

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

So as of now, sir, there are two types of contracts which we can do with the buyers or with the sellers. One is of spot in nature and another one is the forward in nature once as of now, whatever the contribution that we have got is from the spot contracts or spot trade contracts that we have done, we are looking forward to get into more and more forward contracts till the time the nature would be spot in nature and so it would be variable in nature.

Mr. Kaustav Bubna

So, do you expect this revenue run rate to continue in the next few quarters?

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Definitely, definitely we do have a good number of inquiries and since the advantage we do have is we do have very strong client base and within the same client base we are looking to provide the additional services, so we do foresee that we would be able to get good number of similar contracts and plus forward contracts also in quarters to come.

Mr. Kaustav Bubna

Okay and and what and what really needs to happen in this cook stoves project of yours for you to break even and make good ROI on that project. What needs to take place in the industry. Where do rates have to go? I mean because this is a capital heavy project we've gotten into, so just want to understand what means, what is that blue? What is the best case scenario that has to happen for us to achieve optimal ROI for this investment?

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

So as of now, if you see the forestry-based projects or renewable energy projects had got in high impact because of the criticism that had been done within the international voluntary carbon markets, specifically the western world media have raised too much question related to the quality of carbon credits. for cook stoves the prices are quite stable during last one and one & a half year and so whatever the credits that will do come definitely will do see very easy return on investment in coming few quarters.

Mr. Kaustav Bubna

Okay thank you.

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Yeah, thank you.

Coordinator

Thank you, sir. Next question we have from Mr. Ankur Bain

Question: How is the geopolitical condition affecting carbon trading business?

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

So geopolitical issues, if you see the whole turbulence in our voluntary carbon market, had got started because of the issue between Russia and Ukraine. Then afterwards the issue had got raised up between Europe and Russia, wherein Russia had stopped the supply of the gas, natural gas to Europe and so all of a sudden the energy prices and it got very high within the European Union region due to that specific reason, the carbon market, voluntary carbon market took the back seat and that is why it is still trying to come up or to cope up from those specific the concerns between the two nations, so this is specifically related to the voluntary carbon markets, while we do have two other different markets. One is the compliance, national compliance carbon markets like the India's Emission Trading Scheme, which is going to get implemented very soon. Those compliance markets usually do not get impacted because of the international issues and the third one is the international compliance markets driven through the Paris Agreement. Those markets also usually do not get very easily impacted because of the geopolitical issues. So as of now yeah, to summarize the international voluntary carbon markets are very much influenced because of the geopolitical concerns, but another two carbon markets wherein although they do not exist as of now, but in next six to twelve months timeline, once they will be there in place, fully operational in place definitely you will do expand our services to those two markets also. Thank you.

Coordinator

Thank you, sir. Next question we have from Mr. Sandesh.

Question: What are the competitive advantages or entry barriers for other players which help EKI sustain the growth of the company in future?

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Yeah, so other, as I have mentioned earlier, our core service is related to the providing advisory services for the carbon credits for those specific things for the buyers. One specific thing that we do have very unique in with us is the trust that we have created in the in the buyer segment. That means the buyers comes from from the developing nations and the seller, sorry, I just want to correct my answer? The buyers are located in the developed economies and the sellers are located in the developing economies.

Since we are providing our services for the last 15 years in the developing economies, we do have very good repo, network with a seller of the carbon credits. Plus, we also provide the additional services to them is to get the project registration and verification wherein each project registration verification used to take at least one, to two years' timeline for that specific technical manpower which is required to deliver all those services is very good and unique thing that we do have. We can provide services to any methodology, any project which is located in any developing or developed nation, we would be able to supply ourselves very easily.

Another thing is once the carbon would be generated. The thing is to sell the credits and because the sellers are only majorly looking for getting the revenue, they are not very much happy to get

only registrations and verifications. Since we are there in this industry for last 15 years we do have very good connect in the international buyer community based in approximately 14 nations when we can supply the credits, whatever we do generate or we can whatever the traits that can happen with those specific buyer network. So, these are the two specific competitive advantages we do have with the buyers and the sellers of the carbon market further having investment capacity is the third good thing which you have within the, with the organization.

Coordinator

Thank you, sir.

So, looking forward the time limit, I will take up the last question for this call. I request the other participants to kindly mail their queries. We will surely revert on that.

Last question we have from Mr Lalit Agrawal.

Question: What is average cost of carbon credit we generated or purchased?

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

So it is very difficult to determine the average prices because the.. the credit which comes from the solar power project, from the wind power project, from hydro, from forestry, from Cook stove from other different technologies, they do have various different price ranges. It is very, very difficult to remind the average buy and sell price for us.

Thank You

Coordinator

Thank you, Thank you sir. So, with this I would like to request Mr. Manish sir for his closing remarks. Sir, over to you.

Mr. Manish Dabkara, Chairman & MD, EKI Energy Services Ltd.

Yeah so, I sincerely thank each one of you for joining this call. Your participation and commitment are vital to our success and energize our work. Thank you very much.

Over to Mohit

Mr. Mohit Agarwal, CFO, EKI Energy Services Ltd.

Thank you, Thank you for your presence.

Coordinator

Thank you so much Manish sir, Mohit sir and all the participant, Thank you all. You may disconnect the call now.