August 9, 2022

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

Scrip Code: 543284
Symbol: EKI

Sub: Press release on amendments passed by the Lok Sabha on The Energy Conservation (Amendment) Bill, 2022.

Dear Sir(s),

This press release is given by the Company for the information of stakeholders on expected Carbon Market in India in line with amendments passed by the Lok Sabha on The Energy Conservation (Amendment) Bill, 2022.

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

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

Thanking you

For EKI ENERGY SERVICES LIMITED

Itisha Sahu
Company Secretary

Enking International (A carbon neutral company)
The advent of Indian Domestic Emission Trading Scheme – A New Era of Carbon Markets in the Paris Agreement

Indore, August 9, 2022: EKI Energy Services Ltd. (EKI), a leading developer and supplier of carbon credits across the globe, welcomes the amendments passed by the Lok Sabha [Lower House of Indian Parliament] yesterday to the Energy Conservation [EC] Act 2022. The development is a timely opportune for the country's carbon credit market and we are hopeful that it will get final approvals by Rajya Sabha [Upper House of Indian Parliament] & President of India by the end of this year.

This amendment act has unlocked new market potentials for the Indian seller of carbon credits. The industry sellers will now have five different markets to choose from for the sale of their credits. These include -

Option 01: Domestic Compliance Carbon Markets
Option 02: Domestic Voluntary Carbon Markets
Option 03: Article 6.2 of the Paris Agreement Carbon Markets
Option 04: Article 6.4 of the Paris Agreement Carbon Markets
Option 05: International Voluntary Carbon Markets

Domestic Compliance & Voluntary Carbon Markets:

Option 01: Domestic Compliance Carbon Markets
Option 02: Domestic Voluntary Carbon Markets

During his speech at the Lower House of Parliament, Shri R.K Singh - Minister of Power and New & Renewable Energy, Govt. of India, stated that the flagship environmental commodity trading schemes that are currently active in India include:

- Perform, Achieve and Trade Scheme (PAT Scheme) under which specific energy consumption targets were given to high energy intensive industrial sectors. ESCerts is the commodity, which is traded under this scheme.

- Renewable Purchase Obligation (RPO) under which obligated entities were given target to have Renewable energy mix. REC (Solar and Non Solar) is the commodity that is traded under this scheme.

He stated that these ESCerts and RECs will now be merged into one single commodity & would be known as Carbon Credit Certificate (CCC) which will operate under Cap & Trade system under National ETS. This is expected to unleash a new era of environmental activism in India even as the country continues to keep its businesses at the forefront.

Documents published by the Bureau of Energy Efficiency (BEE) under Ministry of Power state that though the scheme maybe Voluntary in nature to begin with, once it becomes
mandatory for specific sector(s), the scheme will remain open for the Indian Voluntary Market buyer as mentioned in the EC Act. This will open the market for newer avenues even as the demand for Voluntary Carbon Credits grows exponentially in the country.

As a leading player in the International Voluntary Carbon Markets, EKI welcomes these developments given its numerous positives for the country. India’s plan is expected to follow similar success stories of other national or regional ETS, in other parts of the world like the European Union ETS or the South Korean ETS, where the government controlled the flow of Credit exports and imports to National Compliance Market [National ETS]. This will not only enable the development of a robust regulatory driven market but will also significantly contribute towards flourishing the Voluntary Carbon Market in the country.

**International Compliance Market to be incorporated under Article 6 of the Paris Agreement**

Option 03: Article 6.2 of the Paris Agreement Carbon Markets
Option 04: Article 6.4 of the Paris Agreement Carbon Markets

One of the key outcomes of the COP26 climate summit in Glasgow was the approval of Article 6 – the Paris Agreement’s rulebook governing carbon markets.

Article 6.2 allows Nations to pursue voluntary cooperation in the implementation of their nationally determined contributions (NDC). Many Nations did the same cooperation like Switzerland and Ghana. It is anticipated that once Govt of India will get into such cooperation agreements new markets will open to sell the Carbon Credits originated from specific sectors. Internationally Transferred Mitigation Outcomes (ITMO) is the commodity that is traded under this sub article.

Article 6.4 establishes a central United Nations (UN) mechanism to trade credits from emissions reductions generated through specific projects. The first meeting of the Article 6.4 Supervisory Body took place in Bonn from 25 to 28 July 2022, clearly sets an intention for an efficient operationalization of the mechanism. The Mechanism is quite similar to the CDM, further migration of existing CDM projects into the new Mechanism request must be made by 31 December 2023 and the host country must agree to such migration and reissue a Letter of Approval for the project by no later than 31 December 2025. The Government of India has constituted the Apex Committee for the Implementation of the Paris Agreement (AIPA) on November 27, 2020, through a gazette notification. The NDCs are to be implemented in the post-2020 period. India had submitted its first NDCs in 2015 & on 3 Aug 22 the Union Cabinet, chaired by Prime Minister - Shri Narendra Modi, approved an update to India’s Nationally Determined Contribution (NDC), which is a formal communication to the United Nations, spelling out steps to be taken by the country towards keeping global temperatures from rising beyond 2°C by the end of the century. A6.4 Emission Reductions (A6.4 ER) is the commodity that is traded under this sub article.

Credits traded under Article 6.2 & 6.4 are subjected to the Corresponding Adjustment (CA) and its exports need approval from host party where Project is located i.e. Govt. of India. This
mandatory approval was already negotiated during COP26.

**The impact on International Voluntary Carbon Markets**

Article 6 and domestic/regional emission trading schemes have not led to any changes in the International Voluntary Markets. International Voluntary buyers now have a plethora of choices of ITMOs, Art6.4ERs with Use Authorization, Art.6.4ERs without Use Authorization and, of course, the many different types of voluntary credits issued by different voluntary standards (like CDM, VCS, GS, GCC, etc).

Since International Voluntary Markets have no double counting issues, as on date, no nation has banned the trade of carbon credits under it.

As per Taskforce on Scaling Voluntary Carbon Market [TSVCM] assessment, the International Voluntary Carbon Market is poised to become a 200 Billion USD market by year 2030; with present market size of 1 Billion USD.

**Impact & Opportunities for EKI Energy Services business model**

**Mr. Manish Dabkara, CMD & CEO of EKI Energy Services Ltd.** said, "We do not foresee the proposed amendments to have any impact on the export of credits in the voluntary carbon market. It will help the country to develop a robust carbon market and fast-track its journey to become net zero."

Welcoming the amendments to the EC Act, Manish added, "Each Nation has the best choice to meet its NDC is to opt for an ETS. Many developed and developing nations do have or are soon going to have such schemes in near future. The future of India’s carbon market looks all geared up under Compliance and Voluntary Carbon Markets and carbon credit experts, team EKI is ready to explore all possible markets globally".

We would like to re-iterate that the changes suggested by the Govt. to not allow the export of carbon credits until the country’s commitment of reduction of 45% emission intensity of GDP is met, will not affect the voluntary carbon market. This includes zero restrictions on the sale of carbon credits developed in India to International global markets. In fact, the new proposal will fast-track India’s transition to become a carbon zero economy even as team EKI continues to accelerate this journey with its comprehensive bouquet of sustainability solutions.

India has already achieved ~40% emission intensity reduction of its commitment and the remaining 5% can easily be achieved in the next few years as the country achieves its NDC pledge targets.

**Webinar on demystifying the Energy Conservation (EC) Act 2022 & Domestic Carbon Markets**: Join us tomorrow (August 10, 2022) at 10.00 AM for a detailed discussion wherein
we will be more than happy to debrief any and every interested participant on the future of the Indian Carbon Credit market and our role in enabling the development of a robust market. Register on the following joining link now: [https://meet.zoho.com/EhcDvXnSJ9](https://meet.zoho.com/EhcDvXnSJ9)

**About EKI Energy Services Limited**

EKI Energy Services Ltd. is a leading Carbon Credit Developer & Supplier across the globe. 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. The company is today present in 16+ countries and has 3000+ clients across 40+ countries worldwide. As on date, EKI has supplied over 180+ million offsets.

For more information visit us at [www.enkingint.org](http://www.enkingint.org)