

## ESCONET TECHNOLOGIES LIMITED

Formerly Esconet Technologies Private Limited  
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CIN: L62099DL2012PLC233739



Monday, 18<sup>th</sup> November 2024

To,  
**The Manager**  
**Listing Compliance Department**  
**National Stock Exchange of India Limited**  
**Exchange Plaza, 5th floor Plot No. C/1,**  
**G Block, Bandra-Kurla Complex**  
**Bandra (East), Mumbai - 400051**

**Sub: Press / Media Release for Esconet Technologies Limited pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Listing Regulations”).**

**REF: NSE SYMBOL: ESCONET**  
**ISIN: INE0RQZ01017**

Dear Sir/Madam,

In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the Press Release, to be issued by the Company.

Exchange is requested to take note of the same.

A copy of the same shall be available on the website of the Company i.e. [www.esc.co.in](http://www.esc.co.in).

**For and Behalf of**  
**Esconet Technologies Limited**



**Rajnish Pandey**  
**Company Secretary & Compliance Officer**  
**Membership No.: ACS – 67445**



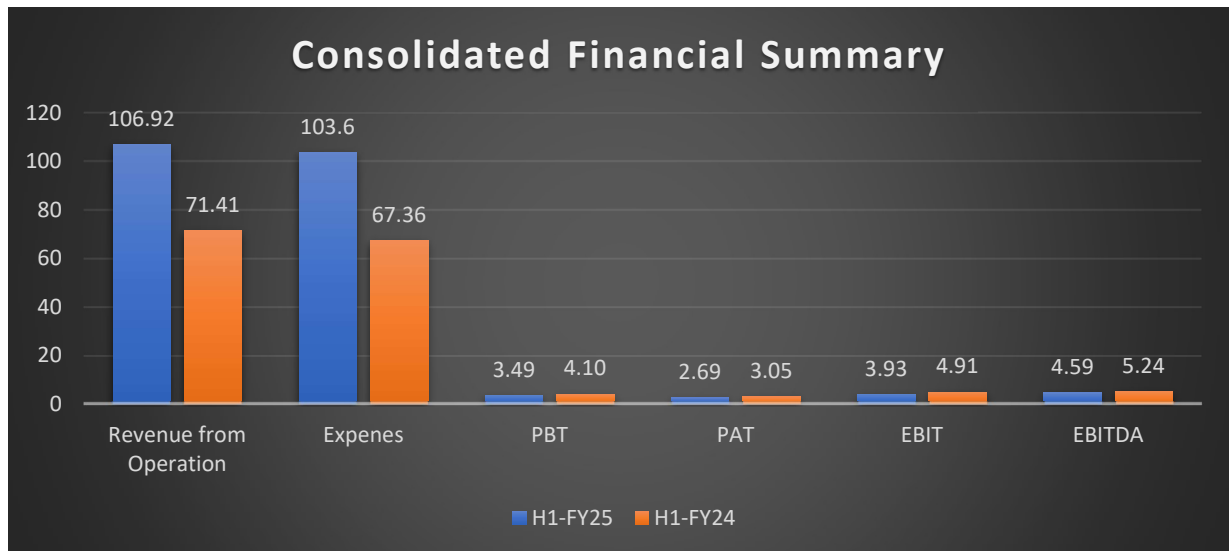
**PRESS RELEASE**

**FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30.09.2024**

**New Delhi, India, [18<sup>th</sup> November 2024]** – Esconet Technologies Limited, a leading homegrown system integrator and provider of integrated IT solutions, today announced its financial results for the first half of the financial year 2024-25 (H1-FY25), reflecting a robust performance despite certain challenges. The results were approved during the Board Meeting held on 14th November 2024.

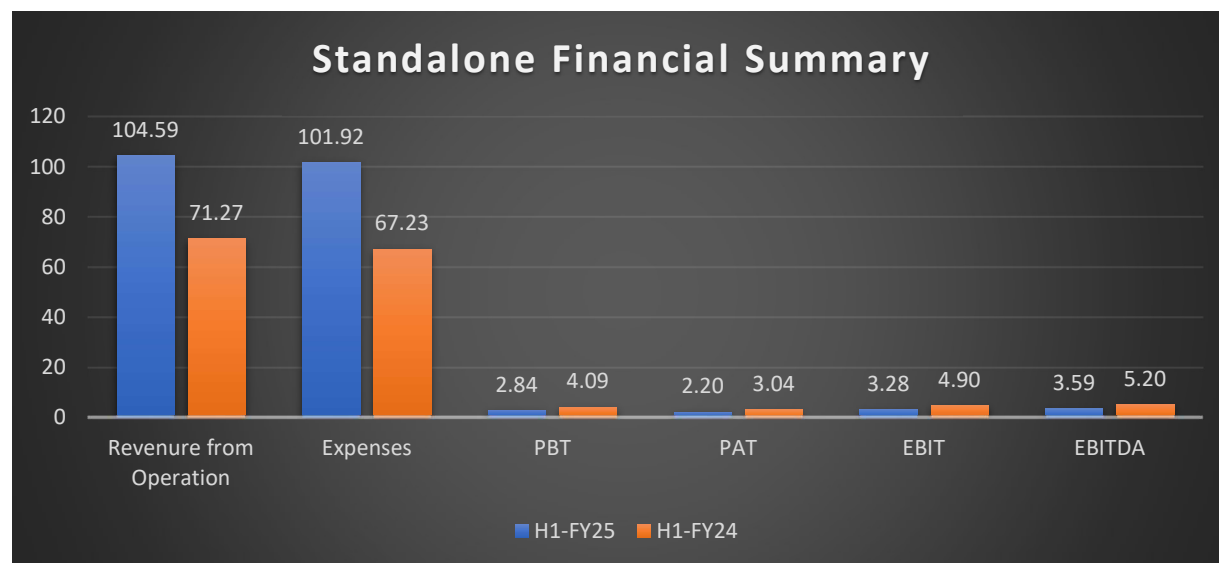
**The company delivered a strong performance despite challenges, with notable growth in revenue and a solid profit trajectory. Below are the key highlights:**

**Consolidated Financial Highlights (Esconet Technologies Limited):**



- **Revenue from Operations:** Increased by **49.72%** YoY, reaching **Rs. 106.92 crore** in H1-FY25, compared to **Rs. 71.41 crore** in H1-FY24.
- **EBITDA:** Decreased by **12.40%**, standing at **Rs. 4.59 crore** in H1-FY25, down from **Rs. 5.24 crore** in H1-FY24.
- **EBIT:** Declined by **19.96%**, totalling **Rs. 3.93 crore** in H1-FY25, compared to **Rs. 4.91 crore** in H1-FY24.
- **Profit Before Tax (PBT):** Decreased by **14.88%**, amounting to **Rs. 3.49 crore** in H1-FY25, down from **Rs. 4.10 crore** in H1-FY24.
- **Profit After Tax (PAT):** Decreased by **11.80%**, standing at **Rs. 2.69 crore** in H1-FY25, compared to **Rs. 3.05 crore** in H1-FY24.
- **Financial Costs:** Decreased significantly from **Rs. 80.72 lakh** to **Rs. 43.55 lakh**, reflecting improved cost efficiency.

## Standalone Financial Highlights (Esconet Technologies Limited):



- **Revenue from Operations:** Rose by **46.75%** YoY to **Rs. 104.59 crore** in H1-FY25, compared to **Rs. 71.27 crore** in H1-FY24.
- **EBITDA:** Decreased by **30.96%**, reaching **Rs. 3.59 crore** in H1-FY25, down from **Rs. 5.20 crore** in H1-FY24.
- **EBIT:** Declined by **33.06%**, totalling **Rs. 3.28 crore** in H1-FY25, compared to **Rs. 4.90 crore** in H1-FY24.
- **Profit Before Tax (PBT):** Decreased by **30.56%**, amounting to **Rs. 2.84 crore** in H1-FY25, down from **Rs. 4.09 crore** in H1-FY24.
- **Profit After Tax (PAT):** Decreased by **27.63%**, standing at **Rs. 2.20 crore** in H1-FY25, down from **Rs. 3.04 crore** in H1-FY24.
- **Financial Costs:** Decreased significantly from **Rs. 80.54 lakh** to **Rs. 43.52 lakh**, reflecting improved cost efficiency.

## KEY HIGHLIGHTS FOR SUBSIDIARY - Zeacloud Services Private Limited

- The revenue from operations significantly increased and soared impressively to Rs 2.33 crore in H1-FY25, a remarkable leap from just ₹0.14 crore in H1-FY24. This growth trajectory not only highlights our successful business expansion but also underscores the increasing demand for our services.
- Notably, our subsidiary has experienced a staggering 16-fold increase in operational revenues, driven by the enhancement and upgrade of cloud business hardware made possible through the funds raised from our IPO.
- In addition, both EBIT and EBITDA have shown exceptional growth, further highlighting our strong operational performance in Q2 FY2025. EBIT surged to ₹0.65 crore in H1-FY25, marking a remarkable increase from ₹0.01 crore in H1-FY24, representing a growth factor of 65 times. Similarly, EBITDA rose to ₹0.99 crore, up from ₹0.04 crore in the previous year, indicating a substantial increase of 24.75 times.
- This positive momentum underscores our commitment to delivering enhanced value to our stakeholders and capitalizing on growth opportunities in the market.

## MANAGEMENT COMMENTARY

Mr. **Santosh Kumar Agrawal**, Managing Director of Esconet Technologies, commented, “We’re excited to unveil our financial results for the first half of FY25, and let me tell you, the numbers are looking as bright as a freshly polished tech gadget! Our growth trajectory, especially in Q2 FY25, showcases the effectiveness of our strategic initiatives, proving that when the going gets tough, the tough get growing.

Sure, we encountered a few bumps along the road thanks to external factors like the General Elections and the Model Code of Conduct in Q1FY25. But our revenue growth over the past six months is a testament to the strength of our core business.

Although our EBITDA and EBIT experienced some pressure, we continue to see robust demand for our IT infrastructure, cloud computing, managed services, and our other offerings, including HexaData. As we move into the second half of FY25, we are targeting revenues from operations of ₹200 crores or more by the close of the current fiscal year, along with improved bottom lines and better performance. We remain optimistic about achieving these goals by March 2025 and maintaining a positive outlook on our financial trajectory. With strategic investments and the current ongoing capital-raising efforts, we are well-positioned to deliver sustained value to our stakeholders and drive future growth. Looking ahead, we anticipate improved performance in the second half of the year, supported by several positive factors that we believe will contribute to our continued growth and success.”

## IMPACT OF EXTERNAL FACTORS

While the company saw impressive revenue growth, it also faced certain challenges, particularly in Q1 FY25 due to the **General Elections** and the **Model Code of Conduct**, which temporarily impacted operations, especially in terms of revenues from government sectors.

As a result, **Profit After Tax (PAT)** decreased by **11.80%** YoY in H1-FY25, amounting to **Rs. 2.69 crore** compared to **Rs. 3.05 crore** in H1-FY24.

Despite these challenges, the company continues to demonstrate resilience and growth potential, positioning itself for improved performance in the second half of the financial year.

## STRATEGIC DEVELOPMENTS, FUNDRAISING & CAPITAL INFUSION

- During the last financial year, the company successfully raised capital through an initial public offering (IPO) of 33,60,000 equity shares, which were a fresh issue, totalling Rs. 28.22 crore. The equity shares of Esconet Technologies Limited were subsequently listed on the National Stock Exchange of India Limited (**NSE Emerge**) on February 23, 2024.

- In the current financial year, the company has recently raised additional funds amounting to Rs. 32.69 crore through a preferential allotment of 734,000 equity shares and 213,600 convertible warrants. This capital infusion reflects the long-term support and trust that potential investors have placed in the organization. The Fund-raising will further strengthen the financial position for future growth.

## EXPENSE TRENDS AND BUSINESS EXPANSION:

While ESCONET saw strong revenue growth, the increase in expenses during H1 FY25 was primarily due to the company's strategic expansion initiatives. Key factors contributing to the rise in operational costs include:

- **Expansion in Manpower:** Esconet has significantly expanded its workforce to support business growth and enhance operational capabilities. This includes hiring skilled professionals in customer support, project execution, and research and development. While this has led to higher employee benefit expenses in the short term, it positions the company to better meet customer demands and improve service delivery, ultimately leading to increased revenues.
- **New Warehouse Management Facility:** The establishment of a new warehouse management system is a pivotal investment that addresses the company's growing logistics and inventory needs. Though initially costly, this facility will enhance operational efficiency and scalability, allowing Esconet to respond more swiftly to market changes and customer requirements.
- **Upgrading Assembly Lines and Testing Facilities:** Significant investments have been made to upgrade the assembly line and install a new in-house testing facility. These enhancements are essential for improving manufacturing capabilities and ensuring high-quality product offerings. As demand for technology solutions continues to rise, these upgrades will enable Esconet to maintain a competitive edge and deliver superior products to its customers, further supporting the company's long-term growth strategy.

## CAPITAL INFUSION PLANS:

In addition to the IPO proceeds, ESCONET is in the process of infusing **additional capital** into its wholly-owned subsidiary, **Zeacloud Services Private Limited**. This capital infusion, in addition to the ₹2.5 crores already invested from the IPO proceeds, will help Zeacloud scale its operations and drive growth in the cloud services business.

With the infusion of fresh capital in Zeacloud Services Pvt. Ltd., we have already witnessed the surge in business. With the help of further infusion of funds, raised in the recent preferential round, we are planning to further expand capacity and modernize the datacentre and infrastructure at ZeaCloud. With this, we hope to maintain the growth trajectory as well as increased market penetration resulting in acceleration of growth in



business. The strategic investment into Zeacloud is aligned with ESCONET's broader objective of expanding its service offerings in the cloud computing space, tapping into the growing demand for cloud-based solutions, and enhancing its competitive edge in the market.

#### **ABOUT ESCONET TECHNOLOGIES LIMITED:**

The Company was Incorporated in 2012 as Esconet Technologies Private Limited and later on Converted into Public Company in 2023 as Esconet Technologies Limited, a leading system integrator in the IT infrastructure, cloud computing, managed services, and data security sectors, has grown from a hardware and software vendor to a trusted advisor, manufacturer, integrator, and service provider for numerous private and public sector organisations. Esconet is well-equipped to address the server, storage, network, security, virtualisation and data protection requirements of SMEs, large enterprises, and public sector customers.

For more information, please visit: <https://www.esc.co.in/>

**Disclaimer:** This release may contain forward-looking statements based on current expectations, estimates, and projections. Actual results may differ materially due to a variety of factors, including economic conditions, market demand, and operational challenges.

