

ESCONET TECHNOLOGIES LIMITED

Formerly Esconet Technologies Private Limited
Reg. Off. D – 147, Okhla Industrial Area, Phase – I, New Delhi, India – 110020
Phone: +91.11.42299700 | E-mail: cs@esc.co.in
Web: www.esc.co.in
CIN: L62099DL2012PLC233739



Monday 5th August 2024

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

REF: NSE SYMBOL: ESCONET

Sub: Annual Report of Esconet Technologies Limited for the Financial Year 2023-24 along with Notice calling the 12th Annual General Meeting scheduled to be held on August 30, 2024

Dear Sir/Madam,

We wish to inform you that the 12th Annual General Meeting (AGM) of the Esconet Technologies Limited (Company) is scheduled to be held on Friday 30th August 2024 at 03:00 pm (IST) through Video Conferencing/Other Audio-Visual Means. Pursuant to regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of Esconet Technologies Limited for the Financial Year ended on March 31, 2024, along with Notice calling the 12th Annual General Meeting.

The aforesaid documents are being dispatched electronically to those Members whose email IDs are registered with the Skyline Financial Services Private Limited ("Registrar and Transfer Agents" of the Company) or the Depositories.

You may further note that, as detailed in the Notes to Notice of AGM, the Company has provided it Shareholders with facility to exercise their right to vote on all businesses proposed at the AGM by electronic means by using remote e-voting facility and e-voting facility provided by Central Depository Services Limited (CDSL).

The attached Annual Report of the Company will be available on the website of the Company www.esc.co.in, in addition to website of CDSL.

You are requested to kindly take the same on record.

**For and Behalf of
Esconet Technologies Limited**



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





12th ANNUAL REPORT

F. Y. 2023-2024

ESCONET TECHNOLOGIES LIMITED

(Formerly known as Esconet Technologies Private Limited)

CIN: L62099DL2012PLC233739

**Registered Office: D – 147, Okhla Industrial Area, Phase – 1
New Delhi – 110020**

Email: cs@esc.co.in, Phone – 011-42288700

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CORPORATE PROFILE

ESCONET TECHNOLOGIES LIMITED

(Formerly known as Esconet Technologies Private Limited)

CIN: L62099DL2012PLC233739

Registered And Corporate Office

D - 147, Okhla Industrial Area, Phase - 1, New Delhi, Delhi, India - 110020.

LISTING & STOCK EXCHANGE DETAILS

Listed at: National Stock Exchange of India Limited

Symbol: ESCONET

International Securities Identification Number (ISIN): INE0RQZ01017

DEPOSITORIES

National Securities Depository Limited

Address: Trade World, A wing, 4th Floor, Kamala Mills Compound
Lower Parel, Mumbai - 400013

Central Depository Services (India) Limited

Regd. Office: Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg
Lower Parel, Mumbai 400013.

AUDITORS

STATUTORY AUDITORS

M/s Goel Mintri & Associates

L - 76, Ground Floor, Lajpat Nagar - II, New Delhi - 110024

Mail: sanjay@goelmintri.com

SECRETARIAL AUDITOR

M/s Ragini Agrawal & Associates

Company Secretaries

INTERNAL AUDITOR

M/s Arora Rahul & Co.

Chartered Accountants

OUR BANKERS

ICICI Bank Limited

BANKER TO THE ISSUE

Kotak Mahindra Bank Limited

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Private Limited

D-153/A, 1st floor, Phase I, Okhla Industrial Area, New Delhi, Delhi 110020

Contact Person: Mr. Dinesh | Telephone: 011-26812682 | E-mail: admin@skylinerta.com

FOR INVESTOR QUERIES

Mr. Rajnish Pandey, Company Secretary & Compliance Officer

Mail ID: cs@esc.co.in | Phone: 011-42288700

CORPORATE INFORMATION SUMMARY

BOARD OF DIRECTORS

Sr. No.	Name	Designation
1.	Mr. Santosh Kumar Agrawal	Managing Director & Chairman
2.	Mr. Sunil Kumar Agrawal	Whole Time Director
3.	Mr. Vineet Agrawal	Whole Time Director
4.	Mrs. Ashi Jain	Non-executive Independent Director
5.	Mr. Mukesh Chand Jain	Non-executive Independent Director
6.	Mr. Gaurav Gupta	Non-executive Independent Director

KEY MANAGERIAL PERSONNEL

Sr. No.	Name	Designation
1.	Mr. Himanshu Purohit*	Chief Financial Officer
2.	Mr. Rajnish Pandey	Company Secretary & Compliance Officer

*Resigned after closure of the financial year with effect from 10th June 2024

AUDIT COMMITTEE

Sr. No.	Name	Designation
1.	Mrs. Ashi Jain	Chairperson
2.	Mr. Mukesh Chand Jain	Member
3.	Mr. Santosh Kumar Agrawal	Member

NOMINATION & REMUNERATION COMMITTEE

Sr. No.	Name	Designation
1.	Mr. Gaurav Gupta	Chairperson
2.	Mrs. Ashi Jain	Member
3.	Mr. Mukesh Chand Jain	Member

STAKEHOLDER'S RELATIONSHIP COMMITTEE

Sr. No.	Name	Designation
1.	Mr. Mukesh Chand Jain	Chairperson
2.	Mr. Santosh Kumar Agarwal	Member
3.	Mr. Sunil Kumar Agrawal	Member

COMPANY AT A GLANCE!

In 1998, two ambitious entrepreneurs, Mr. Santosh Kumar Agrawal and Mr. Sunil Kumar Agrawal, moved from a small town in Chhattisgarh to Delhi in pursuit of promising opportunities. They assumed control over Electro Sales Corporation, an established business specializing in the reselling and distribution of IT components.

Driven by an aspiration to delve into pioneering technologies, they began forging partnerships with industry leaders like Intel, AMD, Cisco, Hewlett-Packard, and Microsoft. Their journey, however, wasn't without hurdles. The duo ceased their distribution venture in 2004 due to financial constraints.

As the business momentum picked up, the visionary promoters recognized the need to structure their team more formally and explore opportunities with multinational corporations and government clients. Recognizing that such an expansion would require robust human resources, they took the strategic decision in 2012 to formally incorporate their business, leading to the birth of Esconet Technologies Private Limited. In its inaugural year, the company achieved an impressive revenue of ₹ 21.75 Crores.

The Company was incorporated as Esconet Technologies Private Limited on March 30, 2012, as a private limited company under the Companies Act and was granted a certificate of incorporation by the then Registrar of Companies, Delhi. Subsequently the name of our Company was changed to its present name and a fresh certificate of incorporation dated September 21st, 2023, was issued by the then Registrar of Companies, Delhi and Haryana. The corporate identification number of the Company is L62099DL2012PLC233739.

Esconet is well-equipped to address the server, storage, network, security, virtualization and data protection requirements of SMEs, large enterprises, and public sector customers. Esconet had also launched its own brand HexaData® of high-end Servers, Workstations and storage systems to cater to the Indian market under Make in India program. Esconet, in partnership with NVIDIA, has witnessed unprecedented growth in Artificial Intelligence and Machine Learning domain for its servers and workstations.

Moreover, Esconet Technologies took pride in successfully executing flagship projects, including the Secured Private Cloud for the Indian Army, the Global G&G Private Cloud Datacenter for ONGC Videsh Limited, a Private Cloud for Amity University, and a Virtual Desktop Infrastructure for Anheuser-Busch InBev. These projects, characterized by intricate hardware and software integrations, were delivered in record time, a testament to the prowess of their entirely in-house manpower resources.

MOMENTS OF LISTING CEREMONY AND IPO DETAILS

The launch of our Initial Public Offering (IPO) marked a transformative moment for Esconet Technologies Limited. With your unwavering support and belief in our vision, we offered 33,60,000 Equity Shares at an issue price of INR 84/- per share. The overwhelming response, with the IPO being oversubscribed by more than 500 times (*156.02 times in the QIB Category, 868.05 times in the NII Category, and 553.02 times in the RII Category*), was a testament to the market's faith in our potential.

February 23, 2024, will forever be etched in our memories as the day our shares made a remarkable debut on the NSE Emerge Platform at ₹290.00 per share, far exceeding our initial IPO Offer price. This extraordinary debut underscored the market's confidence in our leadership, vision, and future growth prospects.



This strong market reception reaffirms our commitment to delivering value to our shareholders and marks a promising start to our journey as a publicly listed company.

This historic oversubscription and successful listing represent more than just numbers; they symbolize the collective belief in Esconet Technologies' journey towards innovation and excellence. With this solid foundation, we are more inspired than ever to push the boundaries, drive sustainable growth, and deliver unmatched value to our customers, partners, and shareholders.

As we embark on this new phase, Esconet Technologies remains steadfast in its dedication to leveraging this opportunity for growth, innovation, and enhanced value creation for all stakeholders. We are excited to continue our pursuit of excellence and innovation, guided by a clear focus on long-term value creation.

We are deeply grateful to our partners—Dell Technologies, Intel, AMD, Nvidia, VMware, Microsoft, Cisco, and many others. Your steadfast support has been the cornerstone of our success, and together, we will continue to achieve great things.

Esconet Technologies is more committed than ever to leveraging this opportunity to fuel our growth, innovate further, and deliver enhanced value to our customers, partners, and shareholders. We look forward to continuing our journey of excellence and innovation, with a clear focus on creating long-term value for all our stakeholders.

To our esteemed customers, your trust and loyalty have been the driving force behind our accomplishments. We are committed to exceeding your expectations with innovative and high-quality solutions that adapt to your evolving needs, reinforcing our dedication to excellence and satisfaction.

Looking ahead, Esconet Technologies Limited is poised to harness this incredible momentum. We are dedicated to a future filled with innovation, growth, and value creation. Together, we will continue to turn our ambitious vision into reality, creating lasting value for all our stakeholders.

Thank you for being a part of this incredible journey. The best is yet to come.

FROM THE DESK OF CHAIRPERSON & MANAGING DIRECTOR

Dear Stakeholders,

It is with great pleasure and a sense of accomplishment that I address you through this 12th annual report of Esconet Technologies Limited. Reflecting on the past fiscal year, I am immensely proud of the milestones we have achieved and the progress we have made in advancing our mission of innovation and excellence in the ever-evolving technology landscape. As the Chairperson of this remarkable organization, I am thrilled to share some heartfelt insights regarding our journey and our future aspirations.



First and foremost, I want to express my sincere gratitude for your continued support and trust in the company. Your commitment as stakeholders has been instrumental in our success, and I assure you that we remain fully dedicated to maximizing value for all involved.

The past year has been exceptionally momentous for Esconet Technologies Limited. Our listing on the NSE Emerge platform marked a significant milestone, one that has been met with enthusiastic response. The oversubscription of our Initial Public Offer by more than 500 times is a testament to the confidence you place in us. This year signifies a brilliant beginning to a new chapter of growth, in a field often characterized by volatility, indecision, intricacy, abstruseness and complexity these achievements are indeed extraordinary.

Last one year has been very eventful for the company, wherein we got it listed on NSE Emerge platform. The listing has been very encouraging, and we got good response to our Initial Public Offer, and it was oversubscribed by more than 500 times. It continues and we are writing a new chapter of growth every year, while this year may be regarded as a marvellous start to a new journey. In a domain full of volatility, indecision, intricacy and abstruseness, these triumphs are indeed commendable.

In the coming year, we at Esconet Technologies Limited are focusing on strengthening our human resources to expand our sales and support staff, as well as enhancing our manufacturing facilities to meet increasing demand promptly.

We once again thank all the subscribers and shareholders for this overwhelming success.

At Esconet, we recognize that sustainable growth goes hand in hand with responsible corporate citizenship. We remain steadfast in our commitment to ethical business practices, environmental stewardship, and social responsibility, ensuring that our actions positively impact not just our stakeholders, but also the communities we serve.

I am pleased to report that our company has successfully navigated numerous challenges, achieving respectable growth. This progress is a direct result of the trust and support of our stakeholders, including customers, suppliers, bankers, employees, and shareholders.

As the numbers are satisfactory for the current financial year in line with our performance in the past, at the same time it gives bigger responsibility to perform equally good in the forthcoming financial years also. And we wish to ensure you that the team is ready to undertake the challenge and we expect to produce similarly impressive results in the coming years also.

Looking ahead, the road may be dotted with challenges and uncertainties, but I am confident that with our collective efforts and innovative spirit, we will continue to thrive and carve new paths of success. As we embark on this journey, I urge you, our esteemed shareholders, and partners, to join us in our quest to create value, drive positive change, and shape a better future for all.

In closing, I would like to express my deepest appreciation to our shareholders for their unwavering support and trust in Esconet Technologies Limited. Together, let us chart a course towards greater heights of achievement and prosperity.

With best wishes,

Sd/-

Santosh Kumar Agrawal

Chairman & Managing Director

THE BOARD OF DIRECTORS



Mr. Santosh Kumar Agrawal, Managing Director of the Company, is a second-generation entrepreneur who began his IT journey in 1997 with Electro Sales Corporation, trading in hardware and software. Rooted in strong trust and values, he transformed the business in 2012 to Esconet Technologies, focusing on IT solutions, cloud computing, and fostering long-lasting relationships with clients. As a certified cloud architect and experienced IT Infrastructure Architect, Santosh is passionate about technology, data security, and disruptive innovations. He upholds the principles of integrity and excellence, ensuring the highest level of service for his clients.



Mr. Sunil Kumar Agrawal, *Whole Time Director* of the Company and a second-generation entrepreneur embarked on his IT journey in 1998 with Electro Sales Corporation, specializing in hardware and software trading. As a commerce and law graduate with an innate knack for mechanical engineering and IT hardware, Sunil's innovative approach to technology was evident from the start. His entrepreneurial spirit and technical acumen played a pivotal role in transforming the business into Esconet Technologies Pvt. Ltd. in 2012. Sunil's unique expertise extends to server architecture, where he has designed custom servers and computer workstations, specifically tailored for Artificial Intelligence and Machine Learning applications. These designs are a testament to his long experience in the industry and his ability to adapt to the rapidly evolving technological landscape.



Mr. Vineet Agrawal is a dynamic and ambitious third-generation entrepreneur, currently serving as the *Whole Time Director* of Esconet Technologies. With a keen aptitude for learning and a robust work ethic, he has quickly distinguished himself in the fields of sales and marketing. As a fast learner and a hardworking executor, Agrawal's dedication to excellence is evident in his approach to his role within the company. His youthful energy and innovative thinking promise a bright future for both himself and Esconet Technologies. His leadership is expected to contribute significantly to the growth and success of the company in the IT Infrastructure solution sales and services sector.



Mr. Mukesh Chand Jain, aged 65 years, is *Non – Executive Independent Director* of our Company. He has rich experience of over 32 years in various capacities in Corporate Finance and Corporate Law functions in Steel Authority of India Limited (SAIL), a Maharatna Public Sector company and also as Chief Finance Officer & Company Secretary of International Coal Ventures Private Limited (ICVL). He was Executive Director (Finance & Accounts) & Company Secretary of SAIL at the time of his superannuation on 30th June 2019. Mr. Mukesh Chand Jain is Graduate in

Commerce and Law from Delhi University. He is a qualified Company Secretary and a Cost Accountant. He is also an Insolvency Professional and Registered Valuer registered with Insolvency and Bankruptcy Board of India.



Mrs. Ashi Jain is a Company Secretary and has rich experience of almost 8 years, she has served clients of various sectors. She joined the Board of Directors of Esconet Technologies in October 2023 as *Independent Director*. Besides being proprietor, she is an excellent communicator with exceptional relationship management, people skills & problem-solving skills. She has an excellent dealing with the MCA portal and websites of other authorities like Company Law Board (CLB), SEBI, Stock Exchange (SE) etc.



Mr. Gaurav Gupta has rich experience of almost 23 years in IT and software industry. He has joined the Board of Directors of Esconet Technologies as *independent director*. He is a Service focused Technology Strategist & Business Leader with CIO Level Success in Global Planning, IT Infrastructure- Setup, Operations, Program Management, Service design & delivery, Capacity/ Cost projections, IT Governance, in diverse business scenarios/domains, and an Innovative Change Agent in business. Proven Sales & Pre-Sales

Strategy, Planning & execution capabilities with a successful track record.

NOTICE

Notice is hereby given that the **Twelfth (12th) Annual General Meeting** of the members of the **Esconet Technologies Limited** ("Company") will be held on Friday, August 30, 2024, at 03.00 p.m. IST via Video Conferencing ("VC") / or Other Audio-Visual Means ("OAVM"), to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, together with the Report of the Auditors thereon.
3. **Re-appointment of statutory auditors of the Company for a period of 5 Years**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and pursuant to the recommendation of the Audit Committee of the Board, M/s Goel Mintri & Associates, Chartered Accountants, (Firm Registration No. 013211N), be and are hereby re-appointed as the Statutory Auditors of the Company for the term of 5 Years, from the conclusion of this 12th Annual General Meeting till the conclusion of the 17th Annual General Meeting to be held in the year 2029, to examine and audit the accounts of the Company at such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.

4. **To Appoint a director in place of Mr. Sunil Kumar Agrawal (DIN 00493820) who retires by rotation and is eligible to offer himself for reappointment**

Based on the terms of appointment, executive directors and the non-executive and non-independent directors are subject to retirement by rotation. Mr. Sunil Kumar Agrawal, Whole Time Director, whose office of directorship is liable to retire at the ensuing AGM, being eligible, seeks reappointment as a director. The Board recommended his reappointment as a director.

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

“RESOLVED THAT under the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the member of the company be, and is hereby accorded to appointment of Mr. Sunil Kumar Agrawal (DIN 00493820) as a director, to the extent that she is required to retire by rotation.”

SPECIAL BUSINESS:

5. Approval for increasing the Managerial remuneration drawn by Mr. Santosh Kumar Agrawal, Managing Director (DIN: 00493749) of the Company.

To consider and if thought fit, to pass with or without modification, the following Resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with relevant provisions of Section II of Part II of Schedule V of the Companies Act, 2013 (‘Act’) and other applicable provisions, if any, of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other rules, laws, regulations, guidelines or notifications as may be applicable, the Memorandum and Articles of Association of the Company and pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded for increasing the remuneration drawn by Mr. Santosh Kumar Agrawal, Managing Director as follows, w.e.f. April 1, 2024 for a period of 1 year:

- a) Salary:
Rs. 43,20,000/- (Rupees Forty-Three Lakhs Twenty Thousand only) per annum by way of Salary.
- b) The Company shall pay to or reimburse to the Managing Director all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) be and are hereby authorized to revise the remuneration of Mr. Santosh Kumar Agrawal from time to time to the extent the Board of Directors may deem appropriate, provided that such revision is in compliance with provisions of sections 196, 197, 198 of the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any Director and/ or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, desirable or expedient and to sign,

execute and submit all the requisite documents with the appropriate authority including filing of requisite documents with the Registrar of Companies.

RESOLVED FURTHER THAT a certified true copy of the resolution be furnished under the signature of any one Director and/or Key Managerial Personnel of the Company to the respective authorities”.

6. Approval for increasing the Managerial remuneration drawn by Mr. Sunil Kumar Agrawal, Whole Time Director (DIN: 00493820) of the Company.

To consider and if thought fit, to pass with or without modification, the following Resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with relevant provisions of Section II of Part II of Schedule V of the Companies Act, 2013 (‘Act’) and other applicable provisions, if any, of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other rules, laws, regulations, guidelines or notifications as may be applicable, the Memorandum and Articles of Association of the Company and pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded for increasing the remuneration drawn by Mr. Sunil Kumar Agrawal, Whole Time Director as follows, w.e.f. April 1, 2024 for a period of 1 year:

a) Salary:

Rs. 43,20,000/- (Rupees Forty-Three Lakhs Twenty Thousand only) per annum by way of Salary.

b) The Company shall pay to or reimburse to the Whole Time Director all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) be and are hereby authorized to revise the remuneration of Mr. Sunil Kumar Agrawal from time to time to the extent the Board of Directors may deem appropriate, provided that such revision is in compliance with provisions of sections 196, 197, 198 of the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any Director and/ or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, desirable or expedient and to sign, execute and submit all the requisite documents with the appropriate authority including filing of requisite documents with the Registrar of Companies.

RESOLVED FURTHER THAT a certified true copy of the resolution be furnished under the signature of any one Director and/or Key Managerial Personnel of the Company to the respective authorities”.

By Order of the Board of Directors
For **ESCONET TECHNOLOGIES LIMITED**

Sd/-
Santosh Kumar Agrawal
Chairperson & Managing Director
DIN: 00493749

Place: New Delhi
Date: 29th July 2024

Registered Office:
D – 147, Okhla Industrial Area
Phase – 1, New Delhi - 110020
Tel: +91 11 42288700
Email: cs@esc.co.in

NOTES:

- a) This is the First Annual General Meeting of the Company Post Listing of Shares of the Company in the Initial Public Offer (IPO) of the Company. The shares were listed on 23rd February 2024 on EMERGE Platform of National Stock Exchange of India Limited.
- b) The 12th Annual General Meeting of the Company will be held on Friday, 30th August 2024 at 03.00 p.m. (IST) through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) in compliance with the applicable provisions.
- c) Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- d) Ministry of Corporate Affairs ("**MCA**") vide its General Circular Nos.14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020, Circular No.20/2020 dated 5th May, 2020, Circular No.02/2021 dated 13th January, 2021, Circular No.19/2021 dated 8th December, 2021, Circular No. 21/2021 dated 14th December, 2021, Circular No.02/2022 dated 5th May, 2022 and Circular No. 10/2022 dated 28th December, 2022 ("**MCA Circulars**") has permitted to conduct the Annual General Meeting through video conferencing ("**VC**") or other audiovisual means ("**OAVM**"). In compliance with the aforesaid MCA Circulars, the 12th Annual General Meeting ("**12th AGM**" or "**Meeting**") of the Members of the Company will be held through VC/OAVM, without the physical presence of the Members.
- e) The Company has facilitated the members to participate in the 12th AGM through VC facility provided by Central Depository Services Limited (CDSL). The instructions for participation by members are given in the subsequent paragraphs. Participation in AGM through VC shall be allowed on a first-come-first-served basis.
- f) For exercising the votes by the members by electronic means, the Company has provided the facility of remote e-voting as well as e-voting during the AGM. The procedure for using the remote e-voting facility as well as e-voting during the AGM is given in the subsequent paragraphs.
- g) However, the Body Corporates are entitled to appoint Authorized Representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting. Body Corporates whose Authorized Representatives are intending to attend the Meeting through VC/OAVM are requested to send to the Company on its email Id cs@esc.co.in , a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting and through E-voting.
- h) Those Shareholders whose email IDs are not registered can get their e-mail ID's registered as follows:
 - Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.
- i) Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by the following the procedure mentioned in the Notice. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.

- j) The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of the quorum under Section 103 of the Companies Act, 2013 (herein after referred to as “the Act”).
- k) Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before Monday, 26th August 2024 by 05:00 p.m. IST through e-mail at **cs@esc.co.in** to enable the Management to keep full information ready on the date of AGM.
- l) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 20th August 2024 to Friday, 30th August 2024 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013.
- m) The information regarding the Director who is proposed to be appointed/re-appointed, as required to be provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings issued, is annexed hereto.
- n) An explanatory statement setting out details relating to the businesses to be transacted at the Annual General Meeting pursuant to Section 102(1) of the Companies Act, 2013, is annexed hereto.
- o) The Securities and Exchange Board of India (“SEBI”) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their de-mat accounts.
- p) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
- q) The Annual Report along with the Notice of AGM will be placed on the Company's website on <https://www.esc.co.in/>.
- r) As per the MCA Circular 20/2020 dated 5th May 2020, the Annual Report will be sent through electronic mode to only those Members whose email ids are registered with the Registrar and Share Transfer Agent of the Company / Depository participant.
- s) The Board of Directors have appointed Mrs. Ragini Agrawal, Practising Company Secretary, as the Scrutinizer to scrutinize the remote e-voting process as well as e-voting during the AGM in a fair and transparent manner.
- t) Members are requested to notify any changes in their address / e-mail id's to the Company's Registrar & Share Transfer Agent, Skyline financial services Private Limited at, Office No. – D-153/A, 1st floor, Okhla Industrial Area, Phase -1, New Delhi - 110020.
- u) Members are requested to quote their folio no. or DP ID / Client ID, in all correspondence with the Company / Registrar and Share Transfer Agent.
- v) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs (as may be notified from time to time) the Company is providing facility of remote e-Voting to its Members in respect of the business to be

transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system on the date of the AGM will be provided by CDSL.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

1. The **voting period begins on Tuesday, 27TH August 2024 at 9:00 a.m. IST** and ends on **Thursday 29th August 2024 at 05:00 p.m. IST**, during this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date (record date) of 23rd August 2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.
2. Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote at the end of discussion on the Resolutions on which voting is to be held, upon announcement by the Chairman. Members who have cast their vote on Resolution(s) by remote e-voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote again on such Resolution(s). Subject to the receipt of requisite votes, Resolutions shall be deemed to be passed on the date of the Meeting.
3. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the day of meeting.
4. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdsiindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdsiindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdsiindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" "Portal" or click https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp at

	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022 - 4886 7000 and 022 - 2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID

- a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) **If you are a first-time user follow the steps given below:**

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	<p>Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- After entering these details appropriately, click on “SUBMIT” tab.
- Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the Esconet Technologies Limited on which you choose to vote.
- On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@esc.co.in (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@esc.co.in. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

- 1) For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. – 5

To consider and approve increment in remuneration to Mr. Santosh Kumar Agrawal, Managing Director of the Company.

Mr. Santosh Kumar Agrawal (DIN: 00493749) is holding the Position of the Managing Director of the Company.

The Board at its meeting held on July 26, 2024, has discussed approved and recommended the increment in the payment of remuneration for Mr. Santosh Kumar Agrawal, Managing Director, for which approval of the members is required under section 197. The remuneration proposed to be paid to Mr. Santosh Kumar Agrawal has also been recommended by the Nomination and Remuneration Committee and Audit Committee.

The remuneration proposed will be in excess of limits specified under section 197 however the same will be within the limits prescribed under Schedule V to the Companies Act, 2013.

Keeping in view, the vast experience of Mr. Santosh Kumar Agrawal, the Board of Directors has recommended the payment of remuneration for the period from April 1, 2024, to March 31, 2025, as **Rs. 43,20,000/-** (Rupees Forty-Three Lakhs Twenty Thousand only) per annum with annual increment as decided by Board of directors. The annual increment will be merit-based and will also take into account the Company's performance.

The information as required under Schedule V of the Companies Act, 2013, is attached herewith. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013 and regulation 36(3) of the SEBI.

Except Mr. Santosh Kumar Agrawal, Mr. Sunil Kumar Agrawal, Mr. Vineet Agrawal, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned resolution set out at Item No. 5.

ITEM NO. – 06

To consider and approve increment in remuneration to Mr. Sunil Kumar Agrawal, Whole Time Director of the Company.

Mr. Sunil Kumar Agrawal (DIN: 00493820) is holding the Position of the Whole Time Director of the Company.

The Board at its meeting held on July 26, 2024, has discussed approved and recommended the increment in the payment of remuneration for Mr. Sunil Kumar Agrawal, Whole Time Director, for which approval of the members is required under section 197 of the Companies Act 2013. The remuneration proposed to be paid to Mr. Sunil Kumar Agrawal has also been recommended by the Nomination and Remuneration Committee and Audit Committee.

The remuneration proposed will be in excess of limits specified under section 197 however the same will be within the limits prescribed under Schedule V to the Companies Act, 2013.

Keeping in view, the vast experience of Mr. Sunil Kumar Agrawal, the Board of Directors has recommended the payment of remuneration for the period from April 1, 2024, to March 31, 2025, as Rs. 43,20,000/- p.a. (Rupees Forty-Three Lakhs Twenty Thousand only) with annual increment as decided by Board of directors. The annual increment will be merit-based and will also take into account the Company's performance.

The information as required under Schedule V of the Companies Act, 2013, is attached herewith. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013 and regulation 36(3) of the SEBI.

Except Mr. Santosh Kumar Agrawal, Mr. Sunil Kumar Agrawal, Mr. Vineet Agrawal, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned resolution set out at Item No. 6.

ATTACHMENT TO THE EXPLANATORY STATEMENT FOR ITEM NO. 4, 5 & 6
(Pursuant to the Provisions of Schedule V of the Companies Act, 2013)

The following information pertaining to Mr. Santosh Kumar Agrawal and Mr. Sunil Kumar Agrawal are furnished pursuant to the provisions of Schedule V to the Companies Act, 2013:

1. General Information

A. Nature of Industry:

Esconet Technologies Limited operates within the dynamic and rapidly evolving information technology (IT) industry. This sector is characterized by its continuous innovation, extensive use of cutting-edge technologies, and its critical role in driving efficiency and growth across various other industries. The IT industry encompasses a broad range of activities including software development, IT services, consulting, hardware manufacturing, and IT-enabled services (ITES).

B. Date or ~~expected date~~ of commencement of commercial production: March 2012

C. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

D. Financial Performance (Consolidated) based on given indicators:

(Figures in INR Lakhs)

Particulars	Current Year FY 2023-24	Previous Year FY 2022-23
Revenue from Operations	14054.99	9465.96
Other Income	24.76	31.59
Less: Finance Cost	178.29	115.33
Less: Depreciation & Amortization	99.13	76.44
Less: Other Expenses	13057.46	8861.18
Profit before Tax & Exceptional Items	744.34	444.60
Exceptional Items	--	--
Profit Before Tax	744.34	444.60
Current Tax	194.42	128.94
Past Period	--	--
Deferred Tax	6.87	12.64
Profit After Tax	543.05	303.03

E. Foreign Investments and Collaborations:

The Company has not made any Foreign Investments other than day to day transactions for procurement of Raw materials and neither entered into any collaborations during the last year.

2. Information About the Appointees/ Change in Remuneration:

Particulars	Mr. Santosh Kumar Agrawal	Mr. Sunil Kumar Agrawal
Past Remuneration	Rs. 36,00,000/-	Rs. 36,00,000/-
Job Profile and Suitability	Managing Director of the Company	Whole Time Director of the Company
Proposed Remuneration	Rs. 43,20,000/-	Rs. 43,20,000/-
Comparative Remuneration profile with respect to industry, size of the Company,	Mr. Santosh Kumar Agrawal, as the promoter and Managing Director, has been instrumental in leading the Company since 2012.	Mr. Sunil Kumar Agrawal, the promoter and Whole Time Director of the Company, is responsible for overseeing

Profile of the position and person	Under his leadership and supervision, the Company has seen significant growth, culminating in impressive standalone revenues of nearly 137 Crores in the last fiscal year.	the sales of the flagship product, HexaData. His efforts are instrumental in driving the company to new heights of success.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel if any	Mr. Santosh Kumar Agrawal is promoter and Managing Director of the Company, and he is Elder Brother of Mr. Sunil Kumar Agrawal, Whole Time Director of the Company and he is Father of Mr. Vineet Agrawal, Whole Time Director of the Company.	Mr. Sunil Kumar Agrawal is promoter and Whole Time Director of the Company, and he is Younger Brother of Mr. Santosh Kumar Agrawal, Managing Director of the Company.

3. Other Information: NA

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT/CHANGE IN REMUNERATION AT THE FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to the provisions of Regulation 36(3) of SEBI (LODR), 2015 and Secretarial Standards on General Meetings ("SS-2") issued by Institute of Company Secretaries of India)

Name of Directors	Mr. Santosh Kumar Agrawal (DIN: 00493749)	Mr. Sunil Kumar Agrawal (DIN: 00493820)
Date of Birth	15 th July 1969	4 th January 1978
Date of appointment	30 th March 2012 Re-appointed as Managing Director with Effect from 10 th September 2023	30 th March 2012 Re-appointed as Whole Time Director with Effect from 10 th September 2023
Expertise in specific functional areas/job profile	Mr. Santosh Kumar Agrawal is a second-generation entrepreneur who began his IT journey in 1997 with Electro Sales Corporation. Rooted in strong trust and values, he transformed the business in 2012 to Esconet Technologies, focusing on IT solutions, cloud computing, and fostering long-lasting relationships with clients. As a certified cloud architect and experienced IT Infrastructure Architect, Santosh is passionate about technology, data security, and disruptive innovations. He upholds the principles of integrity and excellence, ensuring the highest level of service for his clients	Sunil Kumar Agrawal, a second-generation entrepreneur, specializing in hardware and software trading. Sunil's passion for computing technology is matched only by his commitment to customer satisfaction. He views every client interaction as an opportunity to exceed expectations and create lasting connections. His well-rounded skill set also includes highly effective vendor management, reflecting a balance between strategic negotiation and cultivating positive relationship
Qualification	B. Com, MBA	B. Com, LLB
No. of Equity Share held in the Company as on 31 st March, 2024	42,36,100	31,00,823
Disclosure of relationships between directors inter-se	Mr. Santosh Kumar Agrawal is promoter and Brother of Mr. Sunil Kumar Agrawal, Whole Time Director of the Company and he is also father of Mr. Vineet Agrawal, Whole Time Director of the Company.	Mr. Sunil Kumar Agrawal is promoter and Brother of Mr. Santosh Kumar Agrawal, Managing Director of the Company.
Terms & Condition of Appointment / Change in Designation along with remuneration sought to be paid	Proposed Remuneration is Rs. 43,20,000/-	Liable to retire by rotation is now Proposed to re-appoint as Whole Time Director at Remuneration of Rs. 43,60,000/-
Remuneration Last Drawn by such person if any	Rs. 36,00,000/-	Rs. 36,00,000/-
No. of Meeting of the Board attended during the year	27	27
List of outside Directorship held in Public Company	NA	NA
Chairman/Member of the Committee of the Board of Directors of other Companies	NA	NA

DIRECTORS' REPORT

**To
The Members,
ESCONET TECHNOLOGIES LIMITED**

Your directors have pleasure in presenting the 12th Annual Report of the Esconet Technologies Limited ("Company") together with the Standalone and Consolidated Audited Financial Statement(s) of the Company for the Financial year ended March 31, 2024.

In compliance with the applicable provisions of the Companies Act, 2013, ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), this Annual Report containing, inter alia, Standalone and Consolidated Audited Financial Statements, Notice of Annual General Meeting ('AGM'), Directors' Report, Management Discussion and Analysis Report, Auditors' Report and other important information is circulated to Members and others entitled thereto.

1. Financial Results:

(Amount is INR in lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Sales & Services	13747.50	9465.96	14054.99	As on 31 st March 2023 there was no Subsidiary Company to the Esconet Technologies Limited hence there was no need for consolidated financials.
Other Income	24.23	31.59	24.76	
Total Income	13771.73	9497.55	14079.75	
Total Expenses	13044.24	9052.55	13335.41	
Profit/(Loss) before Tax & Exceptional Item	727.48	444.60	744.34	
Exceptional Item	--	--	--	
Profit/(Loss) before Tax	727.48	444.60	744.34	
- Current tax	193.86	128.94	194.42	
- Income tax -prior years	--	--	--	
- Deferred Tax- Continued operation	3.67	12.64	6.87	
Profit/(Loss) after Tax	529.95	303.03	543.05	
Less: Dividend paid during the year	--	--	--	
Profit/(Loss) for the Year	529.95	303.03	543.05	

There have been no material changes and commitments that have occurred after close of the FY till the date of this report which affect the financial position of the Company. There has been no material change in the nature of business of the Company. Based on the internal financial control framework and compliance system

established in the Company and verified by the auditors and reviews performed by the management and/or the Audit Committee of the Board, your Board is of the opinion that Company's internal financial controls were adequate and effective during the FY 2023-24.

2. Financial Performance:

A. Standalone

The Standalone Revenue from Operations for the F.Y. 2023-24 was Rs. 137.47 Crores against Rs. 94.65 Crore in the previous year. The Company has reported total income of Rs. 137.72 Crore for the current year as compared to Rs. 94.97 Crores in the previous year. The Net Profit for the year under review amounted to Rs. 5.29 crore in the current year as compared to Rs. 3.03 crore in the previous year.

B. Consolidated

The Consolidated Revenue from Operations during the year for the F.Y. 2023-24 was Rs. 140.55 Crores. The Company has reported total profit after tax of Rs. 5.43 Crore for the current year as compared to Rs. 3.03 Crore in the previous year.

During the Financial Year 2023–24, the company experienced significant growth in operating revenue as compared to the previous Financial Year. This is a testament to the hard work and dedication of our team, as well as the successful implementation of our strategic initiatives.

Our innovative approach and commitment to delivering exceptional products and services have resonated with our target audience and members, resulting in increased sales and customer loyalty. We have also been able to capitalise on emerging trends and market opportunities, allowing us to stay ahead of the competition and retain our loyal customers and members.

3. Consolidated Financial Statements

Pursuant to Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company and its subsidiary Company prepared in accordance with the relevant Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, forms part of this Annual Report.

4. Conversion of Company from Private Limited to Public Limited

During the financial year, the company has been converted from a “Private Limited Company” to a “Public Limited Company” and the name of the Company has been changed from “Esconet Technologies Private Limited” to “Esconet Technologies Limited” w.e.f. September 21st, 2023, and the Fresh Certificate of Incorporation by the then Registrar of Companies, New Delhi was issued to reflect the change in constitution of the Company.

5. State of Company's Affairs and Future Outlook

The Company understands the importance of adapting to changing market conditions and evolving customer needs and believe that continuous improvement is key to staying ahead of the competition. Our focus is on streamlining processes, improving efficiency, and leveraging technology to drive growth and improve client satisfaction. Our aim is to create a more agile and innovative organization that is better equipped to respond to market changes and capitalize on new opportunities. The management is confident that the transformation will position the company for long-term success and growth.

6. Change in the Nature of Business

During the year there was no change in main business activities of the Company During the year under review.

7. Details of Lock – In of Shares

In accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the shares held by our esteemed Promoters and Public Shareholders (who held shares before our Initial Public Offering) are subject to and held in lock-in state as mandated by the SEBI regulations.

8. Dividend:

Pursuant to Section 134 (3) of the Companies Act, 2013 read with Secretarial Standard (SS-4) the Board of Directors, after considering holistically the relevant circumstances and current financial positions, has decided that it would be prudent not to recommend any dividend for the year under review.

The Board of Directors of the Company had approved and adopted a Policy on Distribution of Dividend, as amended from time to time, to comply with Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'Listing Regulations'**).

The said Policy of the Company sets out the parameters and circumstances that will be taken into account by the Board in determining whether or not to distribute dividend to its shareholders, the quantum of profits and/or retained profits earned by the Company to be distributed as dividend.

The policy is available on the website of the Company viz. <https://www.esc.co.in>.

9. Transfer of Amounts to Investor Education and Protection Fund

There was no amount lying with regard to unpaid and unclaimed dividend of earlier years which was required to be transferred or is due to be transferred to the Investor Education and Protection Fund (IEPF) during the financial year 2023-24, in terms of

the applicable provisions of the Act read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), as amended time to time.

There were no shares on which were required to be transferred or is due to be transferred to the IEPF, during the FY 2023-24.

10. Initial Public Offer and Listing of shares of the Company

The Shares of the Company were listed on National Stock Exchange SME platform, on 23rd February 2023. The Company has paid the annual listing fee for the financial year 2024-2025. The Equity Shares of the Company has the electronic connectivity under ISIN No. **INE0RQZ01017**.

Depositories

Your Company has arrangements with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'), the Depositories, for facilitating the members to trade in the fully paid-up equity shares of the Company in Dematerialized form. The Annual Custody fees for the FY 2023-24 has been paid to both the Depositories.

11. Statement Of Utilization of Funds Raised Through IPO Under Regulations 32 (1) of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the year under review, the company has come up with Initial Public Offer of 33,60,000 (Thirty-Three lakhs Sixty Thousand only) Equity shares of Rs. 10/- each at issue price of Rs. 84/- per Equity share, including a premium of Rs. 74/- per equity share aggregating to Rs. 2822.40 Lakhs.

Pursuant to Regulation 32(1)(a) and 32(1)(b) of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company hereby states that:

- There was no deviation(s) in the utilization of public issue proceeds from the objects as stated in the prospectus dated February 20th, 2024.
- There has been no variation(s) in the use of proceeds from the objects stated in the prospectus dated February 20th, 2024.

12. Share Capital Structure of the Company

A. Authorized Capital and Changes thereon if any

During the year under the review the company has increased its Authorized Share Capital from Rs. 1,00,00,000/- (Rupees One Crores) to Rs. 15,00,00,000/- (Rupees Fifteen Crores) in its Extra-Ordinary General Meeting Held on 23rd September 2023.

As on date of this Report the Authorized Capital of the Company is Rs. 15,00,00,000 (Rupees Fifteen Crores) divided into 1,50,00,000 (One Crore and Fifty Lakh) equity shares of Rs. 10/- each.

B. Paid up Capital and Changes thereon, if any:

The Issued, Subscribed and Paid-up capital is Rs. 12,36,00,000/- (Rupees Twelve crores Thirty-Six Lakhs) divided into 1,23,60,000 (One Crore Twenty-Three Lakh and Sixty Thousand) equity shares of Rs. 10/-.

During the year, the Company had issued Shares by way of following Allotments:

S. No.	Type of Issue	Date Of Allotment	No. of Shares Issued	Total Amount at face value (in Rs.)
1.	Private Placement	5 th September 2023	10,723	1,07,230
2.	Bonus Allotment	17 th November 2023	77,78,230	7,77,82,300
3.	Private Placement	30 th November 2023	4,43,947	44,39,470
4.	Initial Public Offer	22 nd February 2024	33,60,000	3,36,00,000
Total			1,15,92,900	11,59,29,000

and the issued, subscribed, and Paid-up capital of the company is increased from Rs. 76,71,000/- to Rs. 12,36,00,000/-.

Other than above-mentioned there has been no change in the Share Capital, Issued, paid up and Subscribed Capital of the company during the year under review.

13. Particulars of contracts or arrangements with related parties

The Company does have transactions with related party in terms of Section 188 of the Companies Act, 2013. Hence, the disclosure required to be provided under Section 134(3) (h) of the Companies Act, 2013, in **Form AOC – 2** is applicable is furnished as **Annexure I** to this report.

The Disclosures as required under Accounting Standard – 18 (AS-18) “Related Party Disclosures” notified under Rule 7 of the Companies (Accounts) Rules, 2014 have been provided in the Notes forming part of the Financial Statements.

14. Subsidiary Companies and Joint Venture

The Company has one Subsidiary Companies named **Zeacloud Services Private Limited** as on 31st March 2024.

Your Company funds its subsidiary (ies), from time to time, as per the fund requirements, through loans, guarantees and other means to meet the working capital and other business requirements.

Apart from the above, there is no other Subsidiary / Joint-venture/Associate within the meaning of 2(87) and 2(6) of the Act, of the Company.

Audited Accounts of Subsidiary Companies:

Your Company has prepared the Audited Consolidated Financial Statements in accordance with Section 129(3) of the Act read with the applicable Accounting Standards and Listing Regulations. As required under the Accounting Standards, issued by the Institute of Chartered Accountants of India ('ICAI') and applicable provisions of the Listing Regulations, the Audited Consolidated Financial Statements of the Company reflecting the Consolidation of the Accounts of its subsidiaries are included in this Annual Report. Further, a statement containing the salient features of the financial statements of subsidiaries pursuant to sub-section 3 of Section 129 of the Companies Act, 2013 ('the Act') in the prescribed **form AOC-1** is appended to this Board Report as **Annexure – 1A**.

In accordance with Section 136 of the Act, the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of the subsidiaries are available on the website of the Company viz. <https://www.esc.co.in>.

As on March 31, 2024, the Company has no Material Subsidiary. The Policy for determining Material Subsidiaries is available on the Company's website viz. <https://www.esc.co.in>.

15. Registered Office and other Offices of the Company

The Registered Office of the Company is presently situated at D – 147, Okhla Industrial Area, Phase – 1, New Delhi, India – 110020.

16. Registrar and Share Transfer Agent

To provide services to the Shareholders, the Company has appointed M/s **Skyline Financial Services Private Limited**, (SEBI Regi. No.- INR000003241) having its Registered office at D-153/A, 1st floor, Phase I, Okhla Industrial Area, New Delhi, Delhi – 110020, as Registrar and Transfer Agent (RTA) & Share Transfer Agent (STA) of the Company.

17. Public Deposits

Your Company had not accepted/renewed any deposits from the public or the Members, within the meaning of Section 73 of the Act read with Chapter V of the Act and the Companies (Acceptance of Deposits) Rules, 2014, during the financial year 2023-24, and as such no amount of principal or interest on deposit from public or Members, was outstanding as of the Balance Sheet date.

18. Directors and Key Managerial Personnel

The Board of the Company is a balanced one with an optimum mix of Executive and Non-Executive Directors and comprises of Six (06) Directors; Three Executive Director, Three Non-Executive Director out of which Three are Independent Directors and out of which one is women Independent Director. They show active participation at the board and committee meetings, which enhances the transparency and adds value to their decision making.

As on the date of this report, the Board of the company constitutes of the following directors and KMPs:

Sr. No.	Name of Director/ KMP	DIN/PAN	Designation
1.	Mr. Santosh Kumar Agrawal	00493749	Managing Director
2.	Mr. Sunil Kumar Agrawal	00493820	Whole Time Director
3.	Mr. Vineet Agrawal	09603245	Whole Time Director
4.	Mrs. Ashi Jain	10342573	Independent Director
5.	Mr. Mukesh Chand Jain	00101601	Independent Director
6.	Mr. Gaurav Gupta	06954141	Independent Director
7.	Mr. Himanshu Purohit*	CBNPP3762J	Chief Financial Officer (CFO)
9.	Mr. Rajnish Pandey	DCQPP6580K	Company Secretary

*Mr. Himanshu Purohit, has resigned with effect from 10th June 2024 from the Position of the Chief Financial Officer of the Company.

During the year under review and as on date of this report the following officials were appointed/resigned or redesignated:

Sr. No.	Name of Director/KMP	Designation	Appointment/ Resignation/ Redesignation	Date of Appointment/ Resignation
1.	Mrs. Ashi Jain	Independent Director	Appointment	5 th October 2023
2.	Mr. Vineet Agrawal	Whole Time Director	Appointment	25 th July 2023
3.	Mr. Mukesh Chand Jain	Independent Director	Appointment	5 th October 2023
4.	Mr. Gaurav Gupta	Independent Director	Appointment	5 th October 2023
5.	Mr. Himanshu Purohit	Chief Financial Officer	Appointment	2 nd November 2023
6.	Mr. Rajnish Pandey	Company Secretary	Appointment	2 nd November 2023
7.	Mr. Himanshu Purohit*	Chief Financial Officer	Resignation	10 th June 2024

19. Number of Board Meetings:

During the year under review, **27 (twenty-seven) Board Meetings** were convened and held in accordance with the provisions of the Companies Act, 2013 and rules made there under and in compliance with the Secretarial Standard I as issued by the Institute of Company Secretaries of India.

Sr. No.	Date of Board Meeting	Name of Directors					
		Mr. Santosh Kumar Agrawal	Mr. Sunil Kumar Agrawal	Mr. Vineet Agrawal	Mrs. Ashi Jain	Mr. Gaurav Gupta	Mr. Mukesh Chand Jain
1.	26 th April 2023	P	P	NA	NA	NA	NA
2.	6 th June 2023	P	P	NA	NA	NA	NA
3.	29 th June 2023	P	P	NA	NA	NA	NA
4.	12 th July 2023	P	P	NA	NA	NA	NA
5.	21 st July 2023	P	P	NA	NA	NA	NA
6.	25 th July 2023	P	P	NA	NA	NA	NA
7.	1 st August 2023	P	P	P	NA	NA	NA
8.	7 th August 2023	P	P	P	NA	NA	NA
9.	10 th August 2023	P	P	P	NA	NA	NA
10.	21 st August 2023	P	P	P	NA	NA	NA
11.	28 th August 2023	P	P	P	NA	NA	NA
12.	1 st September 2023	P	P	P	NA	NA	NA
13.	5 th September 2023	P	P	P	NA	NA	NA
14.	15 th September 2023	P	P	P	NA	NA	NA
15.	18 th September 2023	P	P	P	NA	NA	NA
16.	23 rd September 2023	P	P	P	NA	NA	NA
17.	5 th October 2023	P	P	P	NA	NA	NA
18.	9 th October 2023	P	P	P	P	P	A
19.	11 th October 2023	P	P	P	P	P	A
20.	20 th October 2023	P	P	P	P	A	A
21.	21 st October 2023	P	P	P	P	A	A
22.	2 nd November 2023	P	P	P	P	A	P
23.	17 th November 2023	P	P	P	P	A	P
24.	30 th November 2023	P	P	P	P	P	P
25.	14 TH December 2023	P	P	P	P	P	P
26.	28 TH December 2023	P	P	P	P	P	P
27.	21 st February 2024	P	P	P	P	P	P

20. Number of General Meetings:

During the year under review, total 6 (Six) Extra Ordinary General Meetings were convened and held in accordance with the provisions of the Companies Act, 2013 and rules made there under and in compliance with the Secretarial Standards as issued by the Institute of Company Secretaries of India as follows:

- 9th August 2023
- 26th September 2023
- 11th October 2023
- 16th October 2023
- 3rd November 2023
- 20th November 2023

The Annual General Meeting of the Company for the last Financial Year was held on 11th September 2023 at the Registered office of the Company.

21. Details of Committees of the Board:

At present, the Board has following Five (5) Committees:

- **Audit Committee**
- **Nomination and Remuneration Committee**
- **Stakeholders' Relationship Committee**
- **General Business Committee**
- **Internal Complaints Committee**
- **IPO Committee (Dissolved with effect from 29th May 2024)**

The Composition of this Committees and relative compliances are in line with the applicable provisions of the Companies Act, 2013 read with the Rules and applicable provisions of the Listing Regulations.

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairperson of the Committee. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes and proceedings of the meetings of all Committees are placed before the Board for review from time to time. The Minutes of the Committee Meetings are sent to all members of the Committee individually and are placed before the Board for review from time to time.

Following are the details of Board Committees;

A. Audit Committee

Your Company has constituted the Audit Committee in accordance with Section 177 and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines. Further, the Audit Committee was constituted by way of a Board resolution dated 2nd November 2023. The Committee comprised of 3 members during the financial year.

The detail of the composition of the Audit committee along with their meetings held/attended is as follows:

Name of Director	Position	Attendance at the Committee Meeting held on			
		02-11-2023	17-11-2023	30-11-2023	27-03-2024
Mrs. Ashi Jain	Chairperson	Present	Present	Present	Present
Mr. Mukesh Chand Jain	Member	Present	Present	Present	Present
Mr. Santosh Kumar Agrawal	Member	Present	Present	Present	Present

The Company Secretary of the Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries, if any.

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board in accordance with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 as amended and the Companies Act, 2013 or any other power and responsibilities as may be designated by the board of directors from time to time.

B. Nomination and Remuneration Committee

Our Company has constituted Nomination and Remuneration Committee in terms of Section 178, Schedule V and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines, in the meeting of the Board of Directors held on 2nd November 2023.

The functions of the Committee are as per the provisions of the Companies Act, 2013 besides others which may be delegated to it by the Board.

The detail of the composition of the Nomination Remuneration committee along with their meetings held/attended is as follows:

Name of Director	Position	Attendance at the Committee Meeting held on
		2 nd November 2023
Mr. Gaurav Gupta	Chairperson	Absent
Mrs. Ashi Jain	Member	Present
Mr. Mukesh Chand Jain	Member	Present

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee.

C. Stakeholders Relationship Committee

Our Company has constituted the Stakeholders Relationship Committee in terms of Section 178 sub section (5) and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meeting of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the meeting of Board of Directors dated 2nd November 2023.

The detail of the composition of the Stakeholders Relationship committee along with their meetings held/attended is as follows:

Name of Director	Position	Attendance at the Committee Meeting held on
		2 nd November 2023
Mr. Mukesh Chand Jain	Chairperson	Present
Mr. Santosh Kumar Agrawal	Member	Present
Mr. Sunil Kumar Agrawal	Member	Present

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee.

22. Policy on Directors' appointment and remuneration

The Nomination and Remuneration Committee is entrusted with the responsibility of identifying and ascertaining the integrity, qualification, expertise, and experience of the person for appointment as Director, KMP or at Senior Management level and recommending their appointment for the consideration of the Board.

The Company has drawn up Nomination and Remuneration policy in line with the requirement of Section 178 of the Companies Act, 2013. The Policy inter alia provides that a person should possess adequate qualification, expertise, and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in respect of employees of the Company, is enclosed as **Annexure-II** and forms an integral part of this report.

Extract of the policy are available on the Company's website www.esc.co.in.

23. Vigil Mechanism / Whistle Blower Policy

Section 177(9) of the Companies Act, 2013 mandates every listed company to constitute a vigil mechanism. Similarly, Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, laid down to establish a mechanism called the "Whistleblower Policy" for directors and employees to report concerns of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct.

The Company has a Vigil Mechanism cum Whistle Blower Policy ('Vigil Mechanism') in place. The Vigil Mechanism is a system for providing a tool to the employees of the Company to report violation of personnel policies of the Company, unethical behaviour, suspected or actual fraud, violation of code of conduct. The Company is

committed to provide requisite safeguards for the protection of the persons who raise such concerns from reprisals or victimization.

The Policy provides for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The Board of Directors affirm and confirm that no employee of the Company has been denied access to the Committee.

Below is report under vigil mechanism during the financial year 2023-2024.

Particular of Complaints	No of Complaints
No. of Complaint carried forward as on March 31, 2023	0
No. of Complaint receiving during FY 2023-2024	0
No. of complaints at the end of financial year 2023-2024	0

Details of the Vigil Mechanism are available on the Company's website www.esc.co.in.

24. Corporate Social Responsibility

During the year under review, the provisions of Section 135 of the Companies Act, 2013, did not apply to your Company. However, the Company remains committed to fostering a strong corporate culture that integrates CSR values with business objectives.

The provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013, will now apply to your Company for the Current Financial Year 2024-25, as the Company's net profit exceeds Rupees 5 crores as of March 31, 2024.

In accordance with Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility) Rules, 2014, as amended by the CSR Amendment Rules, 2021, your Company is exempt from constituting a CSR Committee since the CSR expenditure obligation for the relevant year does not exceed Rs. 50 lakhs. Therefore, the Board will carry out the required functions itself, and your Company is not required to form a CSR Committee as of the date of this report.

25. Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

Your Company has zero tolerance towards any action on the part of any of its officials, which may fall under the ambit of "Sexual Harassment" at workplace. Pursuant to the provisions of Section 21 of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition, Redressal) Act, 2013, the Company formulated a Policy on Prevention of Sexual Harassment at Workplace. All employees (permanent, contractual, temporary, trainees, etc) are covered under this policy. An Internal Complaints Committee (ICC) was constituted which is responsible for redressal of complaints related to sexual harassment at the workplace.

Pursuant to the said Act, the details regarding the number of complaints received, disposed and pending during the FY 2023-24, pertaining to incidents under the above framework/ law are as follows:

Particulars	Numbers
Number of complaints pending at the beginning of the financial year	NIL
Number of complaints received during the financial year	NIL
Number of complaints disposed of during the financial year	NIL
Number of complaints those remaining unresolved at the end of the financial year	NIL

26. Policy on Code of Conduct and Ethics

Being a SME listed Company exemption has been provided to the Company from formulating of Code of Conduct for Board of Directors and Senior Management Personnel.

However, Board of Directors has formulated and adopted Code of Business Conduct Ethics for Director & Senior Management Executive policy. As an organization your Company places a great importance in the way business is conducted and the way each employee performs his/her duties. Your Company encourages transparency in all its operations, responsibility for delivery of results, accountability for the outcomes of our actions, participation in ethical business practices and being responsive to the needs of our people and society.

Towards this end, your Company has laid down a Code of conduct applicable to all the employees of your Company and conducted various awareness sessions across the Company. The Code provides for the matters related to governance, compliance, ethics and other matters. In this regard certificate from Managing Director as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been received by the Board.

The said policy is attached herewith as **Annexure – VIII**.

27. Auditors

a) Statutory Auditors

The Members of the Company at the 11th Annual General Meeting ('AGM') held on September 20,2022 approved the appointment M/s Goel Mintri & Associates., Chartered Accountants (Firm Registration No.006569C), were appointed as Statutory Auditors of the Company to hold office till the conclusion of the ensuing Annual General Meeting.

The Independent Auditors' Report for fiscal 2024 provided by the statutory auditor does not contain any qualification, reservation, or adverse remark. The Independent Auditors' Report is integrated in this Annual Report.

Re-appointment of Statutory Auditor

It is proposed to re-appoint M/S Goel Mintri & Associates, Chartered Accountants, who are holding the Office of the Statutory Auditor till the Conclusion of the ensuing Annual General Meeting of the Company, for 2nd term and further period of 5 years from the conclusion of the ensuing 12th Annual General Meeting of the Company till the Conclusion of the 17th Annual General Meeting of the Company to be held in year 2029.

The Statutory Auditors have confirmed their eligibility and submitted their certificate of non-disqualification to hold office of Statutory Auditors of the Company, to the Board of Directors the Company, and the Board in their meeting held on 26th July 2024 has considered their re-appointment as statutory auditor and recommended the same to the shareholders for their approval.

b) Internal Auditors

The provisions of Section 138(1) of Companies Act, 2013 is now applicable to Company and Company has appointed M/s Arora Rahul & Co., Practicing Chartered Accountants, to carry out Internal Audit for the Financial Year 2024-25, in its Meeting of Board of Directors held on 29th May 2024.

c) Cost Auditors

Your company does not fall within the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost records & Audit) Rules, 2014, therefore no such records required to be maintained.

28. Secretarial Audit:

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, made there under, mandates the company to have Company Secretary in practice for furnishing secretarial audit report, accordingly, have appointed The Secretarial Auditor of the Company.

The Board of Directors of your Company had already appointed **M/s Ragini Agrawal & Associates**, Practicing Company Secretaries, Noida, a peer reviewed firm, to act as the Secretarial Auditor to the Company, in the Meeting of the Board of Directors held on 29th May 2024.

The Secretarial Auditors' Report for the financial year ended 31st March 2024, does not contain any qualification, reservation, or adverse remark.

The Secretarial Auditors' Report for the financial year ended 31st March 2024, is enclosed as **Annexure VI** to the Board's report, which forms part of this Integrated Annual Report.

29. Employees' Stock Option Plan:

During the fiscal year under review, Esconet Technologies Limited did not issue any stock options to its employees.

The Company recognizes the importance of stock options as a tool for employee motivation and retention, aligning employee interests with those of the shareholders. However, after careful consideration of current market conditions and the Company's strategic goals, the decision was made not to grant any stock options for this period.

Esconet Technologies Limited remains committed to evaluating and potentially implementing stock option plans in the future as part of its broader compensation strategy. This approach ensures that we remain competitive in attracting and retaining top talent while aligning with our long-term business objectives. The Company will continue to review its compensation policies and make adjustments as necessary to support the growth and success of both the employees and the organization.

30. Secretarial Standards

Esconet Technologies Limited is committed to maintaining the highest standards of corporate governance and compliance. In line with this commitment, the Company has adhered to all applicable Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) and approved by the Central Government pursuant to Section 118(10) of the Companies Act, 2013, for the financial year 2023-24.

We acknowledge the role of the ICSI in promoting excellence in corporate governance and appreciate their efforts in establishing these standards. These Secretarial Standards encompass a comprehensive set of guidelines and best practices aimed at ensuring transparency, accountability, and consistency in corporate operations and governance. Compliance with these standards is integral to fostering trust and integrity in our corporate processes and practices.

31. MD & CFO Certification

In compliance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director (MD) and Chief Financial

Officer (CFO) of Esconet Technologies Limited have provided a comprehensive certification to the Board of Directors for the financial year 2023-24.

This certification encompasses a detailed affirmation regarding the accuracy and completeness of the Company's financial statements and addresses other key matters as specified under the said regulations.

The certificate received is attached herewith as per **Annexure-VII**.

32. Adequacy of Internal Financial Controls with reference to the Financial Statements

A well-established, independent, multi-disciplinary Internal Audit team operates in line with governance best practices. It reviews and reports to management and the Audit Committee about compliance with internal controls and the efficiency and effectiveness of operations as well as the key process risks.

The Board has adopted adequate policies and procedures for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Company has successfully laid down the framework and ensured its effectiveness. Esconet has a well-defined delegation of power with authority limits for approving revenue as well as expenditure. Esconet has also well-defined processes for formulating and reviewing long term and business plans. Esconet will continue its efforts to align its processes and controls with best practices.

33. Annual Evaluation of Board Performance

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors in their separate meeting who also reviewed the performance of the Board as whole.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure for the performance evaluation of the Board of Directors.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfilment of key responsibilities, Board Structure and Composition, effectiveness of Board process, information and functioning.

The Directors were evaluated on aspects such as attendance and contribution at Board Meeting and guidance/support to the management outside Board/Committee Meetings.

In addition, the Chairman was also evaluated on Key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement of all Board Members. Evaluation of Independent Directors was done by the Entire board.

34. Disclosure u/s 184(1) & 164(2) of the Companies Act, 2013

The Company has received the disclosure in Form DIR-8 & MBP-1 from its Directors being appointed or re-appointed and has noted that none of the Directors are disqualified under Section 164(2) of the Companies Act, 2013 which is required to be disclosed in this report pursuant to Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

Certificate of Practicing Company Secretary

The Company has obtained a certificate from Mr. Ragini Agrawal, Proprietor of M/s Ragini Agrawal & Associates, Practicing Company Secretary, Noida stating that none of the Directors on the Board of the Company have been debarred/ disqualified from being appointed /continuing as Directors of any company, by the SEBI and Ministry of Corporate Affairs or any such Statutory authority.

The said certificate is annexed with this annual report as **Annexure-V**.

35. Particulars of Loans, Guarantees and Investments

Particulars of Loans & Investment as required under Section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 are given in Notes forming part of Financial Statements. There is no Guarantees given during the year under review.

36. Declaration of Independent Directors:

Your Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as Independent Director during the year under review.

The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act. In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs, Manesar ('IICA').

In the opinion of the Board, the independent directors possess the requisite integrity, experience, expertise and proficiency required under all applicable laws and the policies of the Bank.

37. Meeting Of Independent Directors:

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Lead Independent Director.

No sitting fee is paid to the Independent Directors for the said meeting

During the year under review, one Meeting of the Independent Directors was held on 27th March 2023 for the F. Y. 2023-24 to discuss:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the chairman of the Company, considering the views of the Executive and Non- Executive directors.
- Evaluation of the quality, content, and timeliness of flow of information between the management and the board that is necessary for the board to perform its duties effectively and reasonably.
- Review the mechanism of safeguard the interests of all Stakeholders.

38. Criteria of making payments to Non-executive Directors including all pecuniary relationship or transactions of Non-executive Directors

The Independent Directors are not paid any remuneration other than the sitting fee for attending meetings of the Board and the Committees thereof as approved by the Board.

There has been no pecuniary relationship or transactions of the Non-executive Directors vis-à-vis the Company during the year except the sitting fee paid to them.

39. Directors Responsibility Statement

The Board of Directors of the Company confirms:

- a) that in the preparation of the annual accounts for the year ended 31st March 2024 the applicable Accounting Standards have been followed.
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the Provisions of the

Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- d) That the Directors have prepared the annual accounts for the year ended 31st March 2024 on a 'going concern' basis.
- e) that the Directors have laid down internal financial control and that such internal financial control are adequate.
- f) that the Directors have devised proper system to ensure compliance with the Provisions of all applicable laws.

40. Disclosures Relating to Remuneration of Directors, Key Managerial Personnel and Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ Employees of your Company is appended in **Annexure II** forming part of this Report.

In accordance with provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out in the annexure to this report. In terms of provisions of Section 136(1) of the Companies Act, 2013 this report is being sent to the members without this annexure. Members interested in obtaining copy of the annexure may write to the Company Secretary and the same will be furnished on request. The said information is available also for inspection at the registered office of the Company during working hours.

41. Means of Communication

Information like Half Yearly / Annual Financial Results and press releases / presentations on significant developments in the Company that have been made available from time to time have been submitted with the Stock Exchanges to enable them to put on their websites and communicate the Members. The same is also made available to Institutional Investors or to the Analysts (if any) and are also hosted on the Company's website at **www.esc.co.in**.

The requirements to publish Half Yearly / Annual Financial Results in English and Hindi language newspapers is not applicable to the company in accordance with Regulation 47 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hence no financial results were published in any newspapers.

The Company is disseminating all reports / information including half yearly Financial Results, Shareholding Pattern and other disclosures and Report etc., electronically on NSE website viz. **www.nseindia.com**.

42. Business Responsibility & Sustainability Report

Esconet Technologies Limited is committed to upholding high standards of business responsibility and sustainability. While the regulatory requirements for the Business Responsibility and Sustainability Report (BRSR), as stipulated under Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, do not apply to our company for the financial year 2023-24, we recognize the importance of transparency in environmental, social, and governance (ESG) practices.

While the BRSR is not mandatory for us at present, we are considering the benefits of voluntarily incorporating such a report in the upcoming years. This initiative would align with our long-term strategy to enhance our ESG disclosures, thereby fostering greater transparency and accountability.

43. Annual Return

Pursuant to Notification dated August 28, 2020, issued by the Ministry of Corporate Affairs as published in the Gazette of India on 28th August 2020, the details forming part of the extract of Annual Return in Form MGT-9 is not required to be annexed herewith to this report.

As required pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return in E-form MGT-7 shall be available at website of the Company at www.esc.co.in.

In pursuance of the Companies (Management and Administration) Second Amendment Rules, 2023, the Board of Directors of the Company have appointed Chief Financial Officer & Company Secretary as the Designated Person for compliance under the said Rules.

44. Disclosure of Particulars for Conservation of Energy, Technology Absorption, Foreign Exchange Earnings, and outgo

Information's as per the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is given in **Annexure- III** forming part of this Report.

45. Corporate Governance Report

Esconet Technologies Limited is committed to upholding the highest standards of corporate governance, ensuring compliance with the principles of good governance, and maintaining a robust framework that promotes transparency, accountability, and integrity in all our operations. Our commitment to these principles reinforces our dedication to acting in the best interest of our stakeholders.

In accordance with Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance with the corporate governance provisions as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46, as well as Para C, D, and E of Schedule V, is not applicable to listed entities that have their specified securities listed on the SME Exchange. Therefore, the requirement to file a Corporate Governance Report with the Stock Exchange does not apply to Esconet Technologies Limited for the financial year 2023-24.

Since the Company's securities are listed on EMERGE SME Platform of NSE, Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para-C, D and E of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, are not applicable to the Company. **Hence Report on the Corporate Governance does not form part of this Board's Report.**

46. Management Discussion and Analysis Report

In accordance with Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") the Management Discussion and Analysis (MD&A) Report of the Company for the year under review is presented in a separate section forming the part of the Annual Report is attached here with as **Annexure IV** and forms part of this Report.

47. Material Changes and Commitments during the Year under review, if any:

a) The Shareholders has approved the following resolutions in Extra Ordinary General Meeting dated October 11, 2023:

- Appointment of M/s Goel Mintri & Associates as Statutory Auditor of the Company to fill the casual vacancy arisen due to resignation of M/s S. Agarwal & Co., Chartered Accountant.

b) The Shareholders has approved the following resolutions in Annual General Meeting dated September 11, 2023:

- Re-designation /Appointment of Mr. Santosh Kumar Agrawal as Managing Director.

c) Other Material changes during the year under review:

- The Remuneration to be paid to Mr. Santosh Kumar Agrawal and Mr. Sunil Kumar Agrawal was increased to Rs. 3,00,000 per month in the Board meeting held on 29th June 2023, when the Company was a Private Limited Company, and the same was not required approval of shareholders.
- Formed Audit Committee, Nomination & Remuneration Committee & Stakeholders relationship committee and IPO Committee of the Board in the Board Meeting held on 2nd November 2023.

- Mr. Vineet Agrawal and Mr. Sunil Kumar Agrawal were re-designated as Whole Time Director of The Company in the Extra-Ordinary General Meeting of the Company Held on 26th September 2023.
- The Company's shares were listed on National Stock Exchange of India (NSE) Emerge Platform on February 23, 2024.

48. Other Disclosures and Reporting

Your directors further state that during the year under review:

- a) the Company has not taken any deposits from Public or Shareholders of the Company;
- b) there were no significant / material orders passed by the Regulators or Courts or Tribunals impacting going concern status of your Company and its operations in future;
- c) there are no qualifications, reservation or adverse remark or disclaimer made by the Statutory Auditors in their Report.

49. Details In Respect of Frauds Reported by Auditor

During the year under review, the Statutory Auditors, Internal Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees, to the Board of Directors under Section 143(12) of the Act, details of which needs to be mentioned in this Report.

50. Website:

In compliance with Regulation 46 of SEBI (LODR) Regulations, 2015, the Company has maintained a functional website namely www.esc.co.in containing basic information about the Company. Our digital presence is more than just a regulatory requirement; it is a heartfelt commitment to transparency, accessibility, and support for all our stakeholders.

Our website is designed to be a rich repository of essential information about our company. It serves as a gateway to understanding who we are, what we do, and how we are committed to our mission. Here, you will find a wealth of resources including our company's policies, financial results, and annual reports. These documents are crafted with care to provide a clear and honest view of our performance and future aspirations.

Furthermore, we have made it a priority to include detailed information about the designated officials who are entrusted with the responsibility of assisting and handling investor grievances.

51. Significant And Material Orders Passed by The Regulators or Courts or Tribunals Impacting The going Concern Status of The Company:

We are pleased to share that Esconet Technologies Limited has not received any significant or material orders from regulators, courts, or tribunals that would impact our ongoing status or future operations. This positive outcome is a testament to our unwavering commitment to integrity, compliance, and excellence in all our endeavors.

52. Human Resource Development

The Company acknowledges that its employees are the foundation of its sustainable approach and play an unparalleled role in its growth story. The Company places human resources management at the forefront and continually investing in human capital development, which includes building skills and capabilities.

The Company undertakes robust learning and development initiatives that include technical, functional, leadership development and culture-building programmes. The learning and development needs are recognized through various processes, which includes Company's vision and mission, competency frameworks and training needs identified through performance management system on regular basis. The outputs of these programs have been very positive and have helped to improve the skills, personality, and performance of the participating individuals. Your Company constantly endeavors to improve upon its practices and processes for employee satisfaction through effective communication and engagement and promoting a culture based on trust and confidence. We aim to develop a culture that is based on fairness and respect.

The Company sees its employees as critical to the future and believes that every employee needs to possess apart from competence, capacity and capabilities, sustainable values, current and contemporary which would make them useful and relevant and competitive in managing the change constructively for overall growth of the organization. To this end the company's approach and efforts are directed towards creating a congenial work atmosphere for individual growth, creativity and greater dedicated participation in organizational development. The Company believes that the success of an organization largely depends on the quality of its workforce. Employee relations remained cordial and peaceful throughout the year.

53. Particulars of Employees and Related Disclosures

In accordance with Section 134 (2) read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, this report is being sent to all the shareholders of the Company, excluding the details of employees who were in receipt of remuneration of not less than Rupees 102 lakh during the year ended March 31, 2023 or not less than Rupees 8.5 lakh per month during any part of the said year. As there were no employees receiving the remuneration in excess to the mentioned above.

54. Declaration Under Insolvency and Bankruptcy Code

We are pleased to share with our valued stakeholders that during the year under review, Esconet Technologies Limited has not made any applications nor had any proceedings pending under the Insolvency and Bankruptcy Code, 2016.

55. Declaration Regarding Settlement with Banks/Financial Institutions

We are pleased to inform our cherished stakeholders that during the year under review, Esconet Technologies Limited has not made any settlements with banks or financial institutions. As a result, no valuations were necessary.

56. Cautionary Statement

Statements in this Directors' Report and Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

57. Acknowledgement:

Your directors wish to place on record their appreciation and sincere thanks to the Customers, Business Partners, Government and all statutory authorities for their unwavering support and co-operation. Your directors, also acknowledge the hard work, dedication, and Commitment of the employees and place on record the appreciation of the dedication and hard work contributed by employees, individually and collectively, in the overall progress of the Company during the last year.

**For and on behalf of the Board
ESCONET TECHNOLOGIES LIMITED**

**Sd/-
Santosh Kumar Agrawal
Chairman & Managing Director
(DIN: 00493749)**

**Sd/-
Sunil Kumar Agrawal
Whole time Director
(DIN: 00493820)**

**Date: July 26, 2024
Place: New Delhi**

ANNEXURE I – RELATED PARTIES TRANSACTIONS

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis.

- Name(s) of the related party and nature of relationship
- Nature of contracts/arrangements/transactions
- Duration of the contracts / arrangements/transactions
- Salient terms of the contracts or arrangements or transactions including the value, if any
- Justification for entering into such contracts or arrangements or transactions
- Date(s) of approval by the Board
- Amount paid as advances, if any
- Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis with Related Parties

- Name(s) of the related party and nature of relationship:

No.	Name	Relationship
1.	Mr. Santosh Kumar Agrawal	Director
2.	Mr. Sunil Kumar Agarwal	Director
3.	Zeacloud Services Private Limited	Wholly Owned Subsidiary

- Nature of contracts/arrangements/transactions:

No.	Name	Nature	Amount
1.	Mr. Santosh Kumar Agrawal	Remuneration	36,00,000/-
		Repayment of Loan	1,00,64,637/-
		Interest Paid	11,85,750/-
		Rent Paid	54,00,000/-
2.	Mr. Sunil Kumar Agarwal	Remuneration	36,00,000/-
		Repayment of Loan	1,59,930/-
		Interest Paid	1,70,000/-
3.	Zeacloud Services Private Limited	Sale	1,99,08,820/-

- Duration of the contracts / arrangements/transactions
- Salient terms of the contracts or arrangements or transactions including the value, if any

e) Amount paid as advances, if any

**For and on behalf of the Board
ESCONET TECHNOLOGIES LIMITED**

**Sd/-
Santosh Kumar Agrawal
Chairman & Managing Director
(DIN: 00493749)**

**Sd/-
Sunil Kumar Agrawal
Whole time Director
(DIN: 00493820)**

**Date: July 26, 2024
Place: New Delhi**

ANNEXURE IA - Form No. AOC-1
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF
SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies
(Accounts) Rules, 2014)

PART "A": SUBSIDIARIES

(all figures are in INR)

Sl. No.	Particulars	ZeaCloud Services Private Limited
1.	The date when subsidiary was acquired	5 th September 2023
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Financial Year ended 31 st March 2024
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR
4.	Share capital	12,00,000/-
5.	Reserves and surplus	35,52,939/-
6.	Total assets	2,16,76,552/-
7.	Total Liabilities	2,16,76,552/-
8.	Investments	--
9.	Turnover	3,07,49,136/-
10.	Profit before taxation	16,85,974
11.	Provision for taxation	55,682/-
12.	Profit after taxation	13,10,589
13.	Proposed Dividend	--
14.	Extent of shareholding (in percentage)	100 %

Additional information to be furnished

- Names of subsidiaries which are yet to commence operations - NA
- Names of subsidiaries which have been liquidated or sold during the year - NA

PART "B": ASSOCIATES AND JOINT VENTURES

As on 31st March 2024 there were no Associates and Joint Ventures for the Company hence this part of the AOC – 1 is Not Applicable to the Company.

For and on behalf of the Board
ESCONET TECHNOLOGIES LIMITED

Sd/-
Santosh Kumar Agrawal
Chairman & Managing Director
(DIN: 00493749)
Date: July 26, 2024
Place: New Delhi

Sd/-
Sunil Kumar Agrawal
Whole time Director
(DIN: 00493820)

ANNEXURE II – MANAGERIAL REMUNERATION

Information as required under Section 124 & 197 (12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Remuneration disclosures of the Directors and Key Managerial Personnel employees as per Section 197(12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name of Director	Total Remuneration (In INR)	Ratio of remuneration of director to the Median remuneration
Mr. Santosh Kumar Agrawal	36,00,000	3.84
Mr. Sunil Kumar Agrawal	36,00,000	3.84
Mr. Vineet Agrawal	--	--
Mr. Gaurav Gupta	1,30,000	0.14
Mrs. Ashi Jain	2,90,000	0.30
Mr. Mukesh Chand Jain	2,20,000	0.23

Notes:

- The aforesaid details are calculated on the basis of remuneration for the financial year 2023-2024.
- The remuneration paid to Managing Director, Whole time Director includes salary, contribution to Provident Fund, Superannuation Fund, and Perquisites etc.
- The Non-executive Independent Directors are paid sitting fees for attending Board Meeting/ Audit Committee Meeting/ Stakeholders Relationship Committee Meeting and Remuneration Committee meeting.

2. Details of percentage increase in the remuneration of each Director, CFO and Company Secretary in the financial year 2022-2023 are as follows:

Name	Designation	Remuneration (in INR)		Increase (%)
		2022-2023	2023-2024	
Mr. Santosh Kumar Agrawal	Managing Director	30,00,000	36,00,000	20 %
Mr. Sunil Kumar Agrawal	Whole Time Director	30,00,000	36,00,000	20 %
Mr. Vineet Agrawal	Whole Time Director	--	--	--
Mr. Gaurav Gupta	Independent Director	--	1,30,000	--
Mrs. Ashi Jain	Independent Director	--	2,90,000	--
Mr. Mukesh Chand Jain	Independent Director	--	2,20,000	--
Mr. Himanshu Purohit	Chief Financial Officer	--	5,59,000	--
Mr. Rajnish Pandey	Company Secretary	--	2,91,665	--

Notes:

- The remuneration paid to Directors includes sitting fees paid to them for the financial year 2023-2024 for attending Board Meeting/ Audit Committee Meeting/ Stakeholders Relationship Committee Meeting.
- The remuneration paid to Directors and as approved by the Shareholders and is within the overall limits as per the Companies Act, 2013 read with Schedules thereunder.
- The remuneration of the Non-Executive Independent Directors comprises of only sitting fees paid to them for attending the meetings of the Board and other committee meetings. Hence, the percentage increase of their remuneration has not been considered for the above purpose.
- Mr. Himanshu Purohit was appointed with effect from November 2, 2023, as Chief Financial Officer, and has been withdrawing salary from that date. Hence his salary was

paid for that period. The percentage increase/decrease cannot be calculated for the same.

- e) Mr. Rajnish Pandey was appointed with effect from November 2, 2023, as Company Secretary & Compliance Officer of the Company and has been withdrawing salary from that date. Hence his salary was paid for that period. The percentage increase/decrease cannot be calculated for the same.

3. Percentage increase in the median remuneration of all employees in the financial year 2023-2024.

Particulars	2022-2023 (INR)	2023-2024 (INR)	Increase/ Decrease (%)
Median remuneration of all employees per annum	9,38,380	9,90,845/-	5.59 %

4. Number of permanent employees on the rolls of the Company as on March 31, 2024.

Total Number of Employees on pay roll as on financial year ended March 31, 2024, is **[47]**.

Total Number of Employees on pay roll as on financial year ended March 31, 2023, was **[48]**.

5. Comparison of average percentage increase in salary of employees other than the key managerial personnel and the percentage increase in the Key managerial remuneration:

Particulars	2022-2023 (INR)	2023-2024 (INR)	Increase/ Decrease (%)
Average salary of all employees (other than Key Managerial Personnel)	9,38,380	9,90,845/-	3.2%
Average salary of Key Managerial Personnel (for CS and CFO)	--	4,25,332/-	--

6. Affirmation:

Pursuant to Rule 5(1) (xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration policy of the Company and Section 197 read with Schedule V of the Companies Act, 2013.

For and on behalf of the Board
ESCONET TECHNOLOGIES LIMITED

Sd/-
Santosh Kumar Agrawal
Chairman & Managing Director
(DIN: 00493749)

Sd/-
Sunil Kumar Agrawal
Whole time Director
(DIN: 00493820)

Date: July 26, 2024
Place: New Delhi

ANNEXURE III - CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

(Information pursuant to the Section 134 (3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rule, 2014 and forming part of the Director's Report to the Members for the year ended March 31, 2024.)

PARTICULARS		REMARKS
Conservation Of Energy		The operations of your company are increasing at better speed. The company has however, taken adequate measures to conserve energy consumption. The impact of these efforts has enhanced energy efficiency. As energy cost forms a very small part of total expenses, the financial impact of these measures is not material and hence not measured.
	The steps taken or impact on Conservation of energy	
	Process optimization and automation	
	Optimization of Electrical Equipment	
	Lighting	
	Other Key initiatives for Energy conservation	
	The steps taken by the Company for utilizing alternate sources of energy	
	The Capital Investment on energy conservation equipment	
Technology Absorption		
	The efforts made by the Company towards technology Absorption	The Company has no activity relating to technology absorption.
	The benefits derived like product improvement, cost reduction, product development or import substitution	
	In case of imported technology (imported during the last three years reckoned from the beginning of the Financial year)	The Company has not imported technology during the year
	The expenditure incurred on Research and Development	
Foreign Exchange Earnings and Outgo		Foreign exchange earnings during the year - 19,59,183/-
		Foreign exchange outgo during the year - 11,03,794/-

**For and on behalf of the Board
ESCONET TECHNOLOGIES LIMITED**

**Sd/-
Santosh Kumar Agrawal
Chairman & Managing Director
(DIN: 00493749)**

**Sd/-
Sunil Kumar Agrawal
Whole time Director
(DIN: 00493820)**

**Date: July 26, 2024
Place: New Delhi**

ANNEXURE IV - MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Management of Esconet Technologies Limited is pleased to present the Management Discussion and Analysis Report (MDAR) for the financial year ending March 31, 2024, in accordance with the SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations 2015.

Esconet Technologies Limited (ETL) is a leading system integrator operating in the IT infrastructure, cloud computing, managed services, and data security sectors. Over the years, ETL has evolved from a hardware and software vendor to a trusted advisor, manufacturer, integrator, and service provider for numerous private and public sector organizations.

This report aims to provide a comprehensive analysis of the company's performance, industry dynamics, operational highlights, and future outlook. This outlook is based on assessment of current business environment. It may vary due to future economic and other developments both in India and Abroad.

It contains financial highlights but does not contain the complete financial statements of the Company. It should be read in conjunction with the Company's Audited Financial Statements for the year ended on March 31, 2024.

INDUSTRY OVERVIEW

The IT sector continues to witness a paradigm shift propelled by technological innovation and digital transformation. Esconet Technologies operates at the forefront of this evolution, leveraging its expertise to integrate complex IT systems and deliver tailored solutions to clients across diverse industry verticals. In an era characterized by cloud adoption, data proliferation, and cybersecurity concerns, ETL's role as a system integrator has become increasingly pivotal in ensuring seamless operations and safeguarding critical assets for organizations.

COMPANY OVERVIEW

Esconet Technologies Limited is an IT solutions provider founded in 2012, which offers a wide range of services including high-end supercomputing solutions, data center facilities, storage servers, network security, virtualization, and data security. Their solutions cater to the needs of SMEs, large enterprises, and public sector clients.

Esconet has built a solid reputation by delivering customized strategies and solutions that enable its clients to succeed in the rapidly evolving technology landscape. They have gained valuable experience and a loyal customer base of private and public sector organizations.

Esconet Technologies' business operations span multiple segments, each contributing uniquely to the company's overall success. The IT infrastructure segment encompasses hardware, networking, and storage solutions, where ETL excels in architecting scalable and resilient IT environments. In the realm of cloud computing, ETL offers end-to-end cloud solutions, encompassing migration, optimization, and management services, tailored to clients' specific requirements. The managed services segment encompasses proactive monitoring, maintenance, and support services, ensuring optimal performance and reliability of IT

infrastructure. Lastly, ETL's expertise in data security encompasses robust cybersecurity solutions, safeguarding organizations against evolving threats and vulnerabilities.

Esconet Technologies Limited is well-equipped to address the server, storage, network, security, virtualization and data protection requirements of SMEs, large enterprises, and public sector customers. Esconet Technologies Limited stands as a leader in providing innovative and comprehensive IT solutions. With a focus on cutting-edge technology and tailored client strategies, Esconet empowers businesses to navigate the rapidly evolving tech landscape efficiently.

FINANCIAL PERFORMANCE

Your Company reported a 45.23% rise in revenues from operations to Rs 137.48 crore, compared to Rs 94.66 crore in FY23. EBITDA increased by a substantial 53.01% to Rs.9.74 crore in FY24, up from Rs.6.36 crore in the corresponding previous fiscal year.

In H2FY24, the company's revenue from operations declined to Rs 66.20 crore, down from Rs 71.28 crore in H1FY24, representing a decrease of around 7.13%. The decline in revenue is primarily attributed to the nearby General Elections, which slightly impacted the company's operations during this period. EBITDA in H2FY24 was Rs.4.53 crore down from Rs.5.20 crore in H1FY24, PAT was Rs.2.25 crore compared to Rs.3.04 crore in H1FY24.

On a consolidated basis, revenue from operations registered a growth of 48.48% to Rs.140.55 crore in FY24 from Rs.94.66 crore in FY23. EBITDA in FY24 grew by 60.56% to Rs.10.22 crore from Rs.6.36 crore. The company reported an EBITDA margin of 7.27% in FY24, an improvement of 55 basis points from 6.72% over the previous year. PAT for the full year stood at Rs.5.43 crore, up by 79.21% from Rs.3.03 over the previous corresponding period.

These numbers are largely driven owing to strong tie ups and rapid execution in Sales, better brand visibility & higher quality training, leading to relatively better realizations and increasing the proportion of higher margin product sales, a strategy which has started to yield significantly positive results.

OUR COMPETITIVE STRENGTHS

1. Strong Brand value.
2. Most of our clients give us repeat orders and have been with us for last many years
3. Cost effective and Quality Manufacturing
4. Strong Geographical Footprint
5. Efficient after sales Support Teams

OPERATIONAL HIGHLIGHTS

Esconet Technologies continued to strengthen its operational capabilities during the year. We made significant investments in research and development to enhance our product offerings and maintain our competitive edge in the market. Our sales and marketing efforts were intensified to penetrate new market segments and acquire new clients. Additionally, we focused on optimizing

our supply chain and operational efficiency to ensure timely delivery of products and services to our customers.

RISK MANAGEMENT AND COMPLIANCE

Esconet Technologies Limited recognizes the importance of robust risk management and compliance practices in safeguarding our business operations and preserving stakeholder value. We have implemented comprehensive risk management frameworks to identify, assess, mitigate, and monitor risks across various dimensions, including operational, financial, regulatory, and cybersecurity. Additionally, we remain committed to upholding the highest standards of corporate governance and regulatory compliance in accordance with SEBI LODR Regulations, The Companies Act, 2013 and other applicable laws, Rules and Regulations as applicable from time to time.

THREATS

While Esconet Technologies operates in a promising industry, we acknowledge the presence of certain risks that may impact our business operations. These risks include intense competition, rapid technological advancements, cybersecurity threats, and regulatory challenges. To mitigate these risks, ETL has implemented robust risk management frameworks, including regular risk assessments, cybersecurity protocols, and compliance measures. Furthermore, we remain vigilant and adaptive to market dynamics, enabling us to proactively address potential challenges.

The Company is concerned about prevailing exposure norms, financial position, entry of new players in the market, rising competition, uncertain business environment, fluctuation in rupee, likely increase in cost of capital due to volatile market conditions. Further, the state of business and policy environment in the country also has a cascading effect on the interest-rate regime, cost and availability of raw materials and gestation period & capital outlays required for raw material. General economic conditions may also affect the capacity and production of the manufacturing of the products.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company at present is engaged in the Information Technologies Services which constitutes a single business segment. In view of above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in AS –17 are not applicable to the Company.

FUTURE OUTLOOK

The Company believes that customers will continue to spend on IT, looking for better value from their IT spend and a deeper relationship with service providers. Esconet Technologies Limited has built lasting relationships with clients and continues to build capabilities in high potential domains. On the margin front, while the Company is making investments for long term growth, some of which has already happened, it is also taking measures to improve profitability during FY'25. Over the long term, the Company should be able to deliver good performance as its strategic initiatives begin to yield results.

Looking ahead, Esconet Technologies is well-positioned to capitalize on emerging opportunities in the IT sector. We remain committed to driving innovation, delivering exceptional value to our customers, and maximizing shareholder returns. With a focus on product differentiation, market

expansion, and operational excellence, we aim to sustain our growth momentum and achieve long-term success.

THREATS, RISKS AND CONCERNS

The Company is concerned about financial position, entry of new players in the market, rising competition from new entrants, uncertain business environment, fluctuation in rupee, and likely increase in the cost of capital due to volatile market conditions.

Further, the state of business and policy environment in the country also has a cascading effect on the interest-rate regime, cost and availability of human resources.

INTERNAL CONTROL SYSTEMS

Your company has in place adequate systems of internal control. These have been designed to provide reasonable assurance with regard to maintaining proper accounting controls, efficiency of operations, protecting assets from unauthorized use or losses and ensuring reliability of financial and operational information. Your Company continued its efforts to align all its process and control with best practices and is also controlling its operating process through well-defined various international standard certification and accreditation and some of them are listed below. Some significant features of the internal control systems are preparation and monitoring of annual budgets, internal audit and its review, clear delegation of authority and responsibility, corporate policy on accounting and periodic management meeting to review operation and plans in business areas.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFORE

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
Current Ratio (in times)	Current Assets	Current Liabilities	2.15	1.37	57.11%	Due to increase in current asset because of IPO proceeds.
Debt Equity Ratio (in times)	Total Debts (Short-Term Debt + Long Term Debt)	Shareholders Fund (Share Capital + Reserve & Surplus)	0.06	2.00	-96.81%	Due to issue of shares during the year and corresponding repayment of debts along with increase in retain earnings.
Debt service coverage Ratio	Earnings Available for Debt Service (EBITDA)	Debt Service (Finance Costs + Repayment of Debt)	1.01	-2.18	-146.43%	Improvement in companies' ability to meet its debt obligation due to increase in net operating income.
Return on Equity (in %)	(Net Profit After tax -Preference Dividend)	Average Shareholders Fund (Share Capital + Reserve & Surplus)	0.25	0.75	-66.78%	Though companies net profit have increased year on year basis but companies has issued shares during the year.

Net Working Capital Turnover Ratio	Revenue from Operations	Working Capital (Current Assets - Current Liabilities)	3.67	12.94	-71.64%	Due to increase in current asset because of IPO proceeds.
Return on Capital Employed (in %)	EBIT	Capital Employed	23.18%	64.20%	-41.03%	Due to increase in capital employed because of IPO proceeds

ENVIRONMENT CARE, SOCIAL ACCOUNTABILITY AND QUALITY SYSTEM

Esconet Technologies Limited is committed to maintaining the highest standards of social accountability & quality standards. Ensuring sound corporate governance is imperative to improve and retain investors' trust.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATION FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED

Our Company believes that a good Human Resource Policies are very effective for supporting and building the desired organisation culture and to maintain the same our company taking actions on the day-to-day problems of the organization. The Company continues to focus on creating strong and long-term relationship with all employees as employee retention and development are among the highest priorities of the Company.

The Company is working on enhancing its competencies to take care of current and future business. Its employee strength as on March 31, 2024, was 40 and 10 number of the contractors to execute the assignment of the Company. Human Resource and Industrial Relations departments have developed systems and policies on recruitment, performance management, learning and development, and employee engagement. Providing and ensuring health, safety, and environment for all became an imperative and required significant commitment more than ever before under the new pandemic situation. The other critical need was to maintain employee engagement at very high levels in a tough environment.

MANAGEMENT COMMENTS:

We understand the importance of adapting to changing market conditions and evolving customer needs and believe that continuous improvement is key to staying ahead of the competition. Our focus is on streamlining processes, improving efficiency, and leveraging technology to drive growth and improve client satisfaction. Our aim is to create a more agile and innovative organization that is better equipped to respond to market changes and capitalize on new opportunities.

We align with our goal of bolstering our financial performance by Increasing our profitability, while growing revenues strongly. We are confident that this transformation will position our company for long-term success and growth, and we look forward to working with our team to make this vision a reality.

In conclusion, Esconet Technologies Limited has delivered a strong performance in the fiscal year 2023-24, marked by revenue growth, operational efficiency, and strategic initiatives. As we

navigate through dynamic market conditions, we remain steadfast in our commitment to excellence, innovation, and sustainable growth. We extend our gratitude to our shareholders, customers, employees, and stakeholders for their continued support and trust in Esconet Technologies.

We would like to thank our employees for their efforts and our investors/stakeholders for their continued trust, support and encouragement.

CAUTIONARY STATEMENT AND DISCLAIMER

- *This section of the Annual Report has been included in adherence to the spirit enunciated in the Code of Corporate Governance approved by the Securities and Exchange Board of India. Shareholders and Readers are cautioned that in the case of data and information external to the Company, though the same are based on sources believed to be reliable, no representation is made on its accuracy or comprehensiveness. Further, utmost care has been taken to ensure that the opinion expressed therein contain its perceptions on most of the important trends having a material impact on the Company's operations.*
- *The opinions expressed by the management may contain certain forward-looking statements in the current scenario, which is extremely dynamic and increasingly fraught with risk and uncertainties. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this report, consequent to new information, future events, or otherwise. Estimation and expectation made in the Report may differ from actual performance due to various Economic conditions, Government Policies and other related factors.*
- *The management has tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. The management cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The operations of the Company may be affected due to various reasons like changes in political and economic front of the country; fluctuations in exchange rate, tax laws, litigations, labour relations, interest costs and overall scenario of the infrastructure sector. Hence, the achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should know or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.*

**For and on behalf of the Board
ESCONET TECHNOLOGIES LIMITED**

**Sd/-
Santosh Kumar Agrawal
Chairman & Managing Director
(DIN: 00493749)**

**Sd/-
Sunil Kumar Agrawal
Whole time Director
(DIN: 00493820)**

**Date: July 29, 2024
Place: New Delhi**

ANNEXURE V – CERTIFICATE FROM PRACTICING COMPANY SECRETARY

Pursuant to Clause 10 of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors,
ESCONET TECHNOLOGIES LIMITED
Reg. off.: D – 147, Okhla Industrial Area
Phase – 1, New Delhi
Delhi - 110020

In pursuance of sub clause (i) of Clause 10 of Part C of Schedule V of The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirement) regulations, 2015 (LODR) in respect of ESCONET TECHNOLOGIES LIMITED (CIN: L62099DL2012PLC233739) I hereby certify that:

On the basis of the written representation/declaration received from the directors and taken on record by Board of directors, as on March 31, 2024, none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/ Ministry of Corporate Affairs or any statutory authority.

For Ragini Agrawal & Associates
Practicing Company Secretaries
FRN: P2018RJ071900
Peer Review Certificate No.: 4845/2023

Sd/-
Ragini Agrawal
Proprietor
ACS No.: 48903
UDIN: A048903F000848031

Place: Noida
Date: 29TH July 2024

ANNEXURE VI – SECRETARIAL AUDIT REPORT

Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
ESCONET TECHNOLOGIES LIMITED
D – 147, Okhla Industrial Area
Phase – 1, New Delhi
Delhi - 110020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ESCONET TECHNOLOGIES LIMITED (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and there presentations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 (‘Audit Period’) generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed, and other records made available to us and maintained by the Company as per Annexure A for the Financial Year ended on 31st March 2024 according to the provisions of:

- a) The Companies Act, 2013 (the Act) and the rules made thereunder;
- b) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- c) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- d) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- e) **The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -**
 - 1) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - 2) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - 3) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - 4) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the period);
 - 5) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not applicable to the Company during the period);
 - 6) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - 7) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;(Not applicable to the Company during the period) and
 - 8) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;(Not applicable to the Company during the period);
 - 9) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015;

The management has identified and informed the following laws as being specifically applicable to the Company:

1. The Factories Act, 1948
2. The Employee's Provident Fund and Miscellaneous Provisions Act, 1952
3. The Payment of Gratuity Act, 1972
4. The Employees State Insurance Act, 1948

We further report that having regard to the compliance system prevailing in the company and on examination of relevant documents and records in pursuance thereof, on test check basis, the company has generally complied with other laws identified by the management as applicable specifically to the company broadly covering Laws relating to Information Technology sector.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS- 2) issued by The Institute of Company Secretaries of India.
- The Listing Agreements entered into by the Company with the NSE read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations:

- The provisions of Corporate Social Responsibility pursuant to Section 135 of the Companies Act, 2013 is not applicable to the Company.
- The corporate governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub regulation (2) of regulation 46 and para C , D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI (LODR) Regulations") are not applicable to the said Company, as the Equity Shares of Esconet Technologies Limited are listed on NSE Emerge Platform of National Stock Exchange India Limited (Hereinafter referred to as the "SME Exchange – NSE") with effect from 23rd February 2024.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and applicable Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision of Board and committee meetings were carried with requisite majority.

We further report that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company has not undertaken any specific event / action that can have a bearing on the Company's compliance responsibility in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.

For Ragini Agrawal & Associates
Practicing Company Secretaries
FRN: P2018RJ071900
Peer Review Certificate No.: 4845/2023

Sd/-
Ragini Agrawal
Proprietor
ACS No.: 48903
UDIN: A048903F000847976

Place: Noida
Date: 29th July 2024

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this Secretarial Audit report.

ANNEXURE – A

(To the Secretarial Audit Report)

To,
The Members
ESCONET TECHNOLOGIES LIMITED
D – 147, Okhla Industrial Area
Phase – 1, New Delhi
Delhi – 110020

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Ragini Agrawal & Associates
Practicing Company Secretaries
FRN: P2018RJ071900
Peer Review Certificate No.: 4845/2023

Sd/-
Ragini Agrawal
Proprietor
ACS No.: 48903
UDIN: A048903F000847976

Place: Noida
Date: 29th July 2024

ANNEXURE VII - MD AND CFO CERTIFICATION

To,
The Board of Directors
Esconet Technologies Limited
D – 147, Okhla Industrial Area
Phase – 1, New Delhi – 110020

We Santosh Kumar Agrawal, Managing Director and Himanshu Purohit, Chief Financial Officer of Esconet Technologies Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow of the Company and all the notes on accounts and the Board's report for the year ended March 31, 2024, and that to the best of our knowledge and belief –
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements present a true and fair view of the company's affairs and comply with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
4. We have indicated to the Auditors and the Audit committee that:
 - there have been no significant changes in internal control over financial reporting during the year
 - there have been no significant changes in accounting policies during the year; and
 - there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Esconet Technologies Limited

Santosh Kumar Agrawal
Managing Director
DIN: 00493749

Himanshu Purohit
Chief Financial Officer
PAN: CBNPP3762J

Date: 29th May 2024
Place: New Delhi

Annexure – VIII

POLICY ON CODE OF CONDUCT AND ETHICS

CODE OF CONDUCT FOR DIRECTORS AND THE SENIOR MANAGEMENT TEAM

PREAMBLE

Esconet Technologies Limited (“**Company**”) intends to formulate this code of conduct for the members of the board of directors of the Company (whole-time/executive directors and non-executive directors (including independent directors)) (“**Board**” or “**Board of Directors**” and such directors, the “**Director(s)**”) and the members of the senior management team (“**Senior Management**”) pursuant to Section 149 of the Companies Act, 2013, as amended, and Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI Listing Regulations**”) (and such code of conduct, the “**Code**”).

The Code is in alignment with the Company’s objectives, and corporate governance policy and aims at enhancing an ethical transparent process in managing the affairs of the Company. The term ‘Senior Management’ shall entail the members of the Company’s core management team excluding the Board and shall comprise of all the members of management one level below the chief executive officer and the managing director, and the whole-time director of the Company, including the company secretary and chief financial officer of the Company.

Objective

Over the years, the Company conducted its business with very high ethical and moral standards. This has resulted in gaining reputation as a professionally managed Company. As the Company grows and expands, it is extremely important to continue to exhibit high levels of ethical standards and professional behaviour in everything that the Company does.

The Company is conscious of the reputation it carries amongst its customers and public at large and shall endeavour to do all it can to sustain and improve upon the same in its discharge of obligations.

Applicability and approval of the Board

Accordingly, the Board has adopted the Code at its meeting held on 29TH May 2024 which can be amended from time to time.

This Code is applicable to the Board and the Senior Management. The rules and principles set forth in this Code are general in nature and the compliance with this Code shall be ensured read with other applicable policies and procedures of the Company. The directors and senior management personnel may contact the compliance officer for the purposes of this Code for assistance in interpreting the requirements of this Code. All Directors and Senior Management shall affirm compliance with the Code on an annual basis.

GENERAL STANDARDS OF CONDUCT

A. The Company expects

1. Adherence to the highest standards of honest conduct, including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationships.
2. Full, true and fair – Accept it disclosures in the periodic reports required to be filed by the Company with government and regulatory agencies.
3. Compliance with applicable laws, rules and regulations.
4. To address misuse or misapplication of the Company’s assets and resources
5. The highest level of confidentiality and fair dealing within and outside the Company.
6. All Directors and Senior Management shall conduct their activities and fulfill their fiduciary obligations, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness and in the best interest of the Company. All Directors and Senior Management shall act on a fully informed basis, in good faith, responsibility, due diligence and care, competence and diligence, without allowing their independent judgment to be subordinated and in the best interest of the Company.
7. All Directors and members of the Senior Management to exercise good judgment, to ensure the interests, safety and welfare of customers, employees, and other stakeholders and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organization.

B. “Conflict of Interest

Conflict of interest occurs when personal interest of any member of the Board of Directors and of the Senior Management interferes or appears to interfere in any way with the interests of the Company. Every member of the Board of Directors and Senior Management has a responsibility to the Company, its stakeholders and to each other. Although this duty does not prevent them from engaging in personal transactions and investments, it does demand that they avoid situations where a conflict of interest might occur or appear to occur. They are expected to perform their duties in a way that they do not conflict with the Company’s interest such as –

- a) Employment / Outside Employment - The members of the Senior Management are expected to devote their total attention to the business interests of the Company. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company or otherwise is in conflict with or prejudicial to the Company.
- b) Business Interests - If any member of the Board of Directors and Senior Management considers investing in securities issued by the Company's customer, supplier or competitor, they should ensure that these investments do not compromise their responsibilities to the Company. Many factors including the size and nature of the investment; their ability to influence the Company's decisions, their access to confidential information of the Company, or of the other entity, and the nature of the relationship between the Company and the customer, supplier or competitor should be considered in determining whether a conflict exists. Additionally, they should disclose to the Company any interest that they have which may conflict with the business of the Company. Senior Management shall make disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large.
- c) Family members and close personal relationships: Directors and members of Senior Management shall not use personnel influence to make the Company do business with a company/institution in which his or her relatives are interested. As a general rule, directors and senior management personnel shall avoid conducting Company's business with a relative or with an entity in which a relative is associated in any significant role. In case of conflicts, disclosure shall be made to the Board and a prior approval shall be obtained.
- d) Other directorships: The Directors must disclose their directorship and committee membership on the other companies and substantial shareholding in other companies to the Board on an ongoing basis.
- e) Related Parties - In case of any dealings with related party the transaction shall be in compliances under Companies Act 2013, as amended and the SEBI Listing Regulation. Transactions/ dealing done on arm's length basis shall not be considered to be conflict of interest.

C. Disclosure Standards

The Company shall make full, fair and accurate disclosures in the periodic reports required to be filed with government and regulatory agencies. The members of Senior Management of the Company shall initiate all actions deemed necessary for proper dissemination of relevant information to the Board, auditors, regulators and other statutory agencies, as may be required by applicable laws, rules and regulations. The Board and Senior Management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

D. Compliance with applicable Laws

The Directors of the Company and Senior Management must comply with applicable laws, regulations, rules and regulatory orders both in letter and spirit. The Directors and members of Senior Management shall seek to acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to perform their obligations diligently.

E. Use of Company's Assets and Resources

Each member of the Board of Directors and the Senior Management has a duty to the Company to disclose its legitimate interests while dealing with the Company's assets and resources. Members of the Board of Directors and Senior Management are prohibited from:

- a) using corporate property, information or position for personal gain;
- b) soliciting, demanding, accepting or agreeing to accept anything of value from any person while dealing with the Company's assets and resources; and
- c) acting on behalf of the Company in any transaction in which they or any of their relative(s) have a significant direct or indirect interest.

F. Confidentiality and Fair Dealings

- a) The Company's confidential information is a valuable asset. It includes all trade related information, trade secrets, confidential and privileged information, customer information, employee related information, strategies, administration, research in connection with the Company and commercial, legal, scientific, technical data that are either provided to or made available to each member of the Board of Directors and the Senior Management by the Company either in paper form or electronic media to facilitate their work or that they are able to know or obtain access by virtue of their position with the Company. All confidential information must be used for Company's business purposes only.
- b) This responsibility includes the safeguarding, securing and proper disposal of confidential information in accordance with the Company's policy on maintaining and managing records. This obligation extends to confidential information of third parties, which the Company has rightfully received under non-disclosure agreements. Special care must be taken by the Board of Directors and members of the Senior Management to handle the confidential information of

others responsibly. Such confidential information should be handled in accordance with the agreements with such third parties.

- c) To further the Company's business, confidential information may have to be disclosed to potential business partners. Care should be taken to divulge the most sensitive information, only after the said potential business partner has signed a confidentiality agreement with the Company.
- d) Any publication or publicly made statement that might be perceived or construed as attributable to the Company, made outside the scope of any appropriate authority in the Company, should include a disclaimer that the publication or statement represents the views of the specific author and not the Company.
- e) Examples of confidential information include but are not restricted to:
 - Information not yet released to the public
 - Unpublished company strategy
 - Investments, planned mergers or acquisitions
 - Information received from customers or partners
 - Unpublished Financial data either actual or forecasted
 - Employee information
 - Current or future R&D programs, technical breakthroughs and/or inventions

G. Insider trading

Director and members of the Senior Management shall not derive benefit or assist others to derive benefit by giving investment advice based on unpublished price sensitive information (defined in SEBI (Prohibition of Insider Trading) Regulations, 2015) about the Company and therefore constituting insider information. All Directors and members of the Senior Management shall comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 and insider trading policy(ies) framed by the Company under said SEBI regulations.

H. Competition and fair dealings

The Directors and members of Senior Management are obligated to deal fairly and honestly with each other, the Company's subsidiaries, joint ventures and associates and with the Company's customers, suppliers, competitors and other third parties. Directors and members of Senior Management shall not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation or any other unfair dealing or practice. The Company is committed to free and open competition in the marketplace. Directors and members of Senior Management shall avoid actions that could reasonably be construed as being anti-competitive, monopolistic or otherwise contrary to laws governing competitive practices in the marketplace, including antitrust laws. Such actions include misappropriation and/or misuse of a competitor's confidential information or making false statements about the competitor's business and business practices.

I. Acceptance of gifts and payments

The Company requires that every Director and the member of Senior Management should be fully compliant with the laws, statutes, rules and regulations that have the objective of preventing unlawful gains of any nature whatsoever.

Directors and the members of Senior Management shall not accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value from customers, suppliers, shareholders/ stakeholders, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commission of fraud, or opportunity for the commission of any fraud.

ADDITIONAL GUIDELINES FOR INDEPENDENT DIRECTORS

The independent Directors shall –

- a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- b) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- c) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the Company;
- f) where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- g) keep themselves well informed about the Company and the external environment in which it operates;
- h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

- i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- j) ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- k) report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- l) act within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- m) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law;
- n) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- o) bring an objective view in the evaluation of the performance of board and management;
- p) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- q) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- r) safeguard the interests of all stakeholders, particularly the minority shareholders;
- s) balance the conflicting interest of the stakeholders;
- t) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management; and
- u) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

Subject to the provisions contained in the Companies Act, 2013, an independent director or a non-executive director (not being promoter or key managerial personnel), shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable to him and with his consent or connivance or where he had not acted diligently.

FUNCTIONS OF THE BOARD AND GOOD CORPORATE GOVERNANCE PRACTICES

Each member of the Board of Directors and Senior Management of the Company should adhere to the following so as to ensure compliance with good Corporate Governance practices.

A. Key Functions of the members of the Board

Without limiting the generality of the duties stated in the Companies Act, 2013, SEBI Listing Regulations, SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct for Prevention of Insider Trading framed there under and other applicable laws, the duties of a director are as under:

- a) Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets, and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions, and divestments.
- b) Monitoring the effectiveness of the Company's governance practices and making changes as needed.
- c) Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
- d) Ensuring a transparent nomination process to the Board of Directors with the diversity of thought, experience, knowledge, perspective, and gender in the Board.
- e) Monitoring and managing potential conflicts of interest of management, members of the Board and shareholders, including misuse of corporate assets and abuse in related party transactions.
- f) Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- g) Overseeing the process of disclosure and communications.
- h) Monitoring and reviewing Board's evaluation framework.

B. Do's

- 1. Attend Board meetings regularly and participate in the deliberations and discussions effectively.
- 2. Study the Board papers thoroughly and enquire about follow up reports on definite time schedule.
- 3. Involve actively in the matter of formulation of general policies.
- 4. Be familiar with the broad objectives of the Company and the policies laid down by the government and the various laws and legislations.
- 5. Ensure confidentiality of the Company's agenda papers, notes and minutes.

C. Dont's

1. Do not reveal any information relating to any constituent of the Company to anyone.
2. Do not display the logo / distinctive design of the Company on their personal visiting cards / letter heads. Do not sponsor any proposal relating to loans, investments, buildings or sites for Company's premises, enlistment or empanelment of contractors, architects, auditors, doctors, lawyers and other professionals etc.
3. Do not do anything, which will interfere with and / or be subversive of maintenance of discipline, good conduct and integrity of the staff.
4. Do not buy or sell or suggest to anyone else buy or sell the securities of any company, either directly or through family members or other persons or entities, while you are aware of inside information about the company.
5. No employee including Senior Management, key managerial personnel or Director of the Company shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution.
6. Do not take any personal opportunities directly or indirectly that belong to the Company or are discovered through the use of Company's property, information or position

WAIVERS

Any waiver of any provision of this Code for a member of the Company's Board of Directors or a member of the Senior Management must be approved in writing by the Board of Directors of the Company.

The matters covered in this Code are of the utmost importance to the Company, its stakeholders and its business partners, and are essential to the Company's ability to conduct its business in accordance with its value system.

REPORTING/GRIEVANCE REDRESSAL MECHANISM:

While every Director and member of Senior Management has to himself ensure compliance with this code, any instance of violation or possible violation of this code by the concerned Director or member of Senior Management or by any other Director member of Senior Management person shall be immediately reported to the Board through the compliance officer. Anyone who wants to raise grievance under this Policy, may also reach out to the Compliance Officer, at cs@esc.co.in ("Grievance Redressal Officer").

REVIEW OF CODE

The Code shall be reviewed at such intervals, as is deemed necessary by the Board. Consequent upon any changes in regulatory guidelines, such change shall be deemed to be a part of the Code until the Code is reviewed and approved next time.

AUDITORS REPORT AND STANDLONE FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of,
ESCONET TECHNOLOGIES LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of M/s Esconet Technologies Limited, which comprises the balance sheet as at 31st March 2024, the Statement of Profit and Loss for the year then ended, Cash Flow Statement and notes to financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as the "Financials Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and Profit and Cash Flow for the period ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other total comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books. The company has no branches.
 - c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on 31 March, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. Reporting on the adequacy of the internal financial control over Financial Reporting of the statements of the Company and the operating effectiveness of such controls, under sec 143(3)(i) of the act refer to our separate Report in "Annexure B" to this report; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our knowledge and according to the explanations given to us by the management, "the provisions contained under Section 197 of the Companies Act, 2013, read with Schedule V and the Rules framed thereunder, state that the maximum limit of managerial remuneration is not applicable to a private company and since, at the time when the remuneration was approved by the Board and paid, the company was a private company and converted on and when a private company converts to a public company, there is no stipulations or requirement for re-approval of shareholders regarding managerial remuneration approved during its private company status". Therefore, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - 1) The Company does not have any pending litigations which would impact its financial position;
 - 2) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

- 3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 4)
- a) The Management has represented that, to the best of its knowledge and belief, to the Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- 5) No Dividend declared or paid during the period by the company.
- 6) Based on our examination, which included test checks, the Company has used accounting software's for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For Goel Mintri & Associates
Chartered Accountants
(Firm Reg. No. 013211N)

Sd/-
Gopal Dutt
(Partner)
M.No.520858

Place: New Delhi
Date: 29.05.2024
UDIN: 24520858BKBFWL5636

“ANNEXURE – A” TO THE INDEPENDENT AUDITOR’S REPORT

[Referred to in paragraph 1 under the heading “Report on Other legal and regulatory Requirements” of our report of even date]

To the best of our information and according to the explanations provided to us by the company “M/s ESCONET TECHNOLOGIES LIMITED” and the books of account and records examined by us in the normal course of audit, we state that:

- 1) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
 - a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right of use assets.
 - B. The Company does not have any intangible assets during the year.
 - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c) According to the information and explanation given to us, the company does not have any immovable property during the year hence reporting under clause (i)(c) of the order is not applicable.
 - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- 2)
 - a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have substantially been confirmed by them as at year end. No discrepancies of 10% or more in aggregate for each class of inventory (Including inventories lying with third parties) were noticed.
 - b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions and hence reporting under clause (ii)(b) of the order is not applicable.
3. During the year the Company has invested a total amount of Rs 32,42,800/- in “M/s Zeacloud Services Private Limited”. Apart from this, the company has not made any investment, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
4. The company has not granted loans or made investments, guarantees, and security where provisions of section 185 and 186 of the Companies Act, 2013 need to be complied with.
5. The Company has not accepted any deposit or amounts during the year which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
6. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
7. (a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of Goods and Services Tax, provident fund, employees’ state insurance, income-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute.
8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 (43 of 1961).

9. (a) The company has not defaulted in repayments of loans or other borrowings or in the payment of interest thereon to any lender. Hence reporting under clause 3(ix)(a) is not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has following loan outstanding as on 31st March 2024 from bank and financial institution;

Bank/ Financial Institution Name	Amount Outstanding as on 31st March, 2024
Bear Bull Distributors Pvt. Ltd.	1,50,00,000
BMW Financial Service (Car Loan)	47,70,374
Federal Bank (Car Loan)	16,95,020
ICICI Bank (Car Loan)	16,62,069
ICICI Loan (ECLGS)	6,60,834
Siemens Factoring Pvt. Ltd.	1,26,56,939
Total	3,64,45,236

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company. (e) According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, except the amount of Rs 2,50,00,000/- received from IPO Proceeds for the purpose of investment in wholly owned subsidiary company M/s Zeacloud Services Private Limited to fund its capital expenditure. (f) According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;

10. The company has made Initial Public Offer of 33,60,000 shares and private placement of 4,43,947 shares under review and the requirement of section 42 of the Companies Act, 2013 have been complied with and according to information and explanations given to us, the amount raised have been used for the purposes for which the funds were raised;

(a) The Company has raised money by way of initial public offer as under;

Objects of the issue	Amount Received from IPO	Utilized up to 31st March, 2024	Unutilized up to 31st March, 2024
Working Capital	16,00,00,000/-	4,74,24,075/-	11,25,75,925/-
Investment in wholly owned subsidiary company Zeacloud Services Pvt. Ltd., to fund its capital expenditure	2,50,00,000/-	--	2,50,00,000/-
General Corporate Purpose	5,42,61,808/-	3,31,000/-	5,39,30,808/-
Issue related expense for IPO	4,29,78,192/-	4,29,78,192/-	--
Total	28,22,40,000/-	9,07,33,267/-	19,15,06,733/-

(b) During the year, the Company had made private placement of 4,43,947 shares and other than that no other preferential allotment or private placement of shares or convertible debentures made during the year.

- 11.
- No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
 - According to the information and explanations given by the Management, the Company has not received any whistle-blower complaints during the year.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. The Company is not required to have internal audit system as per the provision of Companies Act, 2013. Hence reporting under clause 3(xiv) of the Order is not applicable.

15. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- 16.
- a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
 - b) In our opinion, there is no core investment Company within the Company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
17. The Company has not incurred any cash losses during the current and in the preceding financial year.
18. During the year resignation from the previous statutory auditor has taken place but there are no such consideration and objections or concerned raised by the previous auditor.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. In our opinion and according to the information and explanations given by the Management, provision of section 135 of the Companies Act, 2013 is not applicable on the company. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

For Goel Mintri & Associates
Chartered Accountants
Firm Reg. No: 013211N

Sd/-
Gopal Dutt
Partner
Membership Number: 520858
Place: New Delhi
Date: 29.05.2024
UDIN: 24520858BKBFWL5636

“ANNEXURE – B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ESCONET TECHNOLOGIES LIMITED.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of ESCONET TECHNOLOGIES LIMITED (“the Company”) as of March 31, 2024, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that;

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Goel Mintri & Associates
Chartered Accountants
(Firm Reg. No. 13211N)

Sd/-
Gopal Dutt
Partner, M.No.520858
Place: New Delhi
Date: 29.05.2024
UDIN: 24520858BKFWL5636

ESCONET TECHNOLOGIES LIMITED
(FORMERLY KNOWN AS "ESCONET TECHNOLOGIES PRIVATE LIMITED")
CIN: L62099DL2012PLC233739
Standalone Balance Sheet as of 31st March, 2024

(All amounts in lakhs, except share data and where otherwise stated)

Particulars	Note No	Figures As on 31 st March 2024 (INR)	Figures As on 31 st March 2023 (INR)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.1	1,236.00	76.71
(b) Reserves and Surplus	2.2	2,440.36	476.51
(2) Non-Current Liabilities			
(a) Long-term Borrowings	2.3	231.10	318.91
(b) Long-term Provisions	2.4	39.69	36.42
(3) Current Liabilities			
(a) Short-term borrowings	2.5	3.24	784.98
(b) Trade payables	2.6		
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,904.12	1,005.87
(c) Other current liabilities	2.7	152.88	62.19
(d) Short-term provisions	2.8	193.86	128.94
Total		7,201.26	2,890.53
II. Assets			
(1) Non-current assets			
(a) Property, Plant & Equipments and Intangible Assets			
(i) Tangible assets	2.9	148.32	154.23
(b) Deferred Tax Assets (Net)	2.10	19.20	22.87
(c) Other Non-Current Assets	2.11	34.43	-
(2) Current assets			
(a) Inventories (At Cost)	2.12	1,426.90	856.96
(b) Trade receivables	2.13	3,852.15	1,258.74
(c) Cash and cash equivalents	2.14	1,355.19	71.95
(d) Short-term loans and advances	2.15	35.21	20.21
(e) Other current assets	2.16	329.86	505.57
Total		7,201.26	2,890.53

The accompanying notes 1 to 2.25 are as an integral part of the financial statements

Subject to our report of even date

For M/s Goel Mintri & Associates

CHARTERED ACCOUNTANTS

(FR No. 013211N)

For and on behalf of the Board of Company

Santosh Kumar Agrawal
(Director)
DIN NO.-00493749

Sunil Kumar Agrawal
(Director)
DIN NO.-00493820

GOPAL DUTT

Partner

Membership No. 520858

Place: New Delhi

UDIN: 24520858BKBFWL5636

Date: 29.05.2024

Himanshu Purohit
(Chief Financial Officer)
PAN: CBNPP3762J

Rajnish Pandey
(Company Secretary)
PAN: DCQPP6580K

ESCONET TECHNOLOGIES LIMITED (FORMERLY KNOWN AS "ESCONET TECHNOLOGIES PRIVATE LIMITED") CIN: L62099DL2012PLC233739 Statement of Profit & Loss for the Year ended as on 31st March, 2024				
(All amounts in lakhs, except share data and where otherwise stated)				
Particulars		Note No	Figures for the year ended 31st, March 2024	Figures for the year ended 31st, March 2023
I.	Revenue from operations	2.17	13,747.50	9,465.96
II.	Other Income	2.18	24.23	31.59
III.	Total Income (I +II)		13,771.73	9,497.55
IV.	<u>Expenses:</u>			
	Purchases	2.19	11,607.24	7,614.33
	Change in Inventories	2.20	-569.94	-271.46
	Employee benefit expense	2.21	473.35	450.42
	Financial costs	2.22	178.11	115.33
	Depreciation and amortization expense	2.9	68.15	76.44
	Other expenses	2.23	1,287.33	1,067.88
	Total Expenses		13,044.24	9,052.94
V.	Profit before prior period items, exceptional items, extraordinary items and tax (III - IV)		727.48	444.60
VI.	Exceptional & Extraordinary Items		-	-
VII.	Profit before tax (V - VI)		727.48	444.60
VIII.	Tax expense:		193.86	128.94
	(1) Current tax		3.67	12.64
	(2) Deferred tax		-	-
IX.	(3) Earlier Year Taxes			
	Profit for the period (VII - VIII)		529.95	303.03
X.	Earning per equity share:			
	(1) Basic		5.84	39.50
	(2) Diluted		5.84	39.50
		2.24		
The accompanying notes 1 to 2.25 are as an integral part of the financial statements Subject to our report of even date For M/s Goel Mintri & Associates Company CHARTERED ACCOUNTANTS (FR No. 013211N) GOPAL DUTT Partner Membership No. 520858 Place: New Delhi UDIN: 24520858BKBFWL5636 Date: 29.05.2024				
For and on behalf of the Board of Santosh Kumar Agrawal (Director) DIN NO.-00493749 Sunil Kumar Agrawal (Director) DIN NO.-00493820 Himanshu Purohit (Chief Financial Officer) PAN: CBNPP3762J Rajnish Pandey (Company Secretary) PAN: DCQPP6580K				

ESCONET TECHNOLOGIES LIMITED
(FORMERLY KNOWN AS "ESCONET TECHNOLOGIES PRIVATE LIMITED")
CIN: L62099DL2012PLC233739

Cash Flows Statement for the Year ended as on 31st March, 2024

(All amounts in lakhs, except where otherwise stated)

PARTICULARS	2023-24	2022-23
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Profit & Loss Account	727.48	444.60
Adjustments for:		
Depreciation	68.15	76.44
Profit on disposal of Assets	-4.78	-18.59
Interest/ Other Income	-11.31	-7.77
Interest & Financial Charges	178.11	115.33
Operating Profit before Working Capital Changes	957.65	610.02
Adjustments for:		
(Increase)/ Decrease in Current Assets		
Inventories	-569.94	-271.46
Trade Receivable	-2,593.41	287.53
Short Term Loans & Advances	-15.01	-6.18
Other Current Assets	175.71	-346.91
Increase/ (Decrease) in Current Liabilities		
Trade Payables	1,898.25	-449.61
Other Current Liabilities	90.69	-9.55
Provisions	64.92	128.94
Cash Generated from Operations	8.86	-57.22
Income Tax Adjustment/ Paid	-193.86	-128.94
Net Cash from Operating Activities	-185.00	-186.16
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-127.36	-103.80
Interest and other income	11.31	7.77
Other Non-current assets	-34.43	-
Sale/Adjustment of Fixed Assets	69.91	72.82
Net Cash Used in Investing Activities	-80.57	-23.21
C: CASH FLOW FROM FINANCING ACTIVITIES		
Acquisition/(Repayment) of Long-Term Borrowings	-87.81	-77.52
Proceeds from Issue of Equity Shares	2,593.20	-
Change in Long Term Provisions	3.28	0.90
Acquisition/(Repayment) of Short-Term Borrowings	-781.74	406.58
Finance Cost	-178.11	-115.33
Net Cash from Financing Activities	1,548.81	214.63
Net Increase/ (Decrease) in Cash & Cash Equivalents	1,283.24	5.25
Opening Balance of Cash & Cash Equivalents	71.95	66.69
Closing Balance of Cash & Cash Equivalents	1,355.19	71.95

The accompanying notes 1 to 2.25 are as an integral part of the financial statements Subject to our report of even date

For M/s Goel Mintri & Associates

Company CHARTERED ACCOUNTANTS

(FR No. 013211N)

GOPAL DUTT (Membership No. 520858)

Partner

Place: New Delhi

UDIN: 24520858BKBFWL5636

Date: 29.05.2024

For and on behalf of the Board of

Santosh Kumar Agrawal

(Director)

DIN NO.-00493749

Himanshu Purohit

(Chief Financial Officer)

PAN: CBNPP3762J

Sunil Kumar Agrawal

(Director)

DIN NO.-00493820

Rajnish Pandey

(Company Secretary)

PAN: DCQPP6580K

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS ON 31ST MARCH 2024

1. CORPORATE INFORMATION:

- a) Esconet Technologies Limited is now a "Public" company domiciled in India and incorporated on 30th day of March, 2012 under provisions of the Companies Act, 1956 applicable in India.
- b) The Company has converted into a Public Limited Company and Consequently, the name of the company has been changed from "Esconet Technologies Private Limited" to "Esconet Technologies Limited" in Extra-Ordinary General Meeting dated 9th day of August of 2023.
- c) The Company have authorized share Capital of Rs. 15,00,00,000/- divided into 1,50,00,000 Equity shares having face value of Rs. 10/- each and paid-up share Capital of Rs. 12,36,00,000/- divided into 1,23,60,000 Equity shares of Rs. 10/- each.
- d) The Company increased its authorized Share Capital of Rs. 1,00,00,000/- divided into 10,00,000 Equity shares having face value of Rs. 10/- each to Rs. 15,00,00,000/- divided into 1,50,00,000 Equity shares having face value of Rs. 10/- each, in Extra Ordinary General Meeting on 23rd day of September 2023.
- e) The ISIN and the Scrip code of the company are "INE0RQZ01017" and "ESCONET" respectively. The Company got listed on NSE SME exchange on 23rd day of February 2024.
- f) The registered office of the Company is situated at D-147 Okhla Industrial Area Phase 1, South Delhi, New Delhi, Delhi, India, 110020
- g) "Esconet Technologies Limited", is a Company which is engaged in the business of trading of Information Technology (IT) products including servers, workstation, related IT peripherals and IT enabled services.

1.1 SIGNIFICANT ACCOUNTING POLICIES:

The Financial statements have been prepared using the Significant Accounting Policies and Measurement bases summarized below:

- **Basis Of Accounting and Preparation Of Financial Statements**

The financial statements of the Company have been prepared on Going Concern basis in accordance with the accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost convention on the accrual basis.

These financial statements have been prepared to comply in all material aspects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 (the "Act") read with rules under the Companies (Accounts) Rules, 2021 (amended) and other relevant provisions of the Companies Act, 2013.

The financial statements are presented in Indian Rupees (₹) which is also the functional currency of the Company.

- **Use of Estimates**

The Preparation of Financial Statements in conformity with Indian generally accepted accounting principles (IGAAP) requires the management to make estimates and assumptions that effect the reported amount of Assets and Liabilities (including the disclosure of contingent liabilities) at the date of the Financial Statements and the results of operation of during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

- **Revenue Recognition**

Revenue from sales of goods are recognised when all significant risks and rewards of ownership have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be realized from the sale of goods. Sale are recognised, net of returns and trade discounts.

Revenue from services are recognized on achievement of performance on the basis of completed service contract method.

Interest income are recognised on accrual basis.

- **Property, Plant & Equipments**

Property, plant & equipment are carried at cost of acquisition/construction including import duties & non-refundable purchase taxes (after deducting trade discounts and rebates) and other incidental expenses directly attributable to bringing the asset to location and condition necessary for it to be capable of operating in the manner intended by the management, as the case may be, less accumulated depreciation, amortisation and impairment as necessary.

- **Intangible Assets**

The company does not any intangible asset during the current financial year.

- **Depreciation and Amortization**

Depreciation on property, plant & Equipments has been charged on written down value method in accordance with useful lives and rates specified in Schedule II of the "Companies Act, 2013". Depreciation on Assets purchase or sold during the year is taken on pro rata basis.

- **Foreign Currency Transactions & Translations**

(i) Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Gain/loss arising out of fluctuation rate between transaction date and settlement date in respect of revenue items is recognized in the profit & loss account and in case of other assets, is recognized to the carrying cost of respective assets.

(ii) Foreign currency monetary items as on the date of balance sheet are translated at the exchange rate prevailing on the date of balance sheet. The resulting exchange difference, if any except on account on property, plant & equipment, is charged to the revenue account.

- **Purchase**

The costs of purchase consist of the purchase price including duties & taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to bringing the inventory to the present location and condition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

- **Inventories**

Inventories are valued at cost or net realizable value, whichever is lower. Further, the company follows First In First Out system of accounting for stock in trade.

- **Investments**

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments. Current investments not intended to be held for a period more than one year, are stated at lower of cost and fair value.

- **Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges of expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

- **Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets up to the date when such assets are ready for its intended use. All other borrowing costs are recognised in profit and loss in the period in which they are incurred. Borrowing costs includes interest, ancillary costs incurred in connection with the arrangement of the borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

- **Employee Benefits**

- a) **Defined Contribution Plan:**

The Company's Contribution towards Provident Fund, State Insurance Fund and other Funds are considered as Defined Contribution Plan and are charged as an expense to the Statement of Profit and Loss statement when it falls due based on the amount of Contribution required to made for the reporting period. There is no other obligation other than the contribution payable to the respective funds.

- b) **Defined Benefit Plan:**

Defined benefit plan of bonus and leave encashment are provided as expense on the basis of payment and gratuity is calculated as per Payment of Gratuity Act, 1972.

- **Tax Expenses**

- a) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Provision for current tax are measured on the basis of the assessable income at the tax rates and tax laws are enacted on the balance sheet date.

- b) Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset and deferred tax liability are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.
 - c) Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation or carried forward losses are recognised, if there is virtual certainty that there will be adequate future taxable income against which such deferred tax assets can be realised. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.
- **Provisions, contingent liabilities and contingent assets**
Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events, for which a reliable estimate can be made and it is probable that there will be an outflow of resources. Provision is not discounted to its present value and is determined based on the best estimate required to settle an obligation at the year end. These are reviewed every year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognised but are disclosed in the Notes to Accounts of the Financial Statements. Contingent assets are neither recognised nor disclosed in the Financial Statements.
 - **Impairment of Assets**
The carrying amounts of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal/external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.
 - **Cash and cash equivalents**
Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of 12 months or less.
 - **Current / non-current classification**
All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set-out in the Act. Deferred tax assets and liabilities are classified as non-current assets and noncurrent liabilities, as the case may be.
 - **Segment Reporting**
Company operates in a single reportable operating segment. Hence there are no separate reportable segments.

For Ms Goel Mintri & Associates
CHARTERED ACCOUNTANTS
(FR No. 013211N)

For and on behalf of the Board of Company

Gopal Dutt
Partner
Membership No. – 520858
Place: New Delhi
Date: 29.05.2024
UDIN: 24520858BKBFWL5636

Santosh Kumar Agrawal
(Director)
DIN NO.-00493749

Sunil Kumar Agrawal
(Director)
DIN NO.-00493820

Himanshu Purohit
Chief Financial Officer
PAN: CBNPP3762J

Rajnish Pandey
Company Secretary
PAN: DCQPP6580K

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS ON 31ST MARCH 2024
(All amounts in lakhs, except share data and where otherwise stated)

Note No	Particulars	Amount as on 31.03.2024	Amount as on 31.03.2023
2.1	Share Capital		
	Equity Share Capital		
	Authorised Share capital 10,00,000 Equity Shares of 10/- each	100.00	100.00
	ADD: Addition During The Year 1,40,00,000 Equity Shares of 10/- each	1,400.00	-
	Total	1,500.00	100.00
	Issued, subscribed & fully paid share capital 7,67,100 Equity Shares of Rs. 10/- each	76.71	76.71
	ADD: Addition During The Year 1,15,92,900 Equity Shares of 10/- each	1,159.29	-
	Total	1,236.00	76.71

The Authorised Share Capital was increased from 10,00,000 equity shares of Rs. 10 each to 1,50,00,000 equity shares of Rs. 10 each vide resolution passed in the meeting of Shareholder's dated 23rd September 2023.

The addition of shares in "Issued, subscribed & fully paid up" of 1,15,92,900 shares includes 77,78,230 bonus shares, 33,26,000 shares in IPO.

TERM/RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity shares having a par value of Rs 10 per share. Holder of each equity share is entitled to one vote. The Company declares and pays dividends in Indian Rupees (If any). The dividend proposed by the board of directors is subject to the approval of shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution to equity shareholders will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of Number of Shares at the beginning and at the end of the period

PARTICULARS	No. of Shares	No. of Shares
Equity Shares		
At the beginning of the year	7,67,100	7,67,100
Add: Issued during the year	1,15,92,900	-
At the end of the year	1,23,60,000	7,67,100

Detail of Shares held by Shareholders holding 5% or more of aggregate shares in the company

Name of Shareholder	As on 31st March, 2024	
	No. of Share Held	% of Holding
Santosh Kumar Agrawal	42,36,100	34.27%
Sunil Kumar Agrawal	31,00,823	25.09%
Name of Shareholder	As on 31st March, 2023	
	No. of Share Held	% of Holding
Santosh Kumar Agrawal	3,85,100	50.20%
Sunil Kumar Agrawal	2,81,000	36.63%
Abro Intrade LLP	1,01,000	13.17%

Shares held by promoters at the end of the year

Promoter name	As on 31st March, 2024	
	No. of Shares	% of total shares
Santosh Kumar Agrawal	42,36,100	34.27%
Sunil Kumar Agrawal	31,00,823	25.09%
Anil Kumar Agrawal	2,75,000	2.22%
Abha Agrawal	1,76,000	1.42%
Savitri Devi Agrawal	1,10,000	0.89%
Vineet Agrawal	88,473	0.72%
Pooja Gupta	30,000	0.24%
Monita Agrawal	6,500	0.05%
Shubhangi Agrawal	3,300	0.03%
Total	80,26,196	64.94%

Promoter name	As on 31st March, 2023	
	No. of Shares	% of total shares
Santosh Kumar Agrawal	3,85,100	50.20%
Sunil Kumar Agrawal	2,81,000	36.63%
Total	6,66,100	86.82%

Note No	Particulars	Amount as on 31.03.2024	Amount as on 31.03.2023
2.2	Reserves and Surplus		
	(a) Securities Premium Reserve		
	Opening Balance	-	-
	Add: Securities premium credited on issue of shares	2,604.99	-
	Less: Issue of Bonus Shares (77,78,230 shares in ratio of 10:1)	777.82	-
	Less: Share Issue Expenses	393.26	-
	Closing Balance	1,433.91	-
	(b) Surplus in the statement of profit and loss		
	Balance as per last financial Statements	476.51	173.48
	Add: Profit/(Loss) for the year	529.95	303.03
	Closing Balance	1,006.45	476.51
	Total	2,440.36	476.51
2.3	Long-term borrowings*		
	Secured		
a)	<u>Loan From Bank</u>		
	ICICI BANK (Creta Car Loan)	2.57	6.69
	ICICI LOAN (ECLGS)	6.61	33.04
	Federal Bank (Car Loan)	11.51	16.95
	ICICI bank (Venue Car Loan)	6.08	-
	BMW Financial Service (Car Loan)	44.36	-
	Unsecured		
a)	<u>Loan from Directors</u>		
	Santosh Agrawal	137.82	238.47
	Sunil Agrawal	22.16	23.76
	Total	231.10	318.91

***Term & Conditions**

- Car Loans from ICICI bank is secured against Hypothecation of Cars. Loans have been taken for the period of 36 months.
- Car Loans from Federal bank is secured against Hypothecation of Car. Loans have been taken for the period of 60 Months
- Car Loans from BMW Financial Service is secured against Hypothecation of Car. Loans have been taken for the period of 60 Months
- No terms and Condition has been Stipulated for repayment of Unsecured Loan.

Note No	Particulars	Amount as on 31.03.2024	Amount as on 31.03.2023
2.4	Long-term provisions		
	Gratuity Payable	39.69	36.42
	Total	39.69	36.42
2.5	Short-terms borrowings		
	Secured		
a)	<u>Current Maturity of Long-Term borrowings from Banks</u>		
	ICICI bank (Fortuner Car Loan)	-	7.37
	ICICI BANK (Creta Car Loan)	4.13	3.80
	ICICI bank (Venue Car Loan)	3.85	-
	Federal Bank	5.44	5.44
	Kotak Prime Ltd (Thar Car Loan)	-	5.54
	BMW Financial Service (Car Loan)	3.35	-
	ICICI Bank Ltd. (Cash Credit A/c)	-289.68	372.95
a)	<u>Current Maturity of Long-Term borrowings from others</u>		
	Daimlar Financial Services India Pvt Ltd (Car loan)	-	39.84
	Bear Bull Distributers Pvt Ltd	150.00	350.03
	Siemens Factoring Private Ltd.	126.57	-
	Hero Fincorp	-0.42	-
	Total	3.24	784.98
*Terms & Conditions			
a)	Loans from Siemens Factoring Private Limited is taken for a period of 24 months.		
b)	Loan from ICICI Bank is secured against Stock, Debtors and Land & Building situated at Bilaspur (Chhattisgarh) of Directors as the collateral security and the Personal Guarantee of Directors.		
2.6	Trade Payables*		
	MSME	--	--
	NON MSME	2,904.12	1,005.87
	* For detailed ageing see note 2.6.1		
	Total	2,904.12	1,005.87
2.7	Other current liabilities		
a)	<u>Current Maturity of Long-Term borrowings</u>		
	TDS and TCS Payable	63.37	26.93
	GST Payable	1.72	3.02
	Bonus Payable	6.05	6.01
	Salary Payable	32.87	11.38
	Directors Remuneration payable	3.00	5.00
	Provident Fund Payable	1.54	1.54
	ESIC Payable	0.02	0.03
	Interest Payable	-	3.77
	Auditor Expenses Payable	2.48	4.50
	Expenses Payable (Employee)	1.89	-
	Advance From Customer	25.97	-
	Expenses Payable (IPO)	13.98	-
	Total	152.88	62.19

Note No	Particulars	Amount as on 31.03.2024 (All amounts in lakhs, except where otherwise stated)	Amount as on 31.03.2023 (All amounts in lakhs, except where otherwise stated)
2.8	Short-term provisions		
	Provision for Income Tax	193.86	128.94
	Total	193.86	128.94
2.10	Deffered Tax Assets		
a)	<u>Deffered Tax relating to Assets</u>		
	W.D.V as per Companies Act	148.32	154.23
	W.D.V as per Income Tax Act	219.58	210.39
	Timing Difference	71.27	56.16
	Deffered Tax Assets	17.94	15.62
b)	(A) <u>Deffered Tax relating to Others</u>		
	Gratuity Payable	5.01	4.70
	Business Loss	-	-
	Unabsorbed depreciation	-	21.33
	Timing Difference	5.01	26.03
	Deffered Tax Assets (B)	1.26	7.24
	Total Deffered Tax Assets (A + B)	19.20	22.87
c)	Less: Opening balance of Deffered tax assets		
	Provision Created during the year T/f to P & L A/c	22.87	35.50
		-3.67	-12.64
2.11	Other Non-Current Assets		
	Investment in Subsidiary (Zeacloud services Pvt. Ltd.)	34.43	-
	Total	34.43	-
2.12	Inventories (At Cost)		
	Inventories	1,426.90	856.96
	Total	1,426.90	856.96
2.13	Trade Receivables		
	(Unsecured, Considered Good)		
	More than six months	133.35	156.36
	Less than six months	3,704.83	1,088.41
	(Disputed, Considered Good)		
	More than six months	13.96	13.96
	Less than six months	-	-
	* For detailed ageing see note 2.13.1		
	Total	3,852.15	1,258.74
2.14	Cash & Cash Equivalents		
	Cash on Hand	0.66	0.84
	Balance with Banks		
	EMD with Customers	-	- 21.12
	FDR with ICICI Bank	30.21	49.99
	ICICI Bank (135413000046)	1,301.81	-
	Kotak Mahindra Bank Ltd (IPO A/C)	4.15	-
		18.35	-
	Total	1,355.19	71.95

Note No	Particulars	Amount as on 31.03.2024 (All amounts in lakhs, except where otherwise stated)	Amount as on 31.03.2023 (All amounts in lakhs, except where otherwise stated)
2.15	Short term loans and advances		
	Advances to Staff	5.85	9.27
	Advances to Suppliers	29.36	10.94
	Total	35.21	20.21
2.16	Other Current Assets		
	GST Input	39.93	49.74
	TDS Receivable TCS	247.27	152.99
	Receivable	0.78	2.85
	Other Deposit (TDS)	0.52	-
	Prepaid expenses	10.08	300.00
	Other Deposit (National Stock Exchange)	28.22	-
	Other Deposit (Rent)	3.05	-
	Total	329.86	505.57
2.17	Revenue from Operations		
	Sales	11,856.28	8,912.70
	<u>Other Operating Revenue</u>		
	Service Charges	1,891.22	553.26
	Total	13,747.50	9,465.96
2.18	Other Income		
	Interest on Income Tax Refund	-	2.99
	Other Income	8.14	5.23
	Interest on FDR Deposit	11.31	4.77
	Profit on sale of Fixed Assets	4.78	18.59
	Total	24.23	31.59
2.19	Purchases		
	Purchases	11,607.24	7,614.33
	Total	11,607.24	7,614.33
2.20	Change in Inventories		
	Opening Stock	856.96	585.51
		1,426.90	856.96
	Total	-569.94	-271.46
2.21	Employee Benefit Expenses		
	Salaries to Staff	334.00	309.22
	H.R.A to Staff Incentive to Staff	66.84	73.50
	Employer Cont. to Provident Fund	33.20	27.00
	Bonus	9.36	10.25
	Gratuity	6.05	6.01
	ESIC	5.01	4.70
	Leave In cash	0.35	0.29
	Staff welfare expenses	0.19	-
	Total	473.35	450.42

Note No	Particulars	Amount as on 31.03.2024 (All amounts in lakhs, except where otherwise stated)	Amount as on 31.03.2023 (All amounts in lakhs, except where otherwise stated)
2.22	Finance Costs		
	Bank Charges	21.24	9.78
	Bank Interest on CC A/c Interest on Loans	42.92 95.52	38.17 48.52
	Interest on Statutory Dues	7.25	4.38
	Interest on Delay Payment to Parties	11.18	14.48
	Total	178.11	115.33
2.23	Other Expenses		
	Service Charges	637.03	500.85
	Advertisement Expenses	10.69	0.34
	Auditors' Remuneration	3.75	5.00
	Additional Demand Govt. Dues Balance Written off	0.05 3.55	- 21.23
	Charity & Donation	0.35	0.22
	Commission Expenses	47.06	124.49
	Computer Maintenance	20.74	13.50
	Conveyance Expenses	4.39	4.42
	Conference & Exhibition	40.67	-
	Directors Remuneration	72.00	60.00
	Loss on Disposal of Investment Electricity Expenses	- 9.61 40.80	- 9.09 21.67
	Freight Charges Insurance	15.03	5.46
	Legal & Professional Charges Liquidated Damages	30.93 16.73	48.00 19.21
	Membership Expenses	8.29	13.25
	Miscellaneous Expenses	0.48	0.74
	Office Maintenance	5.04	4.75
	Packing Expenses	2.14	1.35
	Printing & Stationary	2.44	1.54
	Rent	54.00	54.28
	Repair & Maintenance	0.48	2.76
	Rebate and Discount	-	6.54
	Sales Promotion	32.85	19.58
	Sales and Marketing Expenditure Security Charges	149.08 4.52	76.42 4.24
	Sitting Fees	6.40	-
	Telephone Expenses	4.74	4.44
	Tender Expense	20.19	13.15
	Tour & Travelling Expenses On Line Marketing Exp.	27.37 -	16.88 -
	Vehicle Runing & Maintenance Exp.	15.97	14.49
	Total	1,287.33	1,067.88
2.24	Earnings Per Share		
	Basic & Diluted	-	-
	Net Profit for the year attributable to Equity Shares (In numbers)	529.95 1,23,60,000	303.03 7,67,100
	Weighted Average Number of Equity Shares (In numbers) Par Value Per Share	90,67,862 10.00	7,67,100 10.00
	Earnings Per Share (Basic)	5.84	39.50
	Earnings Per Share (Diluted)	5.84	39.50

Note. 2.25 Other Additional Information

(All amounts in lakhs, except where otherwise stated)

1. Contingent Liabilities

In the opinion of Board of Director & best of their knowledge and belief, the company does not have any contingent liabilities.

2. Commitments

	Current Year 2023-24	Previous Year 2022-23
Uncalled liability on partly paid-up shares	NIL	NIL
Estimated amount of contracts remaining to be executed on capital accounts (Net of Advances)	NIL	NIL
Other Commitments (Investment in Zeacloud Services Private Limited to fund its Working Capital)	250	250

3. All figures of the Financial Statements & Notes are shown in Lacs (` 00000) except No. of shares and Earning Per Share (Basic & Diluted).

4. Net Gain/(Loss) on Foreign Currency Transaction	11.87	(4.03)
5. CIF Value of Imported Goods - Raw Material	1746.92	1123.44
6. Earning in Foreign Currency (in Rs.) - For Export of Goods	19.59	12.73
7. Expenditure in Foreign Currency	11.04	23.79
8. Director's Remuneration	72.00	60.00
9. In the opinion of Board of Director & best of their knowledge and belief, the provisions of all known liabilities are adequate.		
10. In the opinion of Board of Director current assets, loan & advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.		
11. As per information available with the company, no amount is due to any undertaking/enterprises covered under Micro, Small and Medium Enterprises Development Act,2006		
12. Auditors Remuneration	3.75	5.00

13. Related Parties Disclosures

As per accounting standard – 18 issued by the Institute of Chartered Accountants of India, the company's related parties and transactions are disclosed below:

A. Name of the related parties and description of relationship

1. Key Management Personnel

Mr. Santosh Kumar Agrawal (Managing Director)
Mr. Sunil Kumar Agrawal (Whole-Time Director)
Mr. Mukesh Chand Jain (Director)
Mr. Gaurav Gupta (Director)
Ms. Ashi Jain (Director)
Mr. Vineet Agrawal (Whole-Time Director)
Mr. Himanshu Purohit (Chief Financial Officer)
Mr. Rajnish Pandey (Company Secretary)

2. Statutory Body

Zeacloud Services Private Limited (Subsidiary)
Abro Intrade LLP (Directors are partner)

B. Transaction during the year and balances outstanding at the yearend in respect of transaction entered into during the year with related Parties

S. No.	Name	Designation	Nature of Transaction	FY 2023-24	FY 2022-23
1	Mr. Santosh Kumar Agrawal	Managing Director	Remuneration	36.00	30.00
			Interest	11.86	19.40
			Rent	54.00	54.00
			Loan Outstanding	137.82	238.47
2	Mr. Sunil Kumar Agrawal	Whole-Time Director	Remuneration	36.00	30.00
			Interest	1.70	3.48
			Loan Outstanding	22.16	23.76
3	Mr. Mukesh Chand Jain	Director	Sitting Fees	2.20	-
4	Ms. Ashi Jain	Director	Sitting Fees	2.90	-
5	Mr. Gaurav Gupta	Director	Sitting Fees	1.30	-
6	Zeacloud Services Pvt. Ltd.	Sister Concern	Sale	199.09	252.24
7	Mr. Himanshu Purohit	Chief Financial Officer	Salary	5.59	-
8	Mr. Rajnish Pandey	Company Secretary	Salary	2.92	-

14. Previous year figure have been regrouped/rearranged wherever necessary to render them comparable with current year figures.

15. DISCLOSURE FOR POST-EMPLOYMENT BENEFITS

A. Defined Contribution Plans

The Company makes Provident Fund and Employees' State Insurance which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

Particulars	Year Ended as on 31-03-2024	Year Ended as on 31-03-2023
Contribution to ESIC	0.35	0.29
Contributions to Provident Fund	9.36	10.25
Total	9.71	10.54

B. Defined Benefit Plan

The Company offers the following employee benefit schemes to its employees:

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services is entitled to gratuity on terms as per the provisions of the Payment of Gratuity Act, 1972. The scheme is unfunded.

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

Particulars	Year Ended as on 31-03-2024	Year Ended as on 31-03-2023
(i) Change in Present Value of Defined Benefit Obligation		
Present value of Obligation at the beginning of the year	36.42	35.52
Liability Transfer In/(Out)	-	-
Interest cost	2.73	2.58
Past Service Cost	-	-
Current Service Cost	4.17	4.21
Curtailment Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-

Benefits paid	(1.73)	(3.80)
Actuarial (Gain)/Loss on obligations	(1.89)	(2.09)
Balance at the end of the year	39.69	36.42
(ii) Net Asset / (Liability) recognised in the Balance Sheet	Year Ended as on 31-03-2024	Year Ended as on 31-03-2023
Present value of obligation as at the end of the year	39.69	36.42
Fair value of Plan Assets as at the end of the year	-	-
Funded status	(39.69)	(36.42)
Unrecognized Actuarial Gain / (Loss)	-	-
Net Asset / (Liability) recognised in the Balance Sheet	(39.69)	(36.42)
(iii) Expense recognised in the Statement of Profit and Loss	Year Ended as on 31-03-2024	Year Ended as on 31-03-2023
Current service cost	4.17	4.21
Past service cost	-	-
Interest cost	2.73	2.58
Expected return on plan assets	-	-
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net Actuarial (Gain)/Loss recognised during the year	(1.89)	(2.09)
Total expense recognised in the Statement of Profit and Loss	5.01	4.70
(iv) Actuarial Assumptions		
Discount Rate	7.25% Per Annum	7.50% Per Annum
Rate of increase in Compensation levels	8.00% Per Annum	8.00% Per Annum
Rate of Return on Plan Assets	Not Applicable	Not Applicable
Average future service (in Years)	21.2 Years	19.7 Years
Withdrawal / Attrition Rate	10% Per Annum	10% Per Annum
Mortality Rate	IALM 2012-14	IALM 2012-14

(Note: The above disclosures are based on the Actuarial Valuation report dated; by the approved Actuary valuer's)

16. DISCLOSURE UNDER SECTION 16 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED)

Particulars	Year Ended as on 31-03-2024 (Rs.)	Year Ended as on 31-03-2023 (Rs.)
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	NIL	NIL
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	NIL	NIL
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	NIL	NIL
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	NIL	NIL
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	NIL	NIL
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	NIL	NIL
Interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	NIL	NIL

(Note: Dues to Micro and Small Enterprises have been determined to the extent such vendors / parties, identified on the basis of declaration or MSME certificate provided by the vendors / parties)

17. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE;

As per information available with the company, The Corporate Social Responsibility (CSR) Expenditure is not applicable on company for the current financial year.

18. DETAILS OF IPO AND NET IPO PROCEEDS UTILIZATION:

- a) During the year ended 31st March 2024, the company has completed its initial public offer (IPO) of 33,60,000 equity shares (Fresh Issue) of face value of 10/- each at an issue price of Rs. 84/- per share (including premium of Rs. 74/- per share) aggregating to Rs. 2,822.40 lacs. The equity shares of the company were listed on National Stock Exchange Limited Small and Medium Exchange (NSE SME) on 23 February 2024. The Company has incurred Rs. 429.78/- lacs as IPO related expenses.
- b) The Company has received an amount of Rs. 28,22,40,000 from proceeds of fresh issue of equity shares. The utilization of net IPO Proceeds is summarized as below:

Objects of the issue	Amount Received from IPO (Rs.)	Utilized upto 31st March 2024 (Rs.)	Unutilized upto 31st March 2024 (Rs.)
Working Capital	1600.00	474.24	1125.76
Investment in wholly owned subsidiary company Zeacloud Services Pvt. Ltd., to fund its capital expenditure	250.00	-	250.00
General Corporate Purpose	542.62	3.31	539.31
Issue related expense for IPO	429.78	429.78	-
	2822.40	907.33	1915.07

Note 1: Esconet Technologies Limited has utilized a portion of the IPO proceeds for Working Capital Requirements and the Unutilized amount is expected to be soon utilised for the objects as stated in the Prospectus.

Note 2: The investment in the subsidiary company to fund its capital expenditure expenses will be made within the first quarter of the Financial Year 2024-25, till now the funds have not been invested in the subsidiary company and as of now the funds are held with the Company for Investment.

19. RATIO ANALYSIS

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
Current Ratio (in times)	Current Assets	Current Liabilities	2.15	1.37	57.11%	Due to increase in current asset because of IPO proceeds.
Debt Equity Ratio (in times)	Total Debts (Short-Term Debt + Long Term Debt)	Shareholders Fund (Share Capital + Reserve & Surplus)	0.06	2.00	-96.81%	Due to issue of shares during the year and corresponding repayment of debts along with increase in retain earnings.
Debt service coverage Ratio	Earnings Available for Debt Service (EBITDA)	Debt Service (Finance Costs + Repayment of Debt)	1.01	-2.18	-146.43%	Improvement in the company's ability to meet its debt obligation due to an increase in net operating income.
Return on Equity (in %)	(Net Profit After tax - Preference Dividend)	Average Shareholders Fund (Share Capital + Reserve & Surplus)	0.25	0.75	-66.78%	Though companies net profit have increased year on year basis, but companies has issued shares during the year.
Inventory Turnover Ratio (in times)	Sales	Average Inventory	12.04	13.12	-8.27%	---
Trade Receivable Turnover Ratio (in times)	Net Credit Sales (Total Credit Sales - Sales Return)	Average Accounts Receivable	5.38	6.75	-20.29%	Due to increase in credit sales and extended credit terms to certain customers

Trade Payable turnover Ratio (in times)	Net Credit Purchase (Total Credit Purchase - Purchase Return)	Average Accounts Payables	5.94	6.19	-4.04%	---
Net Working Capital Turnover Ratio	Revenue from Operations	Working Capital (Current Assets - Current Liabilities)	3.67	12.94	-71.64%	Due to increase in current asset because of IPO proceeds.
Net Profit Ratio (in %)	Net Profit	Net Sales	3.85%	3.20%	0.65%	---
Return on Capital Employed (in %)	EBIT	Capital Employed	23.18%	64.20%	-41.03%	Due to increase in capital employed because of IPO proceeds
Return on Investment	Income/ Profit from Investment	Cost of Invested	0.01	0.10	-8.68%	---

20. ADDITIONAL REGULATORY INFORMATION

- (i) The company does not have any immovable property during the year.
- (ii) There is no any Proceeding have been initiated or pending on or against of the company for holding any benami Property under the Benami Transaction (Prohibition) Act, 1988 (section 45 of 1988) and the rules made thereunder.
- (iii) The Company have Short-Term Borrowing from Bank on the basis of security of Current Assets and collaterally secured by Commercial Property & personal Guarantee of Directors.
- (iv) The company have not been declared a wilful defaulter by bank, financial institution or other lenders.
- (v) The Company does not have any transaction with "the Companies struck off under section 248 of the companies Act 2013 or Section" 560 of Companies Act 1956.
- (vi) There is no charge or modification yet to be registered with the Registrar of the companies beyond the statutory period.
- (vii) Company does not has traded or invested in crypto Currency or Virtual Currency during the financial Year.

21. OTHERS

- (i) There are no funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) There have been no funds that have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

For Ms Goel Mintri & Associates
CHARTERED ACCOUNTANTS
(FR No. 013211N)

Gopal Dutt
Partner
Membership No. – 520858
Place: New Delhi
Date: 29.05.2024
UDIN: 24520858BKBFWL5636

For and on behalf of the Board of Company

Santosh Kumar Agrawal
(Director)
DIN NO.-00493749

Sunil Kumar Agrawal
(Director)
DIN NO.-00493820

Himanshu Purohit
Chief Financial Officer
PAN: CBNPP3762J

Rajnish Pandey
Company Secretary
PAN: DCQPP6580K

2.6.1 Trade Payables

(All amounts in lakhs, except where otherwise stated)

As on 31st March 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	2,892.12	0.75	-	11.25	2,904.12
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-
Total	2,892.12	0.75	-	11.25	2,904.12

As on 31st March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	994.62	-	-	11.25	1,005.87
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-
Total	994.62	-	-	11.25	1,005.87

2.13.1 Trade Receivables

As on 31st March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	3,704.83	30.47	11.70	-	91.19	3,838.19
(ii) Undisputed Trade Receivables — considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	13.96	13.96
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total	3,704.83	30.47	11.70	-	105.15	3,852.15

As on 31st March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	1,088.41	58.00	1.49	5.31	91.57	1,244.78
(ii) Undisputed Trade Receivables — considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	13.96	13.96
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total	1,088.41	58.00	1.49	5.31	105.53	1,258.74

Note-2.9 Property, Plant and Equipment
(All amounts in lakhs, except where otherwise stated)

Description	Computer Equipment	Vehicles	Office Equipments	Furnitures and Fixtures	Total
Cost as of April 1, 2023	125.88	206.95	23.14	8.32	364.29
Additions	23.37	95.29	8.14	0.56	127.35
Disposals	-	109.77	-	-	109.77
Cost as of March 31, 2024	149.25	192.47	31.28	8.88	381.86
Accumulated depreciation as of April 1, 2023	98.78	91.29	17.61	2.38	210.06
Depreciation for the year	19.91	42.43	3.94	1.87	68.15
Disposals	-	44.65	-	-	44.65
Accumulated depreciation as of March 31, 2024	118.69	89.06	21.55	4.25	233.55
Net Carrying amount as of March 31, 2024	30.55	103.40	9.73	4.63	148.32
Net Carrying amount as of March 31, 2023	27.10	115.67	5.53	5.94	154.23

AUDITORS REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report on Consolidated Financial Statements

To the Members of,
ESCONET TECHNOLOGIES LIMITED

Opinion

We have audited the accompanying Consolidated Financial Statements of M/s Esconet Technologies Limited (hereinafter referred to as the Parent Company) and its subsidiary M/s Zeacloud Services Private Limited (the Parent Company and its subsidiary together referred to as "the Group") which comprise Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of consolidated affairs of the Company as at March 31, 2024, their consolidated profit including other comprehensive income, their consolidated cash flows and statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 'Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other total comprehensive income, changes in equity and consolidated cash flows of the group in accordance with accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Parent Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Group so far as appears from our examination of those books and records.

- c) The Consolidated Balance sheet, the Consolidated Statement of Profit & Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) With respect to the adequacy of the internal financial controls with reference to these Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**” which is based on the auditors’ reports of the Parent Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our knowledge and according to the explanations given to us by the management of parent and subsidiary company, “the provisions contained under Section 197 of the Companies Act, 2013, read with Schedule V and the Rules framed thereunder, state that the maximum limit of managerial remuneration is not applicable to a private company and since, at the time when the remuneration was approved by the Board and paid, the parent company was a private company and converted on and when a private company converts to a public company, there is no stipulations or requirement for re-approval of shareholders regarding managerial remuneration approved during its private company status”. Therefore, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - 1. The Group does not have any pending litigations which would impact its financial position;
 - 2. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - 3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
 - 4.
 - (a) The Management of the Parent Company and its subsidiary, whose financial statements have been audited under the Act, has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management of the Parent Company and its subsidiary has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the

representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

5. No dividend declared or paid during the period by the Group.
6. Based on our examination, which included test checks, the Group has used accounting software's for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For Goel Mintri & Associates

Chartered Accountants

Firm Reg. No: 013211N

Sd/-

Gopal Dutt

Partner

Membership Number: 520858

Place: New Delhi

Date: 29.05.2024

UDIN: 24520858BKBFWK6518

“ANNEXURE – A” TO THE INDEPENDENT AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ESCONET TECHNOLOGIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Financial Statements of “M/s Esconet Technologies Limited” (hereinafter referred to as “the Parent Company”) as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Parent Company and its subsidiary “M/s Zeacloud Services Private Limited” (the Parent Company and its subsidiary together referred to as “the Group”) which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company, and its subsidiary, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Parent Company and its subsidiary, internal financial controls with reference to these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to these Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control reference to these Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A Company’s internal financial control reference to these Consolidated Financial Statements includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to these Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Parent Company and its subsidiary, which are incorporated in India, have, maintained in all material respects, an adequate internal financial controls with reference to these Consolidated Financial Statements and such internal financial controls with reference to these Consolidated Financial Statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Parent Company and its subsidiaries considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls stated in the Guidance Note issued by the ICAI.

For Goel Mintri & Associates
Chartered Accountants
Firm Reg. No: 013211N

Sd/-
Gopal Dutt
Partner
Membership Number: 520858
Place: New Delhi
Date: 29.05.2024
UDIN: 24520858BKBFWK6518

ESCONET TECHNOLOGIES LIMITED (FORMERLY KNOWN AS "ESCONET TECHNOLOGIES PRIVATE LIMITED") CIN: L62099DL2012PLC233739 Consolidated Balance Sheet as at 31st March, 2024			
(All amounts in lakhs, except share data and where otherwise stated)			
Particulars	Note No	Figures As At 31st, March 2024 (INR)	Figures As At 31st, March 2023 (INR)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.1	1,236.00	76.71
(b) Reserves and Surplus	2.2	2,453.46	476.51
(2) Non-Current Liabilities			
(a) Long-term Borrowings	2.3	231.10	318.91
(b) Long-term Provisions	2.4	39.69	36.42
(3) Current Liabilities			
(a) Short-term borrowings	2.5	3.24	784.98
(b) Trade payables	2.6		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,908.07	1,005.87
(c) Other current liabilities	2.7	155.42	62.19
(d) Short-term provisions	2.8	194.42	128.94
Total		7,221.40	2,890.53
II. Assets			
(1) Non-current assets			
(a) Property, Plant & Equipments and Intangible Assets			
(i) Tangible assets	2.9	270.77	154.23
(b) Deferred Tax Assets (Net)	2.10	15.60	22.87
(c) Other Non-Current Assets	2.11	-	-
(2) Current assets			
(a) Inventories (At Cost)	2.12	1,426.90	856.96
(b) Trade receivables	2.13	3,731.66	1,258.74
(c) Cash and cash equivalents	2.14	1,384.43	71.95
(d) Short-term loans and advances	2.15	35.21	20.21
(e) Other current assets	2.16	356.83	505.57
Total		7,221.40	2,890.53
The accompanying notes 1 to 2.25 are as an integral part of the financial statements			
Subject to our report of even date			
For M/s Goel Mintri & Associates		For and on behalf of the Board of Company	
CHARTERED ACCOUNTANTS			
(FR No. 013211N)			
		Santosh Kumar Agrawal (Director) DIN NO.-00493749	Sunil Kumar Agrawal (Director) DIN NO.-00493820
GOPAL DUTT			
Partner			
Membership No. 520858			
Place: New Delhi		Himanshu Purohit	Rajnish Pandey
UDIN: 24520858BKBFWK6518		(Chief Financial Officer)	(Company Secretary)
Date: 29.05.2024		PAN: CBNPP3762J	PAN: DCQPP6580K

ESCONET TECHNOLOGIES LIMITED

(FORMERLY KNOWN AS "ESCONET TECHNOLOGIES PRIVATE LIMITED")

CIN: L62099DL2012PLC233739

Consolidated Statement of Profit & Loss for the Year ended as on 31st March, 2024

(All amounts in lakhs, except share data and where otherwise stated)

Particulars		Note No	Figures for the year ended 31st, March 2024	Figures for the year ended 31st, March 2023
I.	Revenue from operations	2.17	14,054.99	9,465.96
II.	Other Income	2.18	24.76	31.59
III.	Total Income (I +II)		14,079.75	9,497.55
IV.	Expenses:			
	Purchases		11,790.53	7,614.33
	Change in Inventories	2.19	-569.94	-271.46
	Employee benefit expense	2.20	489.36	450.42
	Financial costs	2.21	178.29	115.33
	Depreciation and amortization expense	2.22	99.13	76.44
	Other expenses	2.9	1,348.04	1,067.88
	Total Expenses	2.23	13,335.41	9,052.94
V.	Profit before prior period items, exceptional items, extraordinary items and tax (III - IV)		744.34	444.60
VI.	Exceptional & Extraordinary Items		-	-
VII.	Profit before tax (V - VI) Tax		744.34	444.60
VIII.	expense:			
	(1) Current tax		194.42	128.94
	(2) Deferred tax		6.87	12.64
	(3) Earlier Year Taxes		-	-
IX.	Profit for the period (VII - VIII)		543.05	303.03
X.	Earning per equity share:			
	(1) Basic		5.99	39.50
	(2) Diluted	2.24	5.99	39.50

The accompanying notes 1 to 2.25 are as an integral part of the financial statements

Subject to our report of even date

For M/s Goel Mintri & Associates

CHARTERED ACCOUNTANTS

(FR No. 013211N)

For and on behalf of the Board of Company

Santosh Kumar Agrawal

(Director)

DIN NO.-00493749

Sunil Kumar Agrawal

(Director)

DIN NO.-00493820

GOPAL DUTT

Partner

Membership No. 520858

Place : New Delhi

UDIN: 24520858BKBFWK6518

Date : 29.05.2024

Himanshu Purohit

(Chief Financial Officer)

PAN: CBNPP3762J

Rajnish Pandey

(Company Secretary)

PAN: DCQPP6580K

ESCONET TECHNOLOGIES LIMITED (FORMERLY KNOWN AS "ESCONET TECHNOLOGIES PRIVATE LIMITED") CIN: L62099DL2012PLC233739 Consolidated Statement of Cash Flows for the Year ended 31st March, 2024				
(All amounts in lakhs, except where otherwise stated)				
PARTICULARS	2023-24		2022-23	
A: CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax as per Profit & Loss Account	744.34		444.60	
Adjustments for:				
Depreciation	99.13		76.44	
Profit on disposal of Assets	-4.78		-18.59	
Interest/ Other Income	-11.84		-7.77	
Interest & Financial Charges	178.29		115.33	
Operating Profit before Working Capital Changes	1,005.14		610.02	
Adjustments for:				
(Increase)/ Decrease in Current Assets				
Inventories	-569.94		-271.46	
Trade Receivable	-2,439.02		287.53	
Short Term Loans & Advances	-15.01		-6.18	
Other Current Assets	170.89		-346.91	
Increase/ (Decrease) in Current Liabilities				
Trade Payables	1,754.29		-449.61	
Other Current Liabilities	92.29		-9.55	
Provisions	60.82		128.94	
Cash Generated from Operations	59.45		-57.22	
Income Tax Adjustment/ Paid	-194.42		-128.94	
Net Cash from Operating Activities		-134.97		-186.16
B: CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	-211.95		-103.80	
Interest and other income	11.84		7.77	
Other Non-current assets	-		-	
Sale/Adjustment of Fixed Assets	69.91		72.82	
Net Cash Used in Investing Activities		-130.20		-23.21
C: CASH FLOW FROM FINANCING ACTIVITIES				
Acquisition/(Repayment) of Long-Term Borrowings	-87.81		-77.52	
Proceeds from Issue of Equity Shares	2,558.77		-	
Change in Long Term Provisions	3.28		0.90	
Acquisition/(Repayment) of Short-Term Borrowings	-781.74		406.58	
Finance Cost	-178.29		-115.33	
Net Cash from Financing Activities				
Net Increase/ (Decrease) in Cash & Cash Equivalents		1,514.20		214.63
Opening Balance of Cash & Cash Equivalents		1,249.03		5.25
		-		
		135.40		66.69
Closing Balance of Cash & Cash Equivalents		1,384.43		71.95
(Note: The above "Opening Balance of Cash & Cash Equivalents" reflects both Esconet Technologies Ltd. and Zeacloud Services Private Limited figures of financial year 2022-23.				
The accompanying notes 1 to 2.25 are as an integral part of the financial statements				
Subject to our report of even date				
For M/S Goel Mintri & Associates		For and on behalf of the Board of Company		
CHARTERED ACCOUNTANTS				
(FR No. 013211N)				
		Santosh Kumar Agrawal	Sunil Kumar Agrawal	
		(Director)	(Director)	
		DIN NO.-00493749	DIN NO.-00493820	
GOPAL DUTT				
Partner				
Membership No. 520858				
Place: New Delhi		Himanshu Purohit	Rajnish Pandey	
UDIN: 24520858BKBFWK6518		(Chief Financial Officer)	(Company Secretary)	
Date: 29.05.2024		PAN: CBNPP3762J	PAN: DCQPP6580K	

NOTES TO CONSOLIDATE FINANCIAL STATEMENTS FOR THE YEAR ENDED AS ON 31ST MARCH 2024

1. CORPORATE INFORMATION:

- a) Esconet Technologies Limited is now a "Public" company domiciled in India and incorporated on 30th day of March 2012 under provisions of the Companies Act, 1956 applicable in India.
- b) The Company has converted into a Public Limited Company and Consequently, the name of the company has been changed from "Esconet Technologies Private Limited" to "Esconet Technologies Limited" in Extra-Ordinary General Meeting dated 9th day of August of 2023.
- c) The Company have authorized share Capital of Rs. 15,00,00,000/- divided into 1,50,00,000 Equity shares having face value of Rs. 10/- each and paid-up share Capital of Rs. 12,36,00,000/- divided into 1,23,60,000 Equity shares of Rs. 10/- each.
- d) The Company increased its authorized Share Capital of Rs. 1,00,00,000/- divided into 10,00,000 Equity shares having face value of Rs. 10/- each to Rs. 15,00,00,000/- divided into 1,50,00,000 Equity shares having face value of Rs. 10/- each, in Extra Ordinary General Meeting on 23rd day of September 2023.
- e) The ISIN and the Scrip code of the company are "INE0RQZ01017" and "ESCONET" respectively. The Company got listed on NSE SME exchange on 23rd day of February 2024.
- f) The registered office of the Company is situated at D-147 Okhla Industrial Area Phase 1, South Delhi, New Delhi, Delhi, India, 110020
- g) "Esconet Technologies Limited", is a Company which is engaged in the business of trading of Information Technology (IT) products including servers, workstation, related IT peripherals and IT enabled services.

1.1 SIGNIFICANT ACCOUNTING POLICIES:

The Financial statements have been prepared using the Significant Accounting Policies and Measurement bases summarized below:

- **Basis Of Accounting and Preparation Of Financial Statements**

The financial statements of the Company have been prepared on Going Concern basis in accordance with the accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost convention on the accrual basis.

These financial statements have been prepared to comply in all material aspects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 (the "Act") read with rules under the Companies (Accounts) Rules, 2021 (amended) and other relevant provisions of the Companies Act, 2013.

The financial statements are presented in Indian Rupees (₹) which is also the functional currency of the Company.

- **Use of Estimates**

The Preparation of Financial Statements in conformity with Indian generally accepted accounting principles (IGAAP) requires the management to make estimates and assumptions that effect the reported amount of Assets and Liabilities (including the disclosure of contingent liabilities) at the date of the Financial Statements and the results of operation of during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

- **Revenue Recognition**

- (a) Revenue from sales of goods are recognised when all significant risks and rewards of ownership have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be realized from the sale of goods. Sale are recognised, net of returns and trade discounts.
- (b) Revenue from services are recognized on achievement of performance on the basis of completed service contract method.
- (c) Interest income are recognised on accrual basis.

- **Property, Plant & Equipments**

Property, plant & equipment are carried at cost of acquisition/construction including import duties & non-refundable purchase taxes (after deducting trade discounts and rebates) and other incidental expenses directly attributable to bringing the asset to location and condition necessary for it to be capable of operating in the manner intended by the management, as the case may be, less accumulated depreciation, amortisation and impairment as necessary.

- **Intangible Assets**

The company does not any intangible asset during the current financial year.

- **Depreciation and Amortization**

Depreciation on property, plant & Equipments has been charged on written down value method in accordance with useful lives and rates specified in Schedule II of the "Companies Act, 2013". Depreciation on Assets purchase or sold during the year is taken on pro rata basis.

- **Foreign Currency Transactions & Translations**

(iii) Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Gain/loss arising out of fluctuation rate between transaction date and settlement date in respect of revenue items is recognized in the profit & loss account and in case of other assets, is recognized to the carrying cost of respective assets.

(iv) Foreign currency monetary items as on the date of balance sheet are translated at the exchange rate prevailing on the date of balance sheet. The resulting exchange difference, if any except on account on property, plant & equipment, is charged to the revenue account.

- **Purchase**

The costs of purchase consist of the purchase price including duties & taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to bringing the inventory to the present location and condition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

- **Inventories**

Inventories are valued at cost or net realizable value, whichever is lower. Further, the company follows First In First Out system of accounting for stock in trade.

- **Investments**

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments. Current investments not intended to be held for a period more than one year, are stated at lower of cost and fair value.

- **Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges of expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

- **Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets up to the date when such assets are ready for its intended use. All other borrowing costs are recognised in profit and loss in the period in which they are incurred. Borrowing costs includes interest, ancillary costs incurred in connection with the arrangement of the borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

- **Employee Benefits**

- a) **Defined Contribution Plan:**

The Company's Contribution towards Provident Fund, State Insurance Fund and other Funds are considered as Defined Contribution Plan and are charged as an expense to the Statement of Profit and Loss statement when it falls due based on the amount of Contribution required to be made for the reporting period. There is no other obligation other than the contribution payable to the respective funds.

- b) **Defined Benefit Plan:**

Defined benefit plan of bonus and leave encashment are provided as expense on the basis of payment and gratuity is calculated as per Payment of Gratuity Act, 1972.

- **Tax Expenses**

- a) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Provision for current tax are measured on the basis of the assessable income at the tax rates and tax laws are enacted on the balance sheet date.

- b) Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset and deferred tax liability are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.
 - c) Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation or carried forward losses are recognised, if there is virtual certainty that there will be adequate future taxable income against which such deferred tax assets can be realised. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.
- **Provisions, contingent liabilities and contingent assets**
Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events, for which a reliable estimate can be made and it is probable that there will be an outflow of resources. Provision is not discounted to its present value and is determined based on the best estimate required to settle an obligation at the year end. These are reviewed every year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognised but are disclosed in the Notes to Accounts of the Financial Statements. Contingent assets are neither recognised nor disclosed in the Financial Statements.
 - **Impairment of Assets**
The carrying amounts of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal/external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.
 - **Cash and cash equivalents**
Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of 12 months or less.
 - **Current / non-current classification**
All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set-out in the Act. Deferred tax assets and liabilities are classified as non-current assets and noncurrent liabilities, as the case may be.
 - **Segment Reporting**
Company operates in a single reportable operating segment. Hence there are no separate reportable segments.

For Ms Goel Mintri & Associates
CHARTERED ACCOUNTANTS
(FR No. 013211N)

For and on behalf of the Board of Company

Gopal Dutt
Partner
Membership No. – 520858
Place: New Delhi
Date: 29.05.2024
UDIN: 24520858BKBFWK6518

Santosh Kumar Agrawal
(Director)
DIN NO.-00493749

Sunil Kumar Agrawal
(Director)
DIN NO.-00493820

Himanshu Purohit
Chief Financial Officer
PAN: CBNPP3762J

Rajnish Pandey
Company Secretary
PAN: DCQPP6580K

NOTES TO CONSOLIDATE FINANCIAL STATEMENTS FOR THE YEAR ENDED AS ON 31ST MARCH 2024
(All amounts in lakhs, except share data and where otherwise stated)

Note No	Particulars	Amount as on 31.03.2024	Amount as on 31.03.2023
2.1	Share Capital		
	Equity Share Capital		
	Authorised Share capital 10,00,000 Equity Shares of 10/- each	100.00	100.00
	ADD: Addition During The Year 1,40,00,000 Equity Shares of 10/- each	1,400.00	-
	Total	1,500.00	100.00
	Issued, subscribed & fully paid share capital 7,67,100 Equity Shares of Rs. 10/- each	76.71	76.71
	ADD: Addition During The Year 1,15,92,900 Equity Shares of 10/- each	1,159.29	-
	Total	1,236.00	76.71

The Authorised Share Capital was increased from 10,00,000 equity shares of Rs. 10 each to 1,50,00,000 equity shares of Rs. 10 each vide resolution passed in the meeting of Shareholder's dated 23rd September 2023.

The addition of shares in "Issued, subscribed & fully paid up" of 1,15,92,900 shares includes 77,78,230 bonus Shares.

TERM/RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity shares having a par value of Rs 10 per share. Holder of each equity share is entitled to one vote. The Company declares and pays dividends in Indian Rupees (If any). The dividend proposed by the board of directors is subject to the approval of shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution to equity shareholders will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of Number of Shares at the beginning and at the end of the period

Particulars	31.03.2024	31.03.2023
	No. of Shares	No. of Shares
Equity Shares		
At the beginning of the year	7,67,100	7,67,100
Add: Issued during the year	1,15,92,900	-
At the end of the year	1,23,60,000	7,67,100

Detail of Shares held by Shareholders holding 5% or more of aggregate shares in the company

Name of Shareholder	As on 31st March, 2024	
	No. of Share Held	% of Holding
Santosh Agrawal	42,36,100	34.27%
Sunil Agrawal	31,00,823	25.09%
Name of Shareholder	As on 31st March, 2023	
	No. of Share Held	% of Holding
Santosh Agrawal	3,85,100	50.20%
Sunil Agrawal	2,81,000	36.63%
Abro Intrade LLP	1,01,000	13.17%

Shares held by promoters at the end of the year

Promoter name	As on 31st March, 2024	
	No. of Shares	% of total shares
Santosh Agrawal	42,36,100	34.27%
Sunil Agrawal	31,00,823	25.09%
Anil Kumar Agrawal	2,75,000	2.22%
Abha Agrawal	1,76,000	1.42%
Savitri Devi Agrawal	1,10,000	0.89%
Vineet Agrawal	88,473	0.72%
Pooja Gupta	30,000	0.24%
Monita Agrawal	6,500	0.05%
Shubhangi Agrawal	3,300	0.03%
Total	80,26,196	64.94%

Promoter name	As on 31st March, 2023	
	No. of Shares	% of total shares
Santosh Agrawal	3,85,100	50.19%
Sunil Agrawal	2,81,000	36.63%
Total	6,66,100	86.82%

Note No	Particulars	Amount as on 31.03.2024	Amount as on 31.03.2023
2.2	Reserves and Surplus		
	(a) Securities Premium Reserve		
	Opening Balance	-	-
	Add: Securities premium credited on Share issue	2,604.99	-
	Less: Issue of Bonus Shares (7778230 shares in ratio of 10:1)	777.82	-
	Less: Share Issue Expenses	393.26	-
	Closing Balance	1,433.91	-
	(b) Surplus in the statement of profit and loss		
	Balance as per last financial Statements	476.51	173.48
	Add: Profit/(Loss) for the year	534.16	303.03
	Closing Balance	1,010.67	476.51
	(c) Capital Reserve	8.89	
	Total	2,453.46	476.51
2.3	Long-term borrowings*		
	Secured		
a)	<u>Loan From Bank</u>		
	ICICI BANK (Creta Car Loan)	2.57	6.69
	ICICI LOAN (ECLGS)	6.61	33.04
	Federal Bank (Car Loan)	11.51	16.95
	ICICI bank (Venue Car Loan)	6.08	-
	BMW Financial Service (Car Loan)	44.36	-
	Unsecured		
a)	<u>Loan from Directors</u>		
	Santosh Agrawal	137.82	238.47
	Sunil Agrawal	22.16	23.76
	Total	231.10	318.91

***Term & Conditions**

- Car Loans from ICICI bank is secured against Hypothecation of Cars. Loans have been taken for the period of 36 months.
- Car Loans from Federal bank is secured against Hypothecation of Car. Loans have been taken for the period of 60 Months
- Car Loans from BMW Financial Service is secured against Hypothecation of Car. Loans have been taken for the period of 60 Months
- No terms and Condition has been Stipulated for repayment of Unsecured Loan.

(All amounts in lakhs, except share data and where otherwise stated)

Note No	Particulars	Amount as on 31.03.2024	Amount as on 31.03.2023
2.4	Long-term provisions		
	Gratuity Payable	39.69	36.42
	Total	39.69	36.42
2.5	Short-terms borrowings		
	Secured		
a)	Current Maturity of Long-Term borrowings from Banks		
	ICICI bank (Fortuner Car Loan)	-	7.37
	ICICI BANK (Creta Car Loan)	4.13	3.80
	ICICI bank (Venue Car Loan)	3.85	-
	Federal Bank	5.44	5.44
	Kotak Prime Ltd (Thar Car Loan)	-	5.54
	BMW Financial Service (Car Loan)	3.35	-
	ICICI Bank Ltd. (Cash Credit A/c)	-289.68	372.95
a)	Current Maturity of Long-Term borrowings from others		
	Daimlar Financial Services India Pvt Ltd (Car loan)	-	39.84
	Bear Bull Distributors Pvt Ltd	150.00	350.03
	Siemens Factoring Private Ltd.	126.57	-
	Hero Fincorp	-0.42	-
	Total	3.24	784.98

***Terms & Conditions**

- Loans from Siemens Factoring Private Limited is taken for a period of 24 months.
- Loan from ICICI Bank is secured against Stock, Debtors and Land & Building situated at Bilaspur (Chhattisgarh) of Directors as the collateral security and also the Personal Guarantee of Directors.

2.6	Trade Payables*		
	MSME	-	-
	NON MSME	2,908.07	1,005.87
	* For detailed ageing see note 2.6.1		
	Total	2,908.07	1,005.87
2.7	Other current liabilities		
a)	Current Maturity of Long-Term borrowings		
	TDS and TCS Payable	64.99	26.93
	GST Payable	1.72	3.02
	Bonus Payable	6.05	6.01
	Salary Payable	32.87	11.38
	Directors Remuneration payable	3.25	5.00
	Provident Fund Payable	1.54	1.54
	ESIC Payable	0.02	0.03
	Interest Payable	-	3.77
	Auditor Expenses Payable	3.15	4.50
	Expenses Payable (Employee)	1.89	-
	Advance From Customer	25.97	-
	Expenses Payable (IPO)	13.98	-
	Total	155.42	62.19
2.8	Short-term provisions		
	Provision for Income Tax	194.42	128.94
	Total	194.42	128.94

(All amounts in lakhs, except share data and where otherwise stated)

Note No	Particulars	Amount as on 31.03.2024	Amount as on 31.03.2023
2.10	Deferred Tax Assets		
a)	Deferred Tax relating to Assets		
	W.D.V as per Companies Act	270.77	154.23
	W.D.V as per Income Tax Act	327.56	279.23
	Timing Difference	56.79	125.00
	Deferred Tax Assets (A)	14.29	15.62
b)	Deferred Tax relating to Others		
	Gratuity Payable	5.01	4.70
	Business Loss	-	-
	Pre-Incorporation Expense as per Income Tax Act 35D	0.17	
	Unabsorbed depreciation	-	21.33
	Timing Difference	5.17	26.03
	Deferred Tax Assets (B)	1.30	7.24
c)	Total Deferred Tax Assets (A + B)	15.60	22.87
	Less: Opening balance of Deferred tax assets	22.46	35.50
	Provision Created during the year T/f to P & L A/c	-6.87	-12.64
2.11	Other Non-Current Assets		
	Investments	-	-
	Total	-	-
2.12	Inventories (At Cost)		
	Inventories	1,426.90	856.96
	Total	1,426.90	856.96
2.13	Trade Receivables		
	(Unsecured, Considered Good) More than six months	134.68	156.36
	Less than six months	3,583.02	1,088.41
	(Disputed, Considered Good) More than six months	13.96	13.96
	Less than six months	-	-
	* For detailed ageing see note 2.13.1		
	Total	3,731.66	1,258.74
2.14	Cash & Cash Equivalents		
	Cash on Hand	0.88	0.84
	Balance with Banks	-	-
	ICICI Bank (Current A/C)	29.03	
	EMD with Customers	30.21	21.12
	FDR with ICICI Bank	1,301.81	49.99
	ICICI Bank (135413000046)	4.15	-
	Kotak Mahindra Bank Ltd (IPO A/C)	18.35	-
	Total	1,384.43	71.95
2.15	Short term loans and advances		
	Advances to Staff	5.85	9.27
	Advances to Suppliers	29.36	10.94
	Total	35.21	20.21

(All amounts in lakhs, except share data and where otherwise stated)

Note No	Particulars	Amount as on 31.03.2024	Amount as on 31.03.2023
2.16	Other Current Assets		
	GST Input	52.78	49.74
	TDS Receivable	259.65	152.99
	TCS Receivable	0.78	2.85
	Other Deposit (TDS)	0.52	-
	Prepaid expenses	11.72	300.00
	Other Deposit (National Stock Exchange)	28.22	-
	Other Deposit (Rent)	3.12	-
	Other Deposit (Caution Money Deposit with GEM)	0.05	-
	Total	356.83	505.57
2.17	Revenue from Operations		
	Sales	12,163.77	8,912.70
	Other Operating Revenue Service Charges	1,891.22	553.26
	Total	14,054.99	9,465.96
2.18	Other Income		
	Interest on Income Tax Refund	0.27	2.99
	Other Income	8.14	5.23
	Interest on FDR Deposit	11.57	4.77
	Profit on sale of Fixed Assets	4.78	18.59
	Total	24.76	31.59
2.19	Purchases		
	Purchases	11,790.53	7,614.33
	Total	11,790.53	7,614.33
2.20	Change in Inventories		
	Opening Stock	856.96	585.51
	Less: Closing Stock	1,426.90	856.96
	Total	-569.94	-271.46
2.21	Employee Benefit Expenses		
	Salaries to Staff	347.44	309.22
	H.R.A to Staff	69.38	73.50
	Incentive to Staff	33.20	27.00
	Employer Cont. to Provident Fund	9.36	10.25
	Bonus	6.05	6.01
	Gratuity	5.01	4.70
	ESIC	0.35	0.29
	Leave In cash	0.19	-
	Staff welfare expenses	18.38	19.46
	Total	489.36	450.42
2.22	Finance Costs		
	Bank Charges	21.24	9.78
	Bank Interest on CC A/c	42.92	38.17
	Interest on Loans	95.69	48.52
	Interest on Statutory Dues	7.25	4.38
	Interest on Delay Payment to Parties	11.18	14.48
	Total	178.29	115.33

(All amounts in lakhs, except share data and where otherwise stated)

Note No	Particulars	Amount as on 31.03.2024	Amount as on 31.03.2023
2.23	Other Expenses		
	Service Charges	666.76	500.85
	Advertisement Expenses	10.99	0.34
	Auditors' Remuneration	4.80	5.00
	Additional Demand Govt. Dues	0.05	-
	Balance Written off	3.55	21.23
	Charity & Donation	0.35	0.22
	Commission Expenses	49.03	124.49
	Computer Maintenance	21.80	13.50
	Conveyance Expenses	4.41	4.42
	Conference & Exhibition	40.67	-
	Directors Remuneration	84.00	60.00
	Loss on Disposal of Investment	-	-
	Electricity Expenses	9.61	9.09
	Freight Charges	40.80	21.67
	Insurance	18.67	5.46
	Legal & Professional Charges	35.50	48.00
	Liquidated Damages	16.73	19.21
	Membership Expenses	8.29	13.25
	Miscellaneous Expenses	0.48	0.74
	Office Maintenance	5.07	4.75
	Packing Expenses	2.14	1.35
	Printing & Stationary	2.46	1.54
	Rent	55.12	54.28
	Repair & Maintenance	0.48	2.76
	Rebate and Discount	-	6.54
	Sales Promotion	32.85	19.58
	Sales and Marketing Expenditure	149.08	76.42
	Security Charges	4.52	4.24
	Sitting Fees	6.40	-
	Telephone Expenses	9.94	4.44
	Tender Expense	20.19	13.15
	Tour & Travelling Expenses	27.37	16.88
	On Line Marketing Exp.	-	-
	Vehicle Runing & Maintenance Exp.	15.97	14.49
	Total	1,348.04	1,067.88
2.24	Earnings Per Share		
	Basic & Diluted	-	-
	Net Profit for the year attributable to	543.05	303.03
	Equity Shares (In numbers)	1,23,60,000	7,67,100
	Weighted Average Number of Equity Shares (In numbers)	90,67,862	7,67,100
	Par Value Per Share	10.00	10.00
	Earnings Per Share (Basic)	5.99	39.50
	Earnings Per Share (Diluted)	5.99	39.50

Note. 2.25 Other Additional Information

(All amounts in lakhs, except where otherwise stated)

1. Contingent Liabilities

In the opinion of Board of Director & best of their knowledge and belief, the company does not have any contingent liabilities.

2. Commitments

	Current Year 2023-24	Previous Year 2022-23
Uncalled liability on partly paid-up shares	NIL	NIL
Estimated amount of contracts remaining to be executed on capital accounts (Net of Advances)	NIL	NIL
Other Commitments (Investment in Zeacloud Services Private Limited to fund its Working Capital)	250	NIL

3. All figures of the Financial Statements & Notes are shown in Lacs (` 00000) except No. of shares and Earning Per Share (Basic & Diluted).

4. Net Gain/(Loss) on Foreign Currency Transaction	11.87	(4.03)
5. CIF Value of Imported Goods - Raw Material	1746.92	1123.44
6. Earning in Foreign Currency (in Rs.) - For Export of Goods	19.59	12.73
7. Expenditure in Foreign Currency	11.04	23.79
8. Director's Remuneration	84.00	60.00

9. In the opinion of Board of Director & best of their knowledge and belief, the provisions of all known liabilities are adequate.

10. In the opinion of Board of Director current assets, loan & advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

11. As per information available with the company, no amount is due to any undertaking/enterprises covered under Micro, Small and Medium Enterprises Development Act, 2006

12. Auditors Remuneration	4.80	5.00
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13. Related Parties Disclosures

As per accounting standard – 18 issued by the Institute of Chartered Accountants of India, the company's related parties and transactions are disclosed below:

A. Name of the related parties and description of relationship

1. Key Management Personnel

Mr. Santosh Kumar Agrawal (Managing Director)
Mr. Sunil Kumar Agrawal (Whole-Time Director)
Mr. Mukesh Chand Jain (Director)
Mr. Gaurav Gupta (Director)
Ms. Ashi Jain (Director)
Mr. Vineet Agrawal (Whole-Time Director)
Mr. Himanshu Purohit (Chief Financial Officer)
Mr. Rajnish Pandey (Company Secretary)
Mr. Sunil Kumar Agrawal (Director in Subsidiary)
Mr. Vineet Agrawal (Director in Subsidiary)
Mr. Amit Gupta (Director in Subsidiary)

2. Statutory Body

Zeacloud Services Private Limited (Subsidiary)
Abro Intrade LLP (Directors are partner)

B. Transaction during the year and balances outstanding at the end of the year in respect of transaction entered into during the year with related Parties

S. No.	Name	Designation	Nature of Transaction	FY 2023-24	FY 2022-23
1	Mr. Santosh Kumar Agrawal	Managing Director	Remuneration	36.00	30.00
			Interest	11.86	19.40
			Rent	54.00	54.00
			Loan Outstanding	137.82	238.47
2	Mr. Sunil Kumar Agrawal	Whole-Time Director	Remuneration	36.00	30.00
			Interest	1.70	3.48
			Loan Outstanding	22.16	23.76
3	Mr. Mukesh Chand Jain	Director	Sitting Fees	2.20	--
4	Ms. Ashi Jain	Director	Sitting Fees	2.90	--
5	Mr. Gaurav Gupta	Director	Sitting Fees	1.30	--
6	Zeacloud Services Pvt. Ltd.	Sister Concern	Sale	199.09	252.24
7	Mr. Himanshu Purohit	Chief Financial Officer	Salary	5.59	--
8	Mr. Rajnish Pandey	Company Secretary	Salary	2.92	--
9.	Mr. Vineet Agrawal	Director in Subsidiary	Remuneration	6.00	--
10.	Mr. Amit Gupta	Director in Subsidiary	Remuneration	6.00	--

14. Previous year figure have been regrouped/rearranged wherever necessary to render them comparable with current year figures.

15. DISCLOSURE FOR POST-EMPLOYMENT BENEFITS

C. Defined Contribution Plans

The Company makes Provident Fund and Employees' State Insurance which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

Particulars	Year Ended as on 31-03-2024	Year Ended as on 31-03-2023
Contribution to ESIC	0.35	0.29
Contributions to Provident Fund	9.36	10.25
Total	9.71	10.54

D. Defined Benefit Plan

The Company offers the following employee benefit schemes to its employees:

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services is entitled to gratuity on terms as per the provisions of the Payment of Gratuity Act, 1972. The scheme is unfunded.

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

Particulars	Year Ended as on 31-03-2024	Year Ended as on 31-03-2023
(i) Change in Present Value of Defined Benefit Obligation		
Present value of Obligation at the beginning of the year	36.42	35.52
Liability Transfer In/(Out)	-	-
Interest cost	2.73	2.58
Past Service Cost	-	-
Current Service Cost	4.17	4.21
Curtailement Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-
Benefits paid	(1.73)	(3.80)
Actuarial (Gain)/Loss on obligations	(1.89)	(2.09)
Balance at the end of the year	39.69	36.42

(ii) Net Asset / (Liability) recognised in the Balance Sheet	Year Ended as on 31-03-2024	Year Ended as on 31-03-2023
Present value of obligation as at the end of the year	39.69	36.42
Fair value of Plan Assets as at the end of the year	-	-
Funded status	(39.69)	(36.42)
Unrecognized Actuarial Gain / (Loss)	-	-
Net Asset / (Liability) recognised in the Balance Sheet	(39.69)	(36.42)
(iii) Expense recognised in the Statement of Profit and Loss	Year Ended as on 31-03-2024	Year Ended as on 31-03-2023
Current service cost	4.17	4.21
Past service cost	-	-
Interest cost	2.73	2.58
Expected return on plan assets	-	-
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net Actuarial (Gain)/Loss recognised during the year	(1.89)	(2.09)
Total expense recognised in the Statement of Profit and Loss	5.01	4.70
(iv) Actuarial Assumptions		
Discount Rate	7.25% Per Annum	7.50% Per Annum
Rate of increase in Compensation levels	8.00% Per Annum	8.00% Per Annum
Rate of Return on Plan Assets	Not Applicable	Not Applicable
Average future service (in Years)	21.2 Years	19.7 Years
Withdrawal / Attrition Rate	10% Per Annum	10% Per Annum
Mortality Rate	IALM 2012-14	IALM 2012-14

(Note: The above disclosures are based on the Actuarial Valuation report dated; by the approved Actuary valuer' s)

16. DISCLOSURE UNDER SECTION 16 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED)

Particulars	Year Ended as on 31-03-2024 (Rs.)	Year Ended as on 31-03-2023 (Rs.)
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	NIL	NIL
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	NIL	NIL
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	NIL	NIL
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	NIL	NIL
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	NIL	NIL
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	NIL	NIL
Interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	NIL	NIL

(Note: Dues to Micro and Small Enterprises have been determined to the extent such vendors / parties, identified on the basis of declaration or MSME certificate provided by the vendors / parties)

17. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE;

As per information available with the company, The Corporate Social Responsibility (CSR) Expenditure is not applicable on company for the current financial year.

18. DETAILS OF IPO AND NET IPO PROCEEDS UTILIZATION:

- c) During the year ended 31st March 2024, the company has completed its initial public offer (IPO) of 33,60,000 equity shares (Fresh Issue) of face value of 10/- each at an issue price of Rs. 84/- per share (including premium of Rs. 74/- per share) aggregating to Rs. 2,822.40 lacs. The equity shares of the company were listed on National Stock Exchange Limited Small and Medium Exchange (NSE SME) on 23 February 2024. The Company has incurred Rs. 429.78/- lacs as IPO related expenses.
- d) The Company has received an amount of Rs. 28,22,40,000 from proceeds of fresh issue of equity shares. The utilization of net IPO Proceeds is summarized as below:

Objects of the issue	Amount Received from IPO (Rs.)	Utilized upto 31st March 2024 (Rs.)	Unutilized upto 31st March 2024 (Rs.)
Working Capital	1600.00	474.24	1125.76
Investment in wholly owned subsidiary company Zeacloud Services Pvt. Ltd., to fund its capital expenditure	250.00	-	250.00
General Corporate Purpose	542.62	3.31	539.31
Issue related expense for IPO	429.78	429.78	-
	2822.40	907.33	1915.07

Note 1: Esconet Technologies Limited has utilized a portion of the IPO proceeds for Working Capital Requirements and the Unutilized amount is expected to be soon utilised for the objects as stated in the Prospectus.

Note 2: The investment in the subsidiary company to fund its capital expenditure expenses will be made within the first quarter of the Financial Year 2024-25, till now the funds have not been invested in the subsidiary company and as of now the funds are held with the Company for Investment.

19. RATIO ANALYSIS

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
Current Ratio (in times)	Current Assets	Current Liabilities	2.13	1.37	55.33%	Due to increase in current asset because of IPO proceeds.
Debt Equity Ratio (in times)	Total Debts (Short-Term Debt + Long Term Debt)	Shareholders Fund (Share Capital + Reserve & Surplus)	0.06	2.00	-96.81%	Due to issue of shares during the year and corresponding repayment of debts along with increase in retain earnings.
Debt service coverage Ratio	Earnings Available for Debt Service (EBITDA)	Debt Service (Finance Costs + Repayment of Debt)	0.98	-2.18	-144.63%	Improvement in the company's ability to meet its debt obligation due to an increase in net operating income.
Return on Equity (in %)	(Net Profit After tax - Preference Dividend)	Average Shareholders Fund (Share Capital + Reserve & Surplus)	0.26	0.75	-66.06%	Though companies net profit have increased year on year basis, but companies has issued shares during the year.
Inventory Turnover Ratio (in times)	Sales	Average Inventory	12.31	13.12	-6.22%	---
Trade Receivable Turnover Ratio (in times)	Net Credit Sales (Total Credit Sales - Sales Return)	Average Accounts Receivable	5.63	6.75	-16.54%	Due to increase in credit sales and extended credit terms to certain customers
Trade Payable turnover Ratio (in times)	Net Credit Purchase (Total Credit Purchase - Purchase Return)	Average Accounts Payables	6.02	6.19	-2.62%	---
Net Working Capital Turnover Ratio	Revenue from Operations	Working Capital (Current Assets -	3.83	12.94	-70.44%	Due to increase in current asset because of IPO proceeds.

		Current Liabilities)				
Net Profit Ratio (in %)	Net Profit	Net Sales	3.86%	3.20%	0.66%	---
Return on Capital Employed (in %)	EBIT	Capital Employed	23.53%	64.20%	-40.67%	Due to increase in capital employed because of IPO proceeds
Return on Investment	Income/ Profit from Investment	Cost of Invested	0.01	0.10	-8.68%	---

20. ADDITIONAL REGULATORY INFORMATION

- (i) There is no any Proceeding have been initiated or pending on or against of the company for holding any benami Property under the Benami Transaction (Prohibition) Act, 1988 (section 45 of 1988) and the rules made thereunder.
- (ii) The Company have Short-Term Borrowing from Bank on the basis of security of Current Assets and collaterally secured by Commercial Property & personal Guarantee of Directors.
- (iii) The company have not been declared a wilful defaulter by bank, financial institution or other lenders.
- (iv) The Company does not have any transaction with "the Companies struck off under section 248 of the companies Act 2013 or Section" 560 of Companies Act 1956.
- (v) There is no charge or modification yet to be registered with the Registrar of the companies beyond the statutory period.
- (vi) Company does not has traded or invested in crypto Currency or Virtual Currency during the financial Year.

21. OTHERS

- (i) There are no funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) There have been no funds that have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

For Ms Goel Mintri & Associates
CHARTERED ACCOUNTANTS
 (FR No. 013211N)

Gopal Dutt
 Partner
 Membership No. – 520858
 Place: New Delhi
 Date: 29.05.2024
 UDIN: 24520858BKBFWL5636

For and on behalf of the Board of Company

Santosh Kumar Agrawal
 (Director)
 DIN NO.-00493749

Sunil Kumar Agrawal
 (Director)
 DIN NO.-00493820

Himanshu Purohit
 Chief Financial Officer
 PAN: CBNPP3762J

Rajnish Pandey
 Company Secretary
 PAN: DCQPP6580K

2.6.1 Trade Payables

(All amounts in lakhs, except where otherwise stated)

As on 31st March 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	-	-	-	-	-
(ii)Others	2,896.07	0.75	-	11.25	2,908.07
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-
Total	2,896.07	0.75	-	11.25	2,908.07

As on 31st March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	-	-	-	-	-
(ii)Others	994.62	-	-	11.25	1,005.87
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-
Total	994.62	-	-	11.25	1,005.87

2.13.1 Trade Receivables

As on 31st March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	3,583.02	31.79	11.70	-	91.19	3,717.70
(ii) Undisputed Trade Receivables — considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	13.96	13.96
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total	3,583.02	31.79	11.70	-	105.15	3,731.66

As on 31st March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	1,088.41	58.00	1.49	5.31	91.57	1,244.78
(ii) Undisputed Trade Receivables — considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	13.96	13.96
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total	1,088.41	58.00	1.49	5.31	105.53	1,258.74

Note - 2.9 Property, Plant and Equipment

(All amounts in lakhs, except where otherwise stated)

Description	Computer Equipment	Vehicles	Office Equipments	Furnitures and Fixtures	Total
Cost as of April 1, 2023	210.76	206.95	23.14	8.32	449.17
Additions	107.96	95.29	8.14	0.56	211.95
Disposals	-	109.77	-	-	109.77
Cost as of March 31, 2024	318.72	192.47	31.28	8.88	551.35
Accumulated depreciation as of April 1, 2023	114.82	91.29	17.61	2.38	226.10
Depreciation for the year	50.89	42.43	3.94	1.87	99.13
Disposals	-	44.65	-	-	44.65
Accumulated depreciation as of March 31, 2024	165.72	89.06	21.55	4.25	280.58
Net Carrying amount as of March 31, 2024	153.01	103.40	9.73	4.63	270.77
Net Carrying amount as of March 31, 2023	27.10	115.67	5.53	5.94	154.23

(Note: The above disclosures of "Net Carrying amount as of March 31, 2023" reflects only Esconet Technologies Ltd. Financial Year 2022-23 figures and does not reflect Zeacloud Services Private Limited Financial Year 2022-23 figures as there was no holding-subsidary relationship during the FY 2022-23)