

**Date: 06/09/2025**

To,

**Department of Corporate Relationship  
BSE Ltd.**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400001

**Corporate Relationship Department  
National Stock Exchange of India Ltd.**

Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051

**Sub.:** VL E-Governance & IT Solutions Limited - Annual Report for the Financial Year 2024 - 2025 under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Ref. :** VL E-Governance & IT Solutions Limited – **Scrip Code** – 543958/VLEGOV

Dear Sir/Madam,

With reference to the captioned, we wish to inform you that the 9<sup>th</sup> Annual General Meeting (“AGM”) of the Company is scheduled to be held on Monday, September 29, 2025 at 02:00 P.M. (IST). Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report for the financial year 2024-25 is enclosed. It is also available on the website of the Company i.e. <https://www.vlegovernance.in/annual-financial-report.html>.

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

Thanking you,  
Yours faithfully,

For **VL E- Governance & IT Solutions Limited**

**Dr. Nishikant Kishanrao Hayatnagarkar**  
**Chairman & Executive Director**  
**(DIN: 00062638)**

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**Pioneering Next-Gen Governance,  
Fuelling India's Digital Future.**





# Remembering a Visionary Leader



Mr. Dinesh Nandwana (1963–2025)

It is with profound sorrow that we remember Mr. Dinesh Nandwana, our Founder Chairman and Managing Director, who passed away suddenly in January 2025 at the age of 62. Mr. Nandwana was a first-generation entrepreneur and the guiding force behind Vakrangee's journey since its inception in 1990. Born in Kota, Rajasthan, he earned a bachelor's degree in commerce and qualified as a Chartered Accountant; however, it was his early passion for information technology and its potential to improve governance and deliver direct-to-citizen services that shaped his life's work. For 35 years, he led Vakrangee Limited and VL E-Governance & IT Solutions Limited with utmost dedication, overseeing every aspect of the business and inspiring everyone around him with his vision, integrity, and wisdom. We deeply mourn his loss and honour his visionary leadership and profound insight.

We, the management and board members of VL E-Governance & IT Solutions Limited, reflect on the profound and enduring legacy of our visionary founder, Mr. Dinesh Nandwana. His entrepreneurial spirit and unwavering commitment have been the driving force behind our remarkable journey, shaping not just our company but also making a significant contribution to India's digital transformation. Mr. Nandwana was known for establishing the highest standards of corporate governance, fostering a culture of integrity and ethics throughout the organisation. His contributions were recognised with accolades such as the CA Entrepreneur Path Breaker Award in 2017 and a special memento from the late former President of India, Shri Shankar Dayal, in 1996.

For over three decades, Mr. Nandwana has spearheaded VL E-Governance & IT Solutions Limited (initially as part of Vakrangee Limited and later, through a strategic demerger effective April 1, 2021), a pioneer in e-governance. Under his leadership, we established an unparalleled track record, successfully executing

large-scale, mission-mode projects that directly impacted millions of lives. This includes the monumental Aadhaar initiative, where we enrolled over 5 crore (50 million) residents, establishing a robust identification system and significantly improving access to government services across India. Our expertise extended globally with the Philippines Land Titling Computerisation Project, where 20 million land deeds were dematerialised across 168 Registrar of Deeds offices, setting a new benchmark for digital record-keeping and earning international acclaim. We also played a critical role in the Computerisation of the Election Commission, generating 100 million voter identification cards and managing over 100,000 citizen facilitation centres across multiple states. Further historical achievements include the digitisation of land records in six districts of Uttar Pradesh, the National Population Register (NPR) digitisation of 145 million resident records, and transformative projects for the Ministry of Corporate Affairs (MCA-21), Passport Seva Kendra (PSK), Rashtriya Swasthya Bima Yojana (RSBY), and the Public Distribution System (PDS).

Based on the strong foundation established by Mr. Nandwana, VL E-Governance & IT Solutions Limited is propelling itself into a new era, transforming from a mission-driven service provider into a diversified growth engine. This strategic realignment is seeing us boldly expand into high-impact sectors. We are now the EPC partner for the ₹800 crore Sankalp Industrial Smart City Project, a landmark initiative spanning 494 acres, poised to integrate industrial, residential, and logistical infrastructure with sustainable solutions like rooftop solar farms and data centres.

Furthermore, a move inspired by Mr. Nandwana, a binding agreement to acquire a 40% equity stake in HAL-Edgewood Technologies Private Limited (HETL), a joint venture of Hindustan Aeronautics Limited (HAL), represents a pivotal move into high-tech aviation, aerospace, defence, and satellite sectors. This venture will grant us co-custody of the patented OSAMC "Make-in-India" mission computer, opening access to a substantial US\$15 billion defence-electronics market.

## A Legacy Honoured with Excellence

Throughout his illustrious career, Mr. Dinesh Nandwana received numerous accolades that celebrated his entrepreneurial spirit and leadership. Some of the notable honours bestowed upon him include:

- » **CA Entrepreneur Path Breaker Award (2017)**, awarded by the Institute of Chartered Accountants of India, recognising Mr. Nandwana as a trailblazing entrepreneur among chartered accountants.
- » **Memento of Honour from the President of India (1996)**, presented by the late President Dr. Shankar Dayal Sharma, acknowledging Mr. Nandwana's early contributions and innovations in the industry.
- » **CA Business Leader, SME Award (1997)**, given by the ICAI, where he was ranked third nationally, highlighting his leadership in building a successful enterprise in the small-and-medium sector.

He also earned respect in the broader business community; for instance, he appeared on Forbes India's lists of successful business figures. However, Mr. Nandwana's true legacy cannot be measured solely by awards or rankings. It is reflected in the enduring institution he built and the values he instilled. He was known for his integrity, foresight, and commitment to excellence, which set high standards for everyone at Vakrangee. Under his stewardship, Vakrangee was recognised as an ET-500 Best Company of the Year (2007–08) and achieved milestones like becoming a debt-free company by 2017 and securing partnerships with major corporations and government agencies, all testament to the strong foundation he laid. He was a mentor to many, always encouraging innovation and inclusive growth. Those of us who had the privilege of working with him will forever remember his remarkable humility and the clarity of purpose with which he approached every challenge.

## Carrying Forward His Vision

Though he is no longer with us, Mr. Nandwana's spirit and vision will forever guide VL E-Governance & IT Solutions Ltd. He built this company on powerful fundamentals and a clear mission, and we remain steadfast in upholding those principles. He led by example, showing us how a business can be both profitable and socially impactful, how technology can be harnessed to uplift those at the last mile, and how perseverance and innovation can transform a small startup into a national institution.

All of us, the Board, Management, and Employees, are committed to carrying forward his mission of driving digital governance to every corner of India. Under his leadership, VL E-Governance & IT Solutions Limited today maintains a strong financial position with zero debt and a positive net worth as of FY2025. Our invigorated leadership team, comprising veterans from e-governance, IT, defence and infrastructure, stands ready to navigate these ambitious new horizons he has set as goals for us. Mr. Nandwana's commitment to sustainable, innovation-driven growth ensures that we are not merely participating in India's digital revolution but actively shaping it, building a future where infrastructure, innovation, and upside are all rolled into one for our stakeholders and the nation.

Mr. Dinesh Nandwana was more than just our Chairman & Managing Director; he was the heart and soul of VL E-Governance & IT Solution Ltd. We will miss his guidance and presence dearly. But we take solace in knowing that his visionary work will continue to live on through VL E-Governance ongoing efforts. Thank you, Mr. Nandwana, for inspiring us with your life's work. We vow to honour it by striving for excellence and inclusion, every single day. He will forever remain a part of the VL E-Governance story and a source of inspiration as we forge ahead.

*The Board of Directors, Management, and Employees of  
VL E-Governance & IT Solutions Limited*





**VL e-Governance &  
IT Solutions Limited**  
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**Pioneering Next-Gen Governance,  
Fuelling India's Digital Future.**





## VLEG: Pioneering Next-Gen Governance, Fuelling India's Digital Future

Over the past thirty years, VL E-Governance & IT Solutions Limited has been India's go-to systems integrator, quietly building mission-critical projects under the National e-Governance Plan. From powering over 50 million Aadhaar enrollments to computerising tens of thousands of Panchayats, and even digitising 20 million land deeds in the Philippines, the company has become synonymous with reliability, scale and a gift for navigating bureaucracy.

### Smart-City Momentum

In May 2025, VLEG raised the bar yet again, inking an MoU with Ekansh Concepts to engineer, procure and construct Phase I (494 acres; ~₹800 crore) of the Sankalp Industrial Smart City. Picture rooftop solar arrays gleaming beside high-speed data corridors, pristine warehousing hubs and residential clusters wired for tomorrow's Internet of Things - all neatly straddling the Mumbai-Nagpur and Delhi-Mumbai expressways.

### Defence-Electronics Ambition

Just as remarkable is the firm's binding term sheet to acquire 40% of HAL-Edgewood Technologies, a joint venture of Hindustan Aeronautics Limited. This grants VLEG co-ownership of the OSAMC Mission Computer, lauded as the "World's Best" and entirely home-grown under the Make in India banner. Suddenly, a US\$15 billion market in aviation, aerospace, defence and satellite electronics lies within reach, transforming VLEG from a public-sector wunderkind to a bona fide high-tech contender.

### Governance & Leadership

Recognising that new challenges demand fresh minds, VLEG has bolstered its board and executive ranks with veterans from the defence, railways, and energy sectors. The result: a governance framework honed for both tight public-sector contracts and the rigours of high-stakes infrastructure and tech ventures.

### What Lies Ahead

**E-Governance Encore:** Having mastered Aadhaar, elections, and corporate dematerialisation, VLEG is poised for the nationwide land records modernisation programme (ULPIN-Aadhaar integration), as well as new forays into digital health and railways.

**Renewables & EPC:** Beyond Sankalp, the road ahead is brimming with rooftop solar, captive power, and EV-charging networks under PM-eDrive, as well as data centre and logistics park bids along prime corridors.

**Defence Electronics:** Joint pitches with HAL, DRDO, and export partners for mission-computer orders are already in train, post completion of acquisition of HETL.

**Selective M&A:** With zero net debt of free cash flow each year, VLEG is well placed to snap up complementary tech or EPC assets.

In summary, VLEG's formula is beautifully simple: a de-risked legacy of turnkey delivery, now supercharged by smart-city EPC, cutting-edge defence electronics and a leadership team to match. For investors, that spells a rare blend of stability and growth. For India, it promises the digital and physical infrastructure to match its soaring ambitions.



## CORPORATE INFORMATION

### Company Name:

VL E-Governance & IT Solutions Limited (VLEG)

Corporate Identification Number (CIN):

L74110MH2016PLC274618

### Board of Directors:

- **Dr. Nishikant Kishanrao Hayatnagarkar** - Chairman & Executive Director
- **Mr. Sanjay Nandwana** - Managing Director
- **Mr. Hari Mohan** - Non-Executive Independent Director
- **Mr. Anoop Kumar Agrawal** - Non-Executive Independent Director
- **Mr. Chandra Kailash Vishwakarma** - Non-Executive Independent Director
- **Ms. Tanu Surendra Shukla** - Non-Executive Independent Director

### Key Managerial Personnel:

- **Mr. Nilesh Champalal Wadode** – Company Secretary & Compliance Officer
- **Mr. Pradeep Ghanshyam Somani** – Chief Financial Officer (CFO)

### Statutory Auditor:

M/s. B K G & Associates

Chartered Accountants, Mumbai

### Bankers:

- Union Bank of India
- Kotak Mahindra Bank
- State Bank of India
- HDFC Bank Limited

### Registered Office:

Vakrangee Corporate House

Plot No.93, Road No.16, M.I.D.C., Marol

Andheri East, Mumbai, Maharashtra, India - 400093

Telephone: +91 22 67765100

Email: [info@vlegovernance.in](mailto:info@vlegovernance.in)

Website: [www.vlegovernance.in](http://www.vlegovernance.in)

### Registrar:

M/s. Bigshare Services Pvt. Ltd.

Office No S6-2, 6th Floor, Pinnacle Business Park,


Next to Ahura Centre, Mahakali Caves Road,

Andheri (East), Mumbai, Maharashtra, India - 400093

Telephone: +91 22 62638200

Email: [vinod.y@bigshareonline.com](mailto:vinod.y@bigshareonline.com)

Website: [www.bigshareonline.com](http://www.bigshareonline.com)

A satellite with large solar panels is shown in space, with the Earth's horizon visible in the background. The satellite is the central focus, with its complex structure and solar arrays clearly visible.

VLEG's partnership with HETL  
opens new avenues for innovation,  
solidifying our position as a  
leader in high-tech sectors.

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## About Us



**“VLEG is integrating sustainability into every aspect of its operations. The company adopts eco-friendly practices, from reducing carbon footprints to ensuring that technological advancements that contribute positively to the environment.”**

### Pioneering Digital Transformation and Inclusive Governance

VL E-Governance & IT Solutions Limited (VLEG) is a trusted partner in building technology-led governance systems that improve transparency, efficiency, and access for citizens. For more than three decades, we have executed complex, large-scale government programmes under India's National e-Governance Plan, creating sustainable impact across diverse communities. Our work extends beyond India, with successful international projects such as the Philippines Land Titling Computerisation Project, where we digitised over 20 million land records.

### Proven Capabilities and Global Reach

From enabling over 50 million Aadhaar enrolments to modernising public records and services, VLEG has consistently demonstrated its ability to deliver mission-critical projects of national importance. Our portfolio combines

robust execution capacity, technology integration skills, and an unwavering focus on inclusion, making us a leader in citizen-centric transformation. At the same time, our successful overseas engagements highlight our ability to replicate best practices across geographies, strengthening our reputation as a global solutions provider.

### Strategic Expansion into High-Tech Sectors

VLEG's strategic focus now extends into frontier industries that are central to national security and technological advancement. With the signing of binding term sheet for the acquisition of 40% equity stake in HAL-Edgewood Technologies Private Limited (HETL) - a joint venture of Hindustan Aeronautics Limited (HAL) contributing to the design, development, and manufacture of advanced electronics, software, hardware, and aeronautical systems. This foray into aviation, aerospace, defence, and satellite projects aligns our business with the "Make in India" initiative and opens new opportunities for innovation-driven growth.



## Commitment to Sustainability and Responsibility

Sustainability is embedded in every aspect of our operations. From integrating eco-friendly practices in technology deployment to aligning our projects with global development goals, VLEG ensures that progress today contributes to the well-being of future generations. Our mission is not only to accelerate digital transformation but also to do so in a way that fosters social equity, strengthens communities, and supports environmental balance.

### Our Mission



- » **E-Governance :** Deliver smart, citizen-focused digital services.
- » **Defence & Aerospace:** Build indigenous high-tech systems for national self-reliance.
- » **EPC & Infrastructure:** Create smart, sustainable industrial and urban ecosystems.
- » **IT & Digital Solutions:** Enable efficiency and growth through advanced technologies.

### Our Vision



To be a respected peer in Governance, EPC, Defence & Aerospace, and IT, shaping digital and physical infrastructure through inclusive, innovative, and sustainable solutions.

### Our Purpose



To empower societies and governments by creating sustainable digital, physical, and high-tech solutions that enhance transparency, enable equity, and drive long-term progress.



## Our Business Verticals: Diversifying for India's Digital Future

At VL E-Governance & IT Solutions Limited (VLEG), our evolution has been deliberate and decisive. From being a mission-mode service provider, we have transformed into a multi-vertical enterprise aligned with India's digital, infrastructure, and defence imperatives. Anchored in a three-decade legacy of e-governance, we now operate across four synergistic domains – next-generation digital governance, large-scale infrastructure (EPC), high-technology defence & aerospace, and new digital solutions. This realignment ensures we are positioned at the crossroads of critical national priorities, delivering sustainable growth and long-term value.



### Pioneering Next-Generation E-Governance

Our roots lie in e-governance, where we have built unmatched credentials in delivering large, complex, and inclusive programmes across India and overseas.

- » Through the Aadhaar initiative, we successfully enrolled over 50 million identities, expanding access to services and financial inclusion.
- » For the Election Commission, we digitised records and generated 100 million voter IDs, operating more than 1,00,000 facilitation centres nationwide.
- » Under the National Population Register (NPR), we digitised 145 million resident records, creating one of the world's largest demographic databases.
- » Internationally, we executed the Philippines Land Titling Computerisation Project, dematerialising 20 million deeds across 168 registrar offices, setting global benchmarks in land governance.

## 50million+

Aadhaar enrolments enabled by us helped expand access to essential government services and financial inclusion nationwide.

## Building Smart Infrastructure: The EPC Thrust

A significant new growth vector is our expansion into Infrastructure Development and EPC contracting, complementing our technology heritage.

- » In FY2025, we signed a landmark MoU with Ekansh Concepts Limited to serve as the EPC partner for the Sankalp Industrial Smart City Project.
- » Phase I spans 494 acres with an estimated EPC value of ₹800 crores, strategically located at the Mumbai–Nagpur Samruddhi Mahamarg and Delhi–Mumbai Expressway corridor.
- » Features include rooftop solar power, data centres, logistics hubs, smart townships, Warehousing, and integrated renewable energy infrastructure.

Future phases cover an additional 1,466 acres, positioning Sankalp as a flagship project in smart-city development. With a zero-debt balance sheet, VLEG is equipped to underwrite large projects independently, transforming balance-sheet strength into a strategic advantage.

Beyond Sankalp, we are actively pursuing solar and EV infrastructure projects, aligning with national schemes such as PM-eDrive (₹10,900 crores), and exploring high-return opportunities in data centres and logistics parks across expressway corridors.

“Our three-decade track record in Aadhaar, elections, NPR, and global land titling defines our unmatched delivery capacity.”

Looking ahead, we are strategically positioned to capture opportunities under the Digital India Land Records Modernisation Programme (DILRMP), with initiatives such as ULPIN (Bhu-Aadhaar), GIS-based land mapping, digital health records, e-learning platforms, and technology-driven solutions for agriculture.

“Our smart-city EPC partnerships integrate industry, logistics, housing, and renewable power into a cohesive ecosystem.”

## Foraying into High-Tech Defence & Aerospace

We have entered high-technology sectors critical to India's strategic ambitions through signing a binding term sheet for 40% equity stake in HAL-Edgewood Technologies Private Limited (HETL), a joint venture of Hindustan Aeronautics Limited (HAL).

- » HETL developed the patented Open System Architecture Mission Computer (OSAMC) (Patent No. 302177), India's first fully indigenous mission computer, designed for platforms such as Mirage-2000, Jaguar, Hawk-132, and Su-30MKI.
- » This innovation exemplifies "Make in India" self-reliance in defence electronics, unlocking a potential US\$15 billion market in aerospace, defence, and satellite systems.
- » Our leadership team now includes seasoned experts such as Hari Mohan (former Chairman, Ordnance Factory Board) and C.K. Vishwakarma (former Executive Director, HAL), ensuring strategic alignment and execution rigour.

This vertical not only expands our portfolio but also strengthens India's defence modernisation and international collaborations.

**Our investment in HETL will position us at the forefront of 'Make in India' aerospace and defence innovation.**

**40%**

equity stake to be acquired by the Company in HAL-Edgewood Technologies signals its strategic entry into India's defence technology sector.







## ₹3,238.79 lakh

total income in FY2025, marking a 30.68% YoY growth and a turnaround to positive EBITDA of ₹143.89 lakh.

“Zero debt and positive EBITDA are powering our ability to fund expansion internally and drive long-term value.”

### Strategic Realignment & Growth Roadmap

The shift to a multi-vertical platform model has been underpinned by strategic realignment.

- » **Financial Turnaround:** In FY2025, income grew 30.68% YoY to ₹3,238.79 lakhs, while EBITDA returned positive at ₹143.89 lakhs, up 630.20% YoY.
- » **Balance Sheet Strength:** We closed FY2025 with zero debt (down from ₹5,108.86 lakhs in FY2024) and a strong net worth of ₹4,569.66 lakhs, enabling large projects without external leverage.
- » **Portfolio Rationalisation:** B2B Business and IT hardware distribution remain on hold, as we concentrate resources on high-potential growth drivers.

Going forward, we will continue to pursue on select e-governance mandates, EPC infrastructure projects, and defence-aerospace ventures, creating a balanced and diversified growth engine.

# Letter from the Executive Chairman



**"We are not just adapting to change; we are leading it, with vision, discipline, and a relentless drive to serve the nation's evolving needs."**

**Dr. Nishikant Kishanrao Hayatnagarkar**  
Executive Chairman  
VL E-Governance & IT Solutions Limited

## Dear Stakeholders,

As the Executive Chairman of VL E-Governance & IT Solutions Limited, I reflect with profound respect on the enduring legacy of our visionary founder, Mr. Dinesh Nandwana, whose pioneering spirit in e-governance laid our robust foundation and instilled an unwavering commitment to corporate excellence. His strategic foresight transformed our mission from a service provider into a diversified growth engine, propelling us into new frontiers of smart cities and high-tech defence, a vision that continues to guide our future.

It is with immense pride and a deep sense of purpose that I address you, reflecting on a truly transformative year for VL E-Governance & IT Solutions Limited (VLEG). As Chairman, my perspective is rooted in the grand vision that propels our company forward, a vision that sees us not just preparing

for the future, but actively shaping India's digital destiny. Our journey, encapsulated by our tagline, "VLEG: Pioneering Next-Gen Governance, Fuelling India's Digital Future," reflects our evolution from a mission-mode service provider into a dynamic, diversified growth machine.

For over three decades, VLEG has consistently led the way in transforming digital infrastructure for governments worldwide. Our legacy is built on a foundation of trust, reliability, and transparency, exemplified by our pivotal role in large-scale, impactful e-governance projects. Consider the Aadhaar initiative, where we successfully registered over fifty million identities, contributing to one of the world's largest biometric ID systems that profoundly improved access to government services and fostered financial inclusion. Our expertise extends beyond national borders, as seen in the Philippines Land Titling Computerisation Project, which dematerialised 20 million land

**20 million+**

land records digitised across 168 offices in the Philippines, showcasing our global execution strength in e-governance.

**₹800 crore**

project secured as EPC partner for a 494-acre industrial smart city, marking a pivotal step in our portfolio diversification.

**With decades of experience and strong leadership, we are ready to meet India's rising demand for digital governance and infrastructure as it moves towards a \$10 trillion economy.**

deeds and introduced paperless digital record-keeping across 168 Registrar of Deeds offices. These achievements, alongside our work in Election Commission computerisation, National Population Register digitisation, and other Mission Mode Projects, showcase our proven capability to manage complex operations with inclusivity and efficiency.

Our strategic realignment in FY2025 has been a deliberate and crucial step in our journey, reinforcing our financial stability and setting a robust foundation for future business development. This strategic pivot has enabled us to diversify our portfolio and enter high-growth sectors. We have signed an MoU to be the EPC (Engineering, Procurement, and Construction) partner for the Sankalp Industrial Smart City Project, a landmark development spanning 494 acres with an estimated contract value of ₹800 crore. This project integrates cutting-edge industrial, residential, and logistical infrastructure, including rooftop solar installations, captive power, data centres, and large-scale warehousing hubs, positioning VLEG at the forefront of India's smart infrastructure evolution.

Equally significant is our acquisition of a 40% equity stake in HAL-Edgewood Technologies Private Limited (HETL), a joint venture of Hindustan Aeronautics Limited (HAL). This strategic investment opens access to a substantial US\$15 billion+ market in aviation, aerospace, defence, and satellite electronics. HETL's patented Open System Architecture Mission Computer (OSAMC), a "Make-in-India" product, aligns perfectly with our nation's strategic goals of self-reliance and technological advancement. This expansion truly positions VLEG as a high-tech contender.

As a company committed to sustainable solutions for smart governance, VLEG integrates six capitals - Natural, Human, Social, Manufactured, Intellectual, and Financial - into our holistic approach to value creation. Our environmental, social, and governance (ESG) initiatives ensure that our technological advancements contribute positively to ecological balance and societal well-being. For instance, our efforts in paperless digital record-keeping directly contribute to forest conservation, and the smart-city project focuses on renewable energy solutions.

At the heart of VLEG's success and future growth are our people. We passionately believe that our human capital is the cornerstone of our ability to innovate and deliver operational excellence. We are dedicated to cultivating a supportive

environment where every colleague is empowered to excel. This commitment is reflected in our robust human resource policies, focusing on attraction, retention, and continuous development through comprehensive training programs. Our 100% employee retention rate in FY2025 is a testament to these efforts, underscoring our emphasis on well-being, work-life balance, and mental health support through various wellness initiatives. We actively promote diversity and inclusion, ensuring equal opportunities for all within our workplace.

Furthermore, our leadership team has been significantly strengthened with veterans from the defence and infrastructure sectors, including individuals like Mr. Hari Mohan (former Chairman of Ordnance Factory Board), Mr. Chandra Kailash Vishwakarma (former Executive Director at HAL) and Mr. Anoop Agarwal (former Indian Railway Service of Engineers). This expertise balances sectoral insight with fiduciary oversight, aligning our governance framework with our ambitious high-tech and EPC ventures. We understand that strong relationships with all stakeholders – customers, partners, and communities – are fundamental to our success. Our customer-centric approach, coupled with active employee participation in social impact programs, ensures that our operations create lasting positive societal value.

As India ascends towards a \$10 trillion economy, the demand for intelligent governance solutions and robust infrastructure will only intensify. VLEG is uniquely positioned to harness these opportunities, leveraging our extensive experience, technical expertise, and strategic vision to drive transformative change. We are poised to continue pioneering solutions that are ready for tomorrow, today.

Thank you for your unwavering support and trust as we embark on this exciting new chapter of growth and innovation.

Thank you for your continued support and trust in VL E-Governance & IT Solutions Limited.

*Sincerely,*

**Dr. Nishikant Kishanrao Hayatnagarkar**  
Executive Chairman  
VL E-Governance & IT Solutions Limited



# Letter from the Managing Director



"We closed FY2025 with ₹3,238.79 lakhs in revenue and a debt-free balance sheet, a solid base to drive our multi-vertical transformation."

**Sanjay Nandwana**

Managing Director

VL E-Governance & IT Solutions Limited

Dear Valued Stakeholders,

It is my distinct privilege to outline the strategic decisions and significant achievements that have marked FY2025 as a pivotal year for VL E-Governance & IT Solutions Limited (VLEG). We have meticulously revamped our business strategy and strengthened our leadership team to align internal processes with our future growth roadmap. Our deliberate shift has transformed VLEG from a primarily service-led e-governance entity into a diversified technology and infrastructure solutions company with national relevance.

Our strategy for the future is built upon three principal segments: Digital Services & E-Governance Solutions, Smart Infrastructure & EPC, and Aviation, Aerospace, Defence, and Satellite projects. While our foundational e-governance segment remains critical for public digital delivery, we are strategically expanding into high-growth areas, leveraging our extensive experience and robust project execution capabilities. This strategic repositioning ensures long-term value creation.

**₹114 crore**

already raised through preferential warrants, with the remaining ₹286 crore expected, to fuel e-governance, land-titling, and smart city expansion.


**₹143.89 lakhs**

positive EBITDA in FY2025, marking a sharp turnaround from losses, driven by strategic cost control and margin-focused execution.

## FY2025 Financial Highlights & Strategic Finance

Our financial performance in FY2025 demonstrates a significant turnaround, reflecting the success of our strategic realignment:

- » **Revenue Growth:** Total income increased by 30.68% year-on-year, reaching ₹3,238.79 lakhs. This growth signals improved execution and early traction in our restructured business model.
- » **EBITDA Turnaround:** We successfully returned to positive EBITDA of ₹143.89 lakhs, a stark improvement from the previous year's negative figures. This is a direct result of our rigorous cost controls and a strategic focus on margin expansion.
- » **Zero-Leverage Balance Sheet:** A landmark achievement for FY2025 is our debt-free status. We repaid all borrowings, moving from ₹5,108.86 lakhs in FY2024 to zero total debt. This highlights the discipline of our capital-management framework and provides significant financial firepower for future growth. Our net worth stands strong at ₹4,569.66 lakhs, balancing prudent Expected Credit Loss (ECL) provisioning with resilient equity preservation.
- » **Strategic Funding:** Our Board approved a preferential allotment of 5.34 crore fully convertible warrants, aiming to raise ₹400.99 crore from non-promoter investors. With ₹114 crore already received and the balance ₹286 crore expected over the next 18 months, these funds are earmarked to accelerate e-governance rollouts and finance large-scale digital identity, land-titling, and smart-city projects.



**We are building a future-ready enterprise by combining our legacy in e-governance with strategic bets in smart infrastructure and high-tech manufacturing**

### Key Business Initiatives and Outlook

1. **Sankalp Industrial Smart City Project:** In May 2025, we formalised our partnership with Ekansh Concepts Limited as the Engineering, Procurement, and Construction (EPC) partner for the Sankalp Industrial Smart City Project. This ambitious project, valued at approximately ₹800 crore for Phase I, spans 494 acres and is strategically located at the intersection of the Mumbai–Nagpur Samruddhi Mahamarg and the Delhi–Mumbai Expressway. Its comprehensive features include rooftop solar installations, captive power infrastructure, data centres, large-scale warehousing hubs, and a smart residential township. This project is designed for scalability, with potential for further expansion into Phase II (565 acres) and Phase III (901 acres). This venture leverages our systems-integration expertise and is expected to become a high-return revenue stream and a showcase of turnkey delivery.
2. **Strategic Acquisition in HAL-Edgewood Technologies (HETL):** We have signed a binding term sheet to acquire a 40% equity stake in HAL-Edgewood Technologies Private Limited (HETL), a joint venture of Hindustan Aeronautics Limited (HAL). This acquisition is a pivotal move for VLEG, allowing us to expand into high-tech sectors such as aviation, aerospace, defence, and satellite technology. HETL has developed the Open System Architecture Mission Computer (OSAMC), lauded as the “World’s Best Mission Computer” and entirely designed and developed on Indian soil, receiving “Make-in-India” approval. This positions us to capitalise on a market opportunity exceeding US\$15 billion and aligns with India’s strategic self-reliance initiatives in defence manufacturing.
3. **Large-Scale E-Governance Business Opportunities:** Our three decades of strong credentials and project capabilities make us eligible to bid for new large-scale, multi-location government projects. We are strategically focused on initiatives under the Digital India Land Records Modernisation Programme (DILRMP), including the rollout of Unique Land Parcel Identification Numbers (ULPIN)

and Aadhaar-land record integration. Our past success in digitising land records for the Philippines Government and in six districts of Uttar Pradesh provides invaluable experience for these upcoming initiatives. We are also exploring new verticals such as railways, digital health, and agri-tech, aligning our expertise with India’s evolving digital future.

4. **Expansion into Renewable Energy and Infrastructure:** Beyond the Sankalp project, we are actively exploring opportunities to enter the renewable energy sector, including solar power project implementation through Joint Ventures or Consortia, and developing PM-eDrive Charging Station Operator (CPO) networks. We also plan to target high-return data centre and logistics park projects along prime corridors.

In summary, FY2025 has been a period of profound strategic advancement. With a significantly deleveraged balance sheet, new capital on the books, and a sharpened strategic focus, VLEG is well-positioned to emerge as a multi-vertical platform company, combining physical infrastructure creation with advanced technology delivery. We are confident that our strategic investments and project execution capabilities will yield substantial growth, enabling us to enhance our revenue base and improve profitability in the coming years.

We extend our sincere gratitude for your continued belief in our vision and our capabilities. We look forward to delivering sustainable long-term value for all our stakeholders.

*Sincerely,*

**Sanjay Nandwana**

Managing Director

VL E-Governance & IT Solutions Limited

## Our Board of Directors



**Dr. Nishikant Kishanrao  
Hayatnagarkar**

*Chairman & Executive Director*

Mr. Hayatnagarkar holds a Doctorate in Computer Science from IIT-Powai, Mumbai and has extensive professional experience in microchip design and innovation. Renowned in the field of microchip designing, Dr. Nishikant has developed a voice recognition system, which is widely used in various applications like Tele Banking, Tele Gas Booking, amongst others. He has also designed and developed a Multilingual Keyboard. He is a consultant to Media Labs Asia – Kamal Rekhi School for Information Technology (IIT Mumbai) for the development of a Multilingual data input device – Marathi language Keyboard (Key–Lekh) and E-Lekh (tablet-based Marathi language Input).



**Sanjay Nandwana**

*Managing Director*

Mr. Sanjay Nandwana is a distinguished technology leader with over 34 years of expertise in business management, IT, and digital transformation. A Science graduate with a Master's in Economics, he has a proven track record of driving innovation, digital strategy, and large-scale technology implementations across diverse industries.

As Head of Technology & Innovation, Mr. Nandwana specialises in conceptualising, developing, and executing cutting-edge IT solutions in e-Governance, BFSI, Fintech, Digital Payments, Defence, Land Records Digitisation, and Enterprise IT Solutions. His global experience spans managing multi-million-dollar technology projects across the UK, the Philippines, and other international markets, overseeing cross-border operations, offshore delivery models, and global client relationships.

Previously, as Group CTO at Vakrangee Limited, he played a pivotal role in shaping the company's technology roadmap, corporate strategy, and digital transformation initiatives. He led enterprise-wide digital transformation, spearheaded large-scale IT implementations, and introduced innovative ESG-driven technology solutions. Notably, he led the digitisation of land records in the Philippines, leveraging advanced GIS and data science technologies to modernise land administration and property registration and has also worked on various e-Governance projects.

Beyond his corporate leadership, Mr. Nandwana is a seasoned entrepreneur and intrapreneur, having successfully founded and scaled businesses in ITES, e-Governance, Fintech, IT Consulting, and Food Retail (QSR chains).

His contributions to technology and innovation have earned him prestigious accolades, including being recognised among India's 100 Most Innovative CIOs/CTOs in 2016 and receiving the India CISO Award in 2017.

A visionary in technology-driven business transformation, Mr. Nandwana continues to drive innovation, strategic growth, and next-gen digital solutions that redefine industry landscapes.



**Mr. Hari Mohan**

*Non-Executive Independent Director*

Mr. Hari Mohan is a 1982-batch Indian Ordnance Factories Service (IOFS) officer with a postgraduate degree in mechanical engineering. In 2019, he took over as chairman of the Ordnance Factory Board.

He was the CEO for the ammunition-making Unit at Pune and the Main Battle Tanks Manufacturing Unit at Chennai. He has also contributed significantly in various positions at Bharat Heavy Electricals Limited (BHEL) at Haridwar, Vehicle Factory at Jabalpur, Engine Factory and Heavy Vehicles Factory at Avadi, Ammunition Factory at Khadki, and Ordnance Factories at Bolangir, Chanda, and Dehu Road, apart from OFB New Delhi Office and Ministry of Steel and Ministry of Mines and significantly contributed to the modernisation of steel plants of the Steel Authority of India limited (SAIL) during his tenure in ministries of Steel and Mines.

As a technocrat, he had been part of the many Government Delegations deputed to various countries for international cooperation in the field of defence technologies. Throughout his 39-year career with the OFB, he has worked extensively in the manufacturing of armoured infantry vehicles, artillery, battle tanks, small arms, and ammunition. He has demonstrated a strong aptitude for project management and corporate governance, among other areas, and was honoured with the 'Ayudh Ratna' award for his exemplary service at the Heavy Vehicles Factory (HVF).





**Anoop Kumar Agrawal**

*Non-Executive Independent Director*

Mr. Anoop Kumar Agrawal is a graduate of IIT Delhi (B.Tech, Civil Engineering, 1985) and an accomplished civil engineer and former Indian Railway Service of Engineers (IRSE) officer, with over 34 years of expertise in rail infrastructure, metro systems, and ropeway projects.

He has held key leadership roles, including Executive Director at National High-Speed Rail Corporation Limited (NHSRCL), where he advanced India's high-speed rail projects, and Managing Director of the Indian Port Rail and Ropeway Corporation (IPRCL), successfully executing mega projects. Renowned for his proficiency in project management, PPP financing, and technical innovation, he has contributed significantly to metro rail, bullet train, and ropeway developments. He has also served as group general manager at RVNL, Mumbai.

Mr. Agrawal has been involved in several planning and execution related railways

and port projects, such as development projects at Dahej and Dighi ports, connectivity projects at Rewas and Nandgaon ports, the Mumbai-Chennai railway network line doubling project funded by ADB, and the Borivali-Virar line quadrupling on the Mumbai suburban rail network financed by the World Bank.

A recipient of multiple awards, including a Gold Medal from the Railway Staff College, he has undergone global management training and is a member of prestigious engineering and logistics institutions. Currently, he advises on critical infrastructure projects, integrating international best practices.



**Chandra Kailash Vishwakarma**

*Non-Executive Independent Director*

Mr. Vishwakarma is a topper in Mechanical Engineering from M.M.M. Engineering College (1976) and holder of a PGDM in Marketing (1999). He has received specialised training from Hindustan Aeronautics Limited (HAL) as well as international institutions in France and Russia. With over four decades of distinguished experience in aerospace and defence, Mr. Vishwakarma is a seasoned expert in the

manufacturing, repair, and management of aircraft and helicopter accessories. His significant contributions to key defence projects, including the development of SU-30 fighter aircraft accessories, have reinforced India's defence capabilities.

He retired as Executive Director (Coordination) at Hindustan Aeronautics Limited (HAL), New Delhi. He played a pivotal role in liaising with the Ministry of Defence for critical procurement and negotiation processes, ensuring seamless collaboration between HAL and the government to strengthen India's defence infrastructure.

His illustrious career at HAL is marked by a progression through highly responsible roles. As General Manager of the Accessories Division at HAL,

Lucknow, he spearheaded operations for the production and management of over 1,000 types of sophisticated aircraft accessories, showcasing his technical acumen and operational leadership. Earlier, as Head of Management Services at HAL, Kanpur, he demonstrated exceptional strategic and organisational skills, contributing significantly to the division's efficiency and effectiveness.

Widely recognised for his technical expertise, strategic foresight, and leadership, Mr. Vishwakarma has significantly contributed to defence projects, including the development of SU-30 fighter aircraft accessories. He is an active member of professional organisations like the Aeronautical Society of India and the Council of Science and Technology, UP.



**Tanu Surendra Shukla**

*Non-Executive Independent Director*

Ms. Tanu Shukla has 5 years of expertise in import and export, with strong leadership skills for managing large-scale projects and exploring new opportunities in the e-Governance sector. Her innovative and strategic approach drives business growth and fosters advancements in technology-driven governance solutions.

# Opportunities & Goals



By fusing our proven e-governance legacy with ambitious forays into smart-city EPC and defence electronics, VLEG is charting a path of sustainable, diversified growth. Our aim is to shape governance that is efficient, inclusive, secure, and future-ready - empowering both citizens and the nation.

## FY2025 Defining Moves

### Charting New Frontiers: VLEG's Strategic Ambitions


FY2025 is a defining year for VLEG as we transition from a mission-mode service provider into a diversified growth engine. Anchored in a zero-debt balance sheet, healthy cash flows, and seasoned leadership, we are well-positioned to seize emerging opportunities across governance, infrastructure, and high-technology domains.

#### Two Defining Moves in FY2025

##### 1. Sankalp Industrial Smart City (EPC Partnership)


- » MoU signed with Ekansh Concepts Ltd.
- » 494 acres | Phase I value: ₹800 crore.
- » Smart infrastructure: solar power, data centres, Warehousing, residential townships.
- » Future expansion: 1,466 acres across Phases II & III.

1



Partnership with Ekansh Concepts as an EPC Partner for the Smart City project.

2



Signed Term Sheet for acquisition of equity stake in HAL-Edgewood Technologies. Market opportunity in aerospace and defence.

**Zero-debt strength allows us to underwrite large EPC projects without external reliance.**

## 2. Strategic Acquisition in Defence & Aerospace

- » Sign Term sheet for 40% stake in HAL-Edgewood Technologies Pvt. Ltd.
- » Co-ownership of OSAMC Mission Computer (Patent No. 302177) – a fully Indian innovation.
- » Market opportunity: US\$15+ billion in aerospace, defence, and satellite electronics.
- » Customisable for Mirage-2000, Jaguar, Hawk-132, Su-30MKI fleets.

## Business Verticals

### High-Tech Industries

Co-design and manufacture OSAMC with HAL/DRDO/export clients. Develop electronics, software, hardware, and aeronautical systems for aerospace & defence.



### Large-Scale E-Governance

Legacy of scale: 50M Aadhaar enrolments, 100M voter IDs, 145M NPR records, 20M land deeds. Opportunities: ULPIN rollout, Aadhaar–land record integration, railways, health, education, agriculture.



### Infrastructure & Renewable Energy

Beyond Sankalp: rooftop solar, captive power, EV charging (PM-eDrive: ₹10,900 crore outlay). Target: data centres, logistics parks, warehousing clusters along expressways.



### Financial Firepower & M&A

Zero debt (down from ₹5,108.9 lakhs in FY2024). ₹241.1 lakhs free cash flow generated in FY2025. ₹400.99 crore warrants approved, with ₹114 crore already received. Reserves earmarked for e-governance, advanced tech, and selective acquisitions.



### 1. High-Tech Industries & Defence Electronics

- » Co-design and manufacture OSAMC with HAL/DRDO/export clients.
- » Develop electronics, software, hardware, and aeronautical systems for aerospace & defence.

### 2. Large-Scale E-Governance

- » Legacy of scale: 50M Aadhaar enrolments, 100M voter IDs, 145M NPR records, 20M land deeds (Philippines).
- » Opportunities: ULPIN rollout, Aadhaar–land record integration, railways, health, education, agriculture.

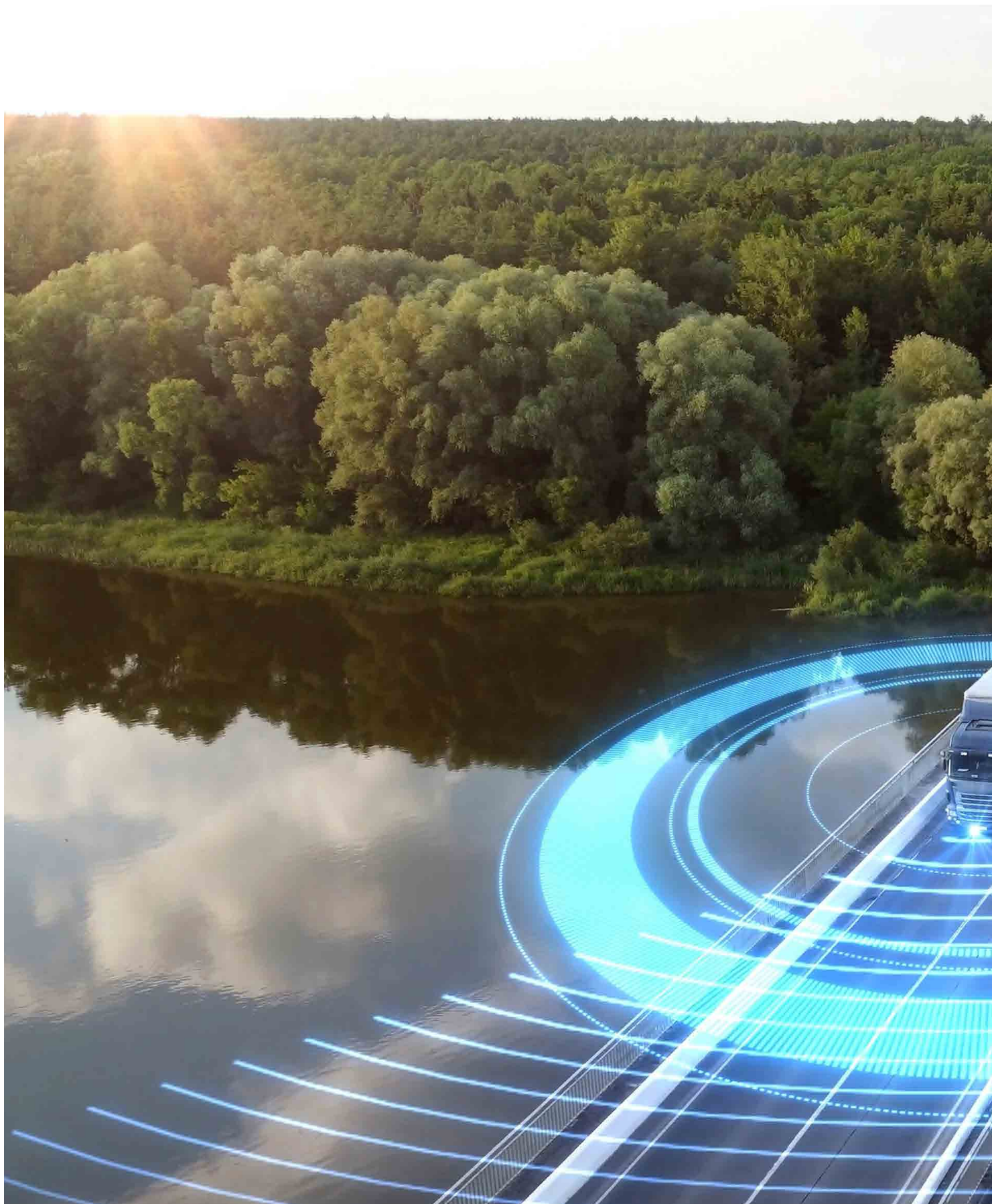
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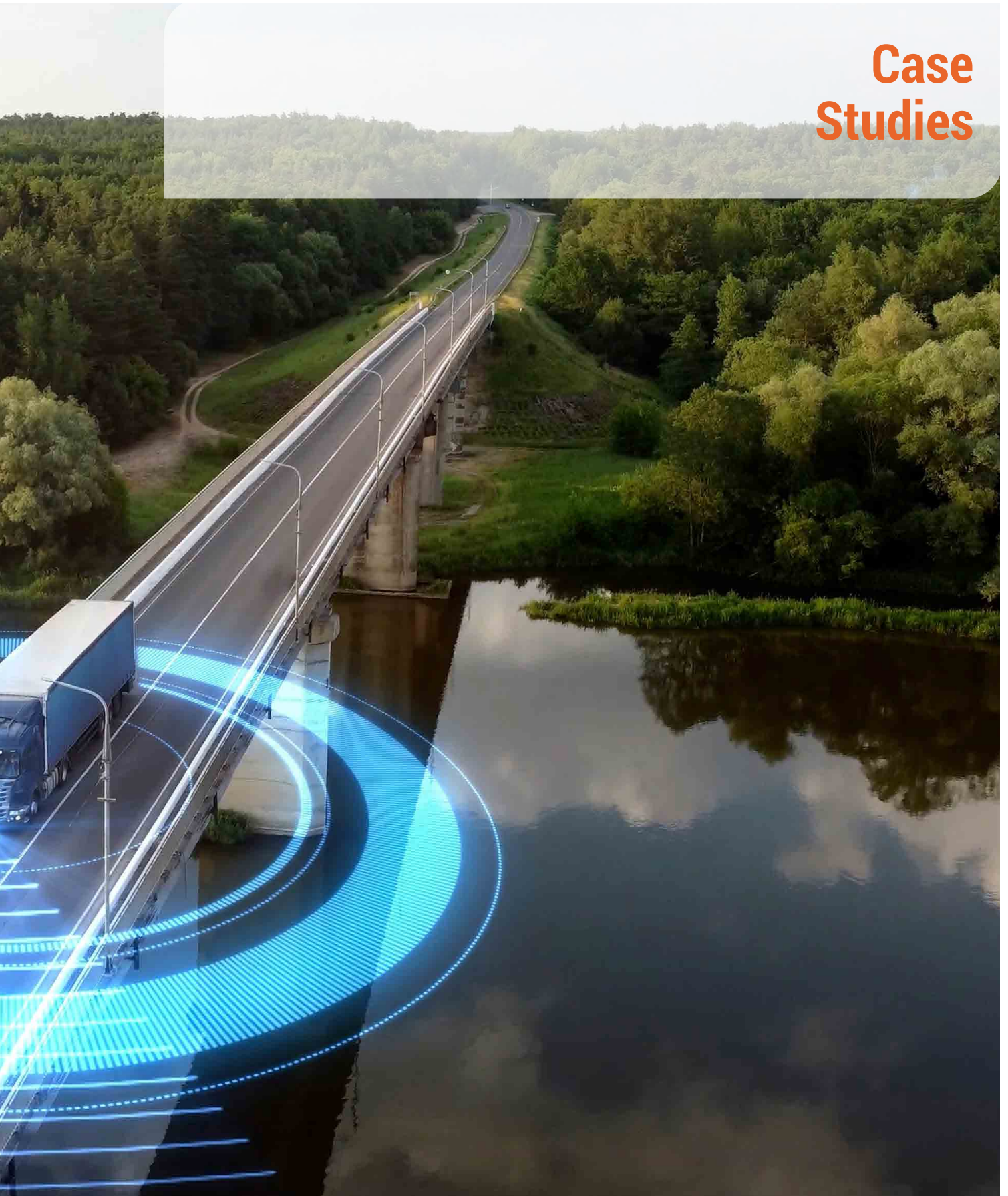
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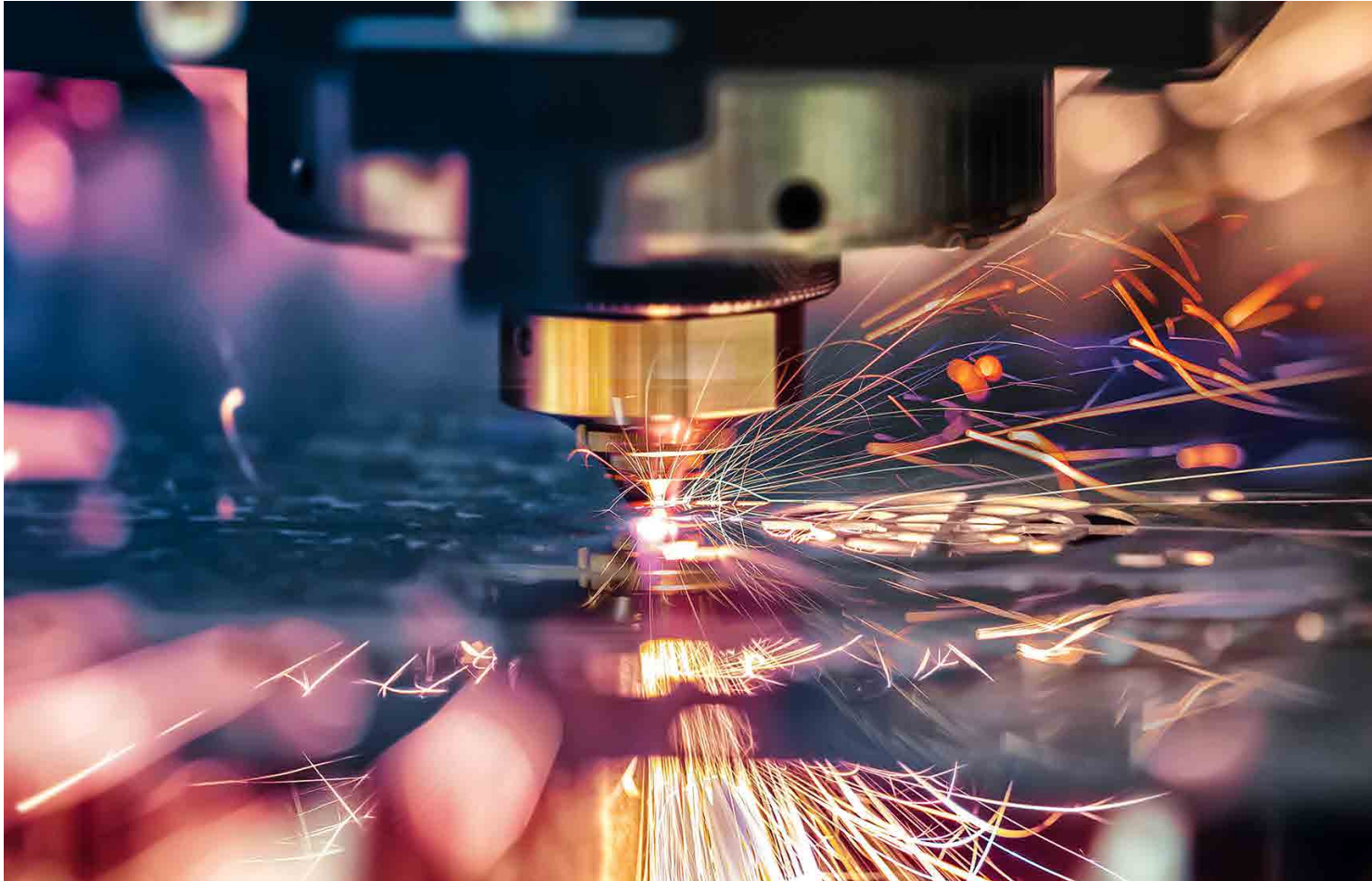
# Case Studies





**FEATURE -1**

# VLEG Broadens Growth Frontiers with Strategic Stake in HAL-Edgewood Technologies Private Limited (HETL)



## A Transformative Investment in Advanced Technologies

VL E-Governance & IT Solutions Limited (VLEG) has strengthened its growth roadmap by executing a binding term sheet to acquire a 40% equity stake in HAL-Edgewood Technologies Private Limited (HETL) a joint venture of HAL. This step signifies a pivotal diversification into high-technology industries, including aviation, aerospace, defence, and satellite systems. Partnering of Hindustan Aeronautics Limited (HAL) not only expands VLEG's portfolio but also reinforces India's national agenda of self-reliance and indigenous technological progress.

## Strategic Entry into High-Tech Industries

Established in 2007, as a Joint Venture of HAL, HAL-Edgewood Technologies Private Limited (HETL) has evolved into a frontrunner in military aviation systems. A key achievement is the Open System Architecture Mission Computer (OSAMC), developed and patented entirely on Indian soil (Patent No. 302177). This breakthrough reduces import reliance and underscores India's "Make in India" ambitions in defence electronics and avionics.

**40%**

### Strategic Stake

VLEG secures equity in HETL by signing term sheet, deepening its presence in aerospace and defence.





### Future Growth Potential

Through this stake, VLEG gains access to HETL's advanced competencies across electronics, software, hardware, and aeronautical systems. Beyond financial investment, the partnership represents a strategic alignment with VLEG's vision to expand into industries vital for security and innovation. It also enhances the company's preparedness to participate in upcoming large-scale government contracts, particularly within the aerospace and defence ecosystem.

## Indian Soil Innovation

### OSAMC

an entirely Indian-designed and patented mission computer.

## Expanding Horizons

### Entry into

high-technology sectors crucial for national security and future growth.

### Building on Three Decades of Digital Leadership

VLEG brings to this partnership its proven expertise in large-scale digital transformation projects in India and overseas. Successful programmes such as Aadhaar enrolment and the Philippines land record digitisation initiative highlight VLEG's ability to manage complex, multi-location, and technologically intensive projects. Leveraging this legacy, the association with HETL equips VLEG to contribute disruptive solutions in high-technology segments.

### About HETL

HETL is recognised for its leadership in mission-critical aerospace technologies, including OSAMC, which has set new standards in avionics design and integration. The company is advancing initiatives in chip-level encryption and digital design, reinforcing its commitment to innovation in high-value sectors such as aviation, satellite technology, and defence applications.

### Outlook

This acquisition marks a defining step in VLEG's strategy to transition from a governance-focused solutions provider to a participant in frontier technologies. It unlocks opportunities for sustainable long-term growth while aligning the company's capabilities with India's strategic imperatives in defence and aerospace. With its strong foundation in e-governance and expanding presence in advanced technology industries, VLEG is positioned for an accelerated trajectory of innovation and value creation.

## FEATURE -2

# Building Smart Infrastructure – VLEG's EPC Growth Path



## Entering the Infrastructure Arena

2025 marks a decisive step for VL E-Governance & IT Solutions Limited (VLEG) as we expand beyond our digital legacy into large-scale infrastructure and EPC contracting. With a strong balance sheet, zero debt, and decades of project execution experience, VLEG is now positioned to deliver integrated, future-ready infrastructure solutions that combine technology, sustainability, and scale. This diversification aligns us with India's rapid urbanisation and industrial growth, reinforcing our role in nation-building.

## Sankalp Industrial Smart City – Our Landmark Project

In May 2025, we formalised an MoU with Ekansh Concepts Ltd. to act as EPC partner for the Sankalp Industrial Smart City.

- » **Phase I:** 494 acres | EPC value: ₹800 crore
- » **Strategic location:** Junction of the Mumbai–Nagpur Samruddhi Mahamarg and the Delhi–Mumbai Expressway.
- » **Infrastructure mix:** rooftop solar systems, captive and open-access power, power distribution franchise, state-of-the-art data centres, warehousing hubs, and smart residential townships.
- » **Expansion:** Phases II (565 acres) and III (901 acres), covering an additional 1,466 acres of integrated infrastructure.

This landmark project showcases our ability to underwrite and execute large-scale EPC ventures, leveraging financial strength and project management expertise.

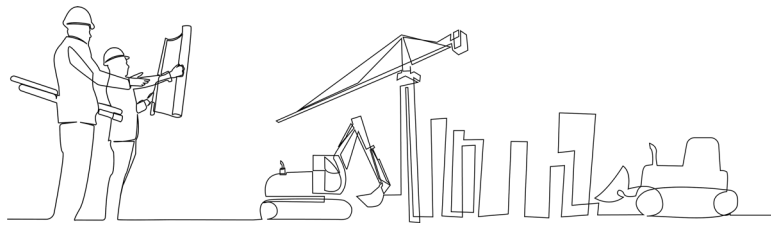


**494 acres**

**Phase I:**

EPC value: ₹800 crore

“By combining financial discipline with execution strength, we are building a platform to deliver smart, scalable, and sustainable infrastructure across sectors.”



### Unlocking EPC and Renewable Opportunities

Beyond Sankalp, we are actively pursuing opportunities across:

- » **Renewable Energy:** solar projects, captive power facilities, and EV charging networks under PM-eDrive (₹10,900 crore outlay).
- » **Data Centres & Logistics Parks:** high-return developments strategically located along India's expressway corridors.
- » **Integrated Warehousing:** large-scale storage and distribution clusters that serve industrial and urban ecosystems.

Our EPC focus is supported by our core strengths in systems integration, governance project management, and sustainable innovation, ensuring delivery of projects that meet national and global standards.

### Outlook

EPC is emerging as a growth engine for VLEG, complementing our established e-governance legacy and high-technology aspirations. By combining financial discipline with execution capability, we are creating a platform that delivers smart infrastructure, renewable Energy, and industrial ecosystems at scale.

This strategic move positions VLEG as not only a digital enabler but also a nation-building partner, delivering infrastructure that is sustainable, scalable, and future-ready.



FEATURE -3

# Driving the Next Era of Land Administration Through Digitisation: VLEG's Strategic Role



## Unlocking Opportunities in Digital Land Management

At VL E-Governance & IT Solutions Limited (VLEG), we continue to redefine land administration by advancing large-scale digitisation programmes. Through the deployment of Geographic Information Systems (GIS) and the Unique Land Parcel Identification Number (ULPIN) framework, we are reshaping how governments and citizens interact with land records. Building on decades of experience in e-governance, including our landmark projects in the Philippines, VLEG is uniquely positioned to deliver solutions that combine transparency, efficiency, and security at scale.

## Rural and Urban Transformation Aligned with Policy Reforms

The Government of India's 2024–25 Union Budget highlights comprehensive land-related reforms across rural and urban domains.

- » **Rural Transformation:** The rollout of Bhu-Aadhaar (ULPIN) is set to ensure precise ownership identification, supporting credit flows and improving agricultural productivity.
- » **Urban Modernisation:** Digitisation of land records through GIS mapping will enhance the financial standing of urban local bodies by streamlining tax collection and reducing fraudulent practices.

VLEG's initiatives reflect this dual focus, ensuring that digitisation contributes to equitable growth across both urban and rural economies.

## Rural Advancement:

Rollout of ULPIN (Bhu-Aadhaar) for accurate land ownership and agricultural credit access.



## Urban Innovation:

GIS-based record digitisation for financial strengthening of urban local bodies.

### Integrating Technology for Scalable Impact

Our expertise in digitising land records across six districts in Uttar Pradesh has demonstrated the effectiveness of GIS-driven cadastral mapping and Aadhaar-linked ULPIN systems. These projects have set new standards for accuracy and accessibility, strengthening the foundation for a unified national land record system.

### National and Global Leadership in Land Digitisation

VLEG's experience in dematerialising 20 million land deeds across 168 Registrar offices in the Philippines has established our credentials as a partner of choice for governments worldwide. This track record proves our ability to deliver technologically intensive and logistically complex programmes in diverse environments, creating opportunities for replication across other geographies.

### Government–Industry Momentum

The emphasis on digitisation in national economic reforms is being reinforced by significant public investment, as well as rising private sector participation. Corporations and institutional investors are increasingly exploring pre-development land assets, attracted by the transparency and reduced risks that digitisation ensures. VLEG is actively collaborating with stakeholders to accelerate this transformation.

## Global Expertise:

20 million land records digitised in the Philippines across 168 registrar offices.

### Strategic Significance

Our role extends beyond project execution. By leading initiatives that simplify land ownership and transactions, VLEG is positioning itself as a catalyst for economic growth and social equity. Digitised records not only streamline property transactions but also enhance governance by reducing title disputes, ensuring transparency, and enabling secure access to credit.

### Looking Forward

As governments worldwide step up efforts to modernise land administration, VLEG is ready to expand its influence, delivering next-generation land record solutions that strengthen both governance and economic systems. Our leadership in this domain underlines our commitment to transforming critical public infrastructure with technology-driven, inclusive, and scalable solutions.

## Strategic Leadership:

Proven capability in large-scale projects such as Uttar Pradesh's land record digitisation.

## FEATURE -4

# Reaching New Frontiers: VLEG's Entry into Aviation, Aerospace, Defence, and Satellite Sectors



## Strategic Expansion into High-Technology Domains

VL E-Governance & IT Solutions Limited (VLEG) has embarked on a transformative growth path by extending its presence into the aviation, aerospace, defence, and satellite industries. This move represents more than diversification; it is a calculated strategic leap that leverages VLEG's expertise in system

integration, technology, and sustainable innovation. The signing of binding term sheet for acquisition of 40% equity stake in HAL-Edgewood Technologies Private Limited (HETL), a joint venture of Hindustan Aeronautics Limited (HAL), establishes VLEG at the forefront of next-generation defence and aerospace advancements.

**40%****Equity Stake:**

Strengthened presence in aerospace and defence through HETL partnership with HAL.





## Sustainability Integration:

Eco-friendly practices embedded into high-tech projects, aligning with global standards.

### Diversifying for Sustainable Growth

This entry marks VLEG's formal step into sectors expected to witness significant expansion. Through HETL, VLEG is now directly engaged in the design, development, and manufacturing of advanced electronics, software, hardware, and aeronautical systems. These are mission-critical components for aerospace, defence, and satellite applications. The strategic diversification enables VLEG to capture

## Indigenous Innovation:

### OSAMC-

a patented, fully Indian-designed mission computer for military aviation.

opportunities in modernising India's defence infrastructure, expanding space exploration initiatives, and supporting global aerospace collaborations.

### Innovation Anchored in Indigenous Capability

A hallmark of HETL's contribution is the Open System Architecture Mission Computer (OSAMC) - a pioneering, fully Indian-designed and patented product (Patent No. 302177). The OSAMC exemplifies the company's commitment to import substitution and indigenous innovation under the "Make in India" framework. By fostering homegrown technological solutions, VLEG and HETL are directly strengthening national security capabilities while creating long-term value in high-technology domains.

### Leveraging Core Competencies for Breakthroughs

VLEG's established record in delivering sophisticated, technology-driven solutions provides a strong foundation for its foray into aerospace and defence. The company's proven project execution skills and system integration capabilities ensure that it is not merely participating in these industries but actively shaping their direction. The collaboration with HAL and Edgewood further enhances VLEG's ability to scale operations and align with global standards.

### Strengthening National Priorities and Global Partnerships

This venture aligns seamlessly with national objectives to enhance self-reliance in defence manufacturing and aerospace innovation. By combining HAL's extensive legacy in aviation with VLEG's technology expertise, the partnership positions HETL as a key contributor to India's aerospace ecosystem.

### Looking Ahead

VLEG's expansion into these critical industries is more than an extension of its portfolio; it is a strategic evolution that secures its position as a forward-looking leader in advanced technologies. By integrating sustainability practices into aerospace and defence projects, the company ensures that innovation is aligned with both national imperatives and global environmental goals. This move sets the stage for VLEG to play a defining role in shaping the future of aerospace, defence, and satellite technologies.

FEATURE -5

## **Governance Reimagined:** From Citizen Services to National Security



## Expanding the Definition of Governance

At VL E-Governance & IT Solutions Limited (VLEG), governance is not confined to public service delivery - it extends to strengthening the nation's technological independence and strategic security. With our dual focus on transforming citizen-centric services and entering advanced sectors such as aviation, aerospace, defence, and satellite technologies, we are shaping a holistic governance framework that empowers individuals while safeguarding national interests.

## Transforming Public Service Delivery

For more than three decades, VLEG has redefined how citizens access essential government services. By deploying digital platforms for programmes such as the Public Distribution System (PDS), Passport Seva Kendras, Election Management, and land record digitisation, we have enhanced transparency, efficiency, and accessibility. These initiatives ensure that even remote and underserved communities can access vital services with ease, reinforcing equity and inclusion in governance.

Our leadership in digitising voter records, issuing smart ration cards, and modernising land administration demonstrates our ability to execute projects that touch millions of lives, making governance more responsive, transparent, and inclusive.

## Governance at the Frontiers of Security and Innovation

Building on this foundation, VLEG has extended its governance role into domains critical for national security and technological self-reliance. Through the signing of binding term sheet for acquisition of 40% equity stake in HAL-Edgewood Technologies Private Limited (HETL) - a joint venture of Hindustan Aeronautics Limited (HAL) - we are contributing to the design, development, and production of advanced electronics, software, hardware, and aeronautical systems.

HETL's pioneering Open System Architecture Mission Computer (OSAMC), fully designed and patented in India, exemplifies indigenous innovation that reduces reliance on imports and supports India's "Make in India" initiative. Beyond citizen services, VLEG is now helping shape governance at the level of national defence and aerospace capability.

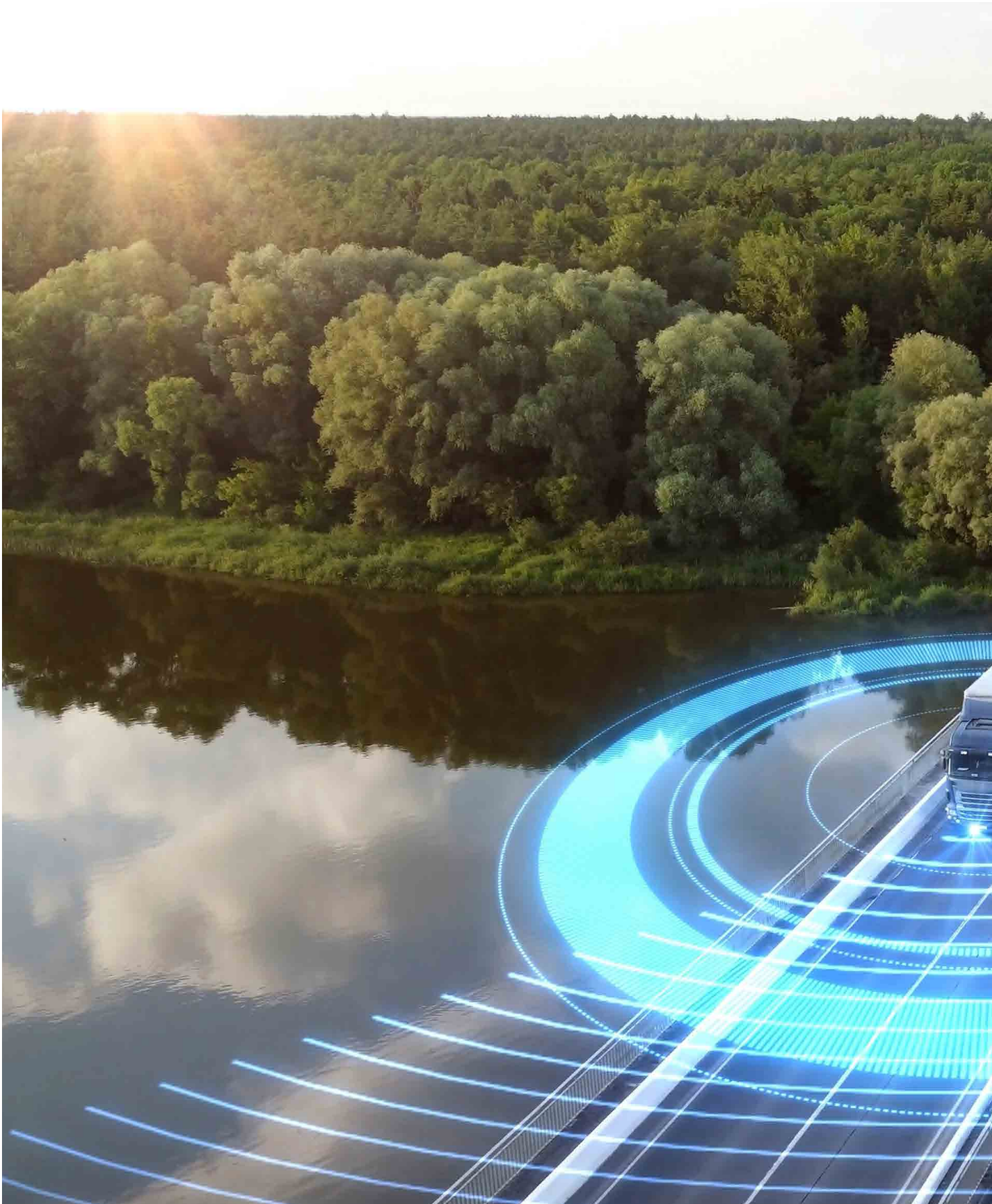
## A Governance Continuum: People and Nation

From enabling citizens to access subsidised food grains and passports seamlessly, to supporting India's aerospace self-reliance and international defence collaborations, VLEG is bridging two ends of the governance spectrum. On one side, we empower individuals by ensuring their entitlements and identities are protected. On the other hand, we strengthen national sovereignty by embedding indigenous technologies into aerospace and defence.

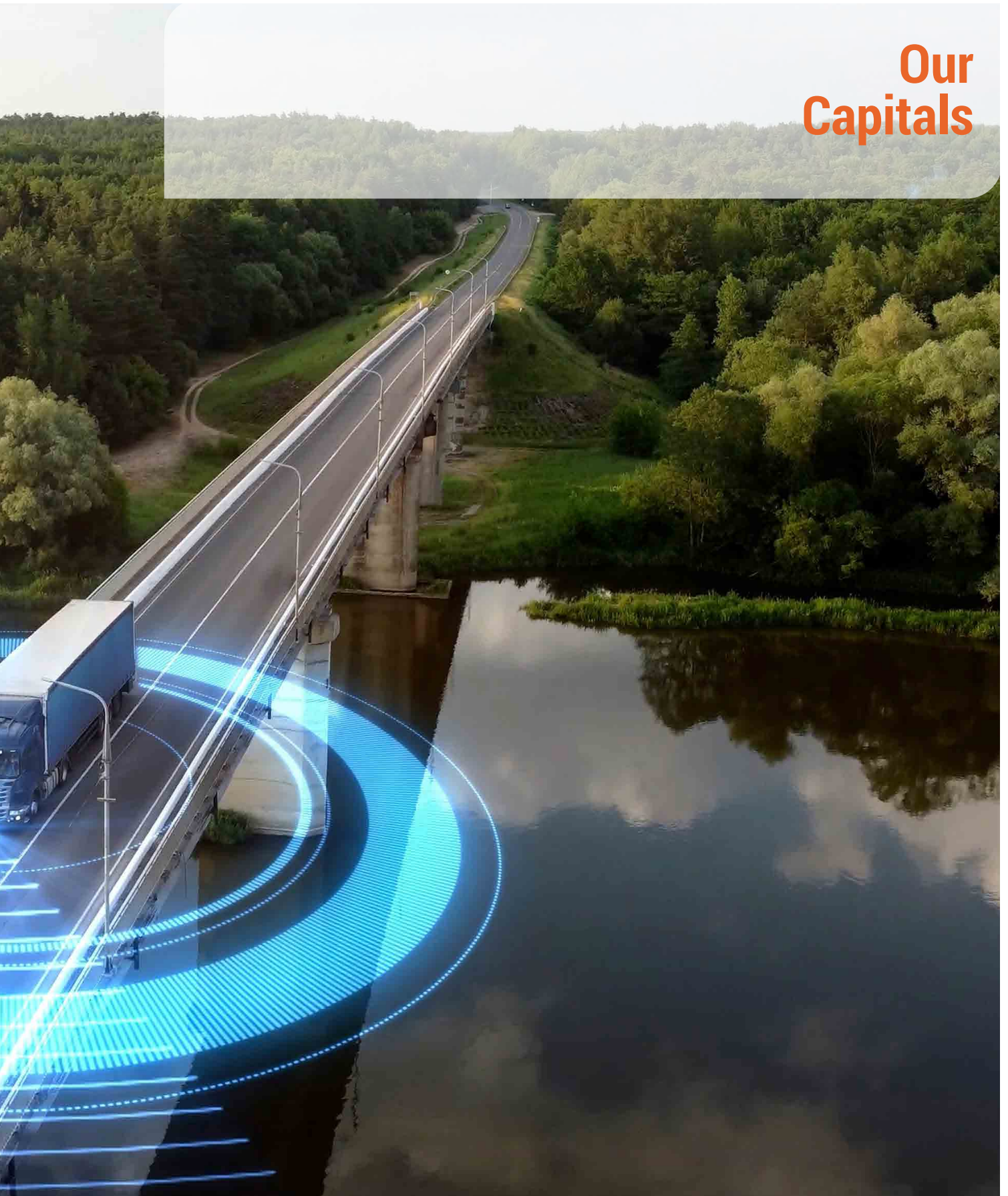
## Looking Ahead

Our governance strategy is built on integration - combining citizen-facing digital inclusion with national-scale innovation. Whether in the village through digitised services, or in the skies with aerospace technology, VLEG is committed to ensuring governance that is inclusive, secure, and future-ready. By embedding sustainability into all initiatives, we ensure that this governance continuum contributes not only to efficiency and security but also to global environmental goals.





# Our Capitals





Capitals: Financial


# The Engine Powering VLEG's Next-Gen Governance & Growth

**UNSDG Targets:**

**Zero debt has transformed our ability to underwrite large-scale Projects without external reliance. Moving from a D/E ratio of 0.02 to zero exemplifies our disciplined capital reset and strategic focus.**

**Introduction**

At VL E-Governance & IT Solutions Limited, we pioneer next-gen governance and fuel India's digital future. In FY2025, total income rose 30.7 % to ₹3,238.8 lakhs and EBITDA returned to positive territory at ₹143.9 lakhs, reflecting rigorous cost controls and margin expansion. We strengthened our balance sheet to a net worth of ₹4,569.7 lakhs, with zero debt. Strategic milestones include an ₹800-crore EPC MoU for the Sankalp Industrial Smart City and a binding 40% acquisition term sheet in HAL-Edgewood Technologies Private Limited (a Joint Venture of Hindustan Aeronautics Limited (HAL)).



“  
Converting more than 167%  
of EBITDA into free cash has  
transformed our funding model, no  
external financing required.  
”

### Zero-Leverage Balance Sheet Powers Growth

We closed FY2025 completely debt-free, marking a pivotal turning point in our financial stewardship. By repaying all borrowings, down from ₹5,108.9 lakhs in FY2024, our balance sheet now shows zero total debt, underscoring the rigour of our capital-management framework. This builds on last year's debt-equity ratio of 0.02, following strategic demerger and recapitalisation; net worth stand at ₹4,569.7 lakhs, balancing prudent ECL provisioning with resilient equity preservation.

We maintain stringent working-capital discipline, with trade payables of just ₹7.0 lakhs against ₹4,363.9 lakhs of current assets. Our rigorous cash-flow forecasting allowed us to internally fund the ₹800-crore Sankalp MoU's working-capital

needs, while robust cash and equivalents provide ample headroom for performance guarantees and contingencies.

- » **Negotiating leverage** with suppliers, enabling more competitive EPC bids.
- » **Funding optionality** for high-growth avenues without shareholder dilution.
- » **Enhanced credit profile**, favouring future capital raises on attractive terms.

### Free Cash Flow Fuels Strategic Investments

We generated ₹241.1 lakhs of free cash flow in FY2025, representing a net increase in cash & equivalents from ₹5.4 lakhs to ₹246.4 lakhs, driven by an EBITDA turnaround from a loss of ₹762.9 lakhs to a positive ₹143.9 lakhs, along with rigorous working-capital discipline. Converting operating profitability into liquid resources has enabled us to build self-funding capacity for capital expenditures (capex) without external financing, thereby reinforcing our zero-debt position and strategic agility.

### Financing Smart-City EPC for High Returns

In May 2025, we signed an MoU with Ekansh Concepts to serve as the EPC partner for Phase I of the Sankalp Industrial Smart City. Spanning 494 acres at the Mumbai–Nagpur and Delhi–Mumbai expressway junction, the Phase I contract is valued at ₹800 crore, integrating rooftop solar, captive power, data centres, warehousing and a smart residential township.

Our zero-debt balance sheet and robust cash-flow conversion have enabled us to underwrite new projects, capital firepower into a competitive edge. Building on last year's PM-eDrive and land-records bids, we are now deploying our systems-integration expertise at scale, positioning Sankalp as both a showcase of turnkey delivery and a high-return revenue stream.

₹ **4,569.7** Lakhs  
Net worth

**0**  
Total debt



### Indirect Economic Impacts (GRI 203-2)

Beyond direct revenues, our smart-city EPC and defence-aerospace acquisition will generate multiplier effects, creating employment, sourcing from regional SMEs and catalysing ancillary services. These ripple effects enhance urban resilience and foster sustainable local value.

### Capitalising on our acquisition to deliver projects across the aviation, aerospace, defence, and satellite sectors.

We have signed a binding term sheet for the acquisition of a 40% equity stake in HAL-Edgewood Technologies Private Limited (HETL), a Joint Venture of Hindustan Aeronautics Limited (HAL). HETL has developed the next-generation, state-of-the-art Mission Computer (OSAMC: Open System Architecture Mission Computer) for military aviation and aircraft. The first product in its category and completely

designed & developed on Indian Soil. It is also an import substitution product. The product Mission Computer (OSAMC) has been patented (vide patent No. 302177) and received approval as a "Make-in-India" product. Further, it has access to a US\$15 billion market in aviation, aerospace, defence, and satellite electronics. This deepens our integration pedigree with high-margin, 'Make in India' solutions.

This is a strategic investment in future growth opportunities for the Business of designing, developing, manufacturing, or promoting high-tech projects/products in the fields of electronics, software, hardware, and aeronautical systems required for Aviation, Aerospace, Defence, and Satellite projects.

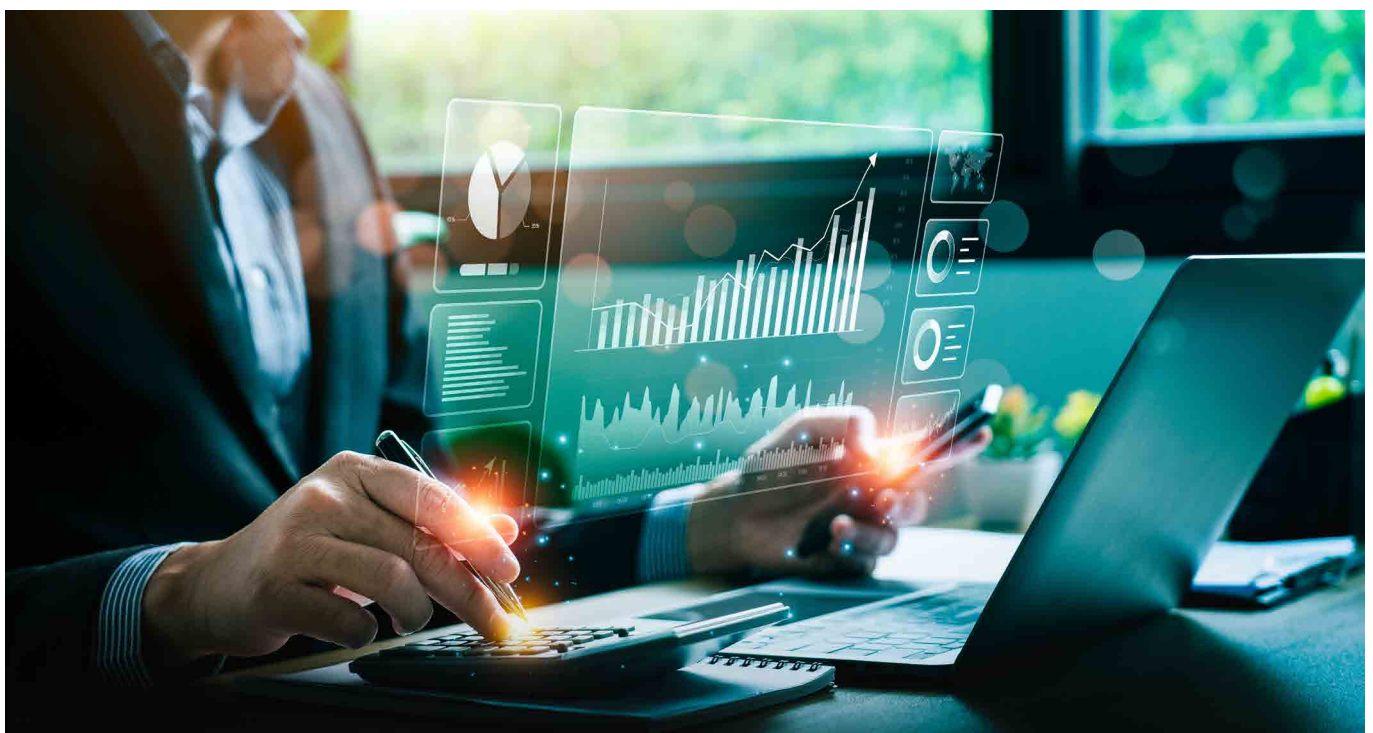
### Financial Capital Deployment: Sankalp Industrial Smart City EPC Partnership

We formalised a pivotal Memorandum of Understanding with Ekansh Concepts Limited, under which VLEG act as

**We are proud to join hands with Ekansh Concepts, setting a new benchmark for integrated smart-city ecosystems.**

**₹ 800 crore**  
EPC contract value

**3**  
total phases



**Increasing our HETL stake to 40% empowers us to develop India's mission-computer platforms at scale, safeguarding our intellectual property and maximising returns. Fully cash-funded capital expenditure fuels our ability to seize emerging opportunities, driving our evolution from systems integrator to high-tech OEM.**

the Engineering, Procurement & Construction partner for the Sankalp Industrial Smart City Project. With an estimated contract value of approximately ₹800 crore, this Phase I initiative encompasses 494 acres at the strategic junction of the Mumbai–Nagpur Samruddhi Mahamarg and the Delhi–Mumbai Expressway.

Phase I's scope integrates rooftop solar installations, open-access and captive power infrastructure, a power distribution franchise, state-of-the-art data centres, large-scale warehousing hubs, and a residential township outfitted with smart infrastructure. Upon successful completion and revenue recognition of Phase I, the project is designed to expand into Phase II (565 acres) and Phase III (901 acres), leveraging our financial capital to drive phased investments, optimise cash flows, and unlock substantial long-term value across industrial, residential, and logistics verticals.

### Preferential Issue and Future Fund Flow

During FY2025, our Board of Directors approved a preferential allotment of 5.34 crore fully convertible warrants, each warrant convertible into one equity share of ₹10 face value, raising to ₹400.99 crore from non-promoter investors.

These funds will be earmarked for:

- » **Accelerating e-Governance Rollouts:** Financing large-scale digital identity, land-titling, and smart-city projects.
- » **Advanced Technology Ventures:** Expanding our footprint in aviation, aerospace, defence, and satellite sectors through targeted R&D and capex.
- » **Strengthening Financial Position:** Enhancing liquidity to support performance bonds, working-capital needs, strategic inorganic initiatives.

This capital infusion underscores strong investor confidence in our vision and capabilities. It strategically positions VL E-Governance to execute its growth roadmap, deliver long-term value to shareholders, and capture emerging opportunities across high-growth, innovation-driven sectors.

### Enhancing Governance to Safeguard Financial Stability

Our governance framework, overseen by an Six Member Board and dedicated CSR and Risk Committees, ensures transparency, accountability, and ethical conduct. In FY2025, we added new board members with deep expertise in defence and infrastructure, balancing sectoral insight with fiduciary oversight.

Prudent provisioning under Ind AS 109 (ECL) demonstrates our forward-looking credit-risk framework. These provisions safeguard cash-flow integrity and underscore our commitment to balance-sheet discipline.

### Approach to Tax (GRI 207-1)

We apply a comprehensive tax-governance framework aligned with statutory requirements. Our Finance Committee reviews all tax positions, engages proactively with authorities and conducts periodic risk assessments to ensure accurate provisioning, timely payment and transparent disclosure, reinforcing our commitment to ethical fiscal stewardship.

**6**

Board members

Capitals: Natural

## Stewarding Our Planet: Natural Capital in Action



**“Looking Ahead: As VLEG expands, we intend to deepen our commitment to safeguarding natural capital. We’re elevating sustainability across our operations, maximising resource efficiency, cutting emissions, and nurturing biodiversity. Our goal is to redefine environmental stewardship and ensure our business actively shapes a thriving, sustainable future for all.”**

At VL E-Governance & IT Solutions Limited, our commitment to Natural Capital is not merely an obligation but a cornerstone of sustainable progress. As we continue pioneering new solutions and ideas that advance India, our approach integrates environmental stewardship into every facet of our diversified growth, as highlighted in our previous report. For FY2025, our efforts reflect a profound understanding that ecological balance is integral to our operations and the future we are building.

### Stewarding Resources Through Sustainable Management

Our dedication to Natural Capital is evident in our comprehensive approach to sustainable resource management, which guides every stage of our projects, from inception to execution. We prioritise efficient resource

utilisation, ensuring that our operations align with the principles of reduction, reuse, and recycling. This holistic framework underpins our efforts to minimise environmental impact while maximising value creation. For instance, in our e-governance solutions, we significantly reduce paper consumption by dematerialising land records and other government documents, directly contributing to forest conservation. This is particularly relevant given our involvement in major initiatives, such as the Philippines Land Titling Computerisation Project, which involved dematerialising 20 million land deeds, and the digitisation of land records in Uttar Pradesh.

We continually identify new opportunities to enhance our environmental stewardship, as exemplified by our engagement as EPC partners for the Sankalp Industrial Smart City project. This project integrates rooftop solar installations and captive power infrastructure, key components of our broader commitment to renewable energy solutions. This focus

“We embed sustainability into our smart city designs, leveraging solar energy and efficient power systems for a greener, integrated urban future.”

#### UNSDG Targets:

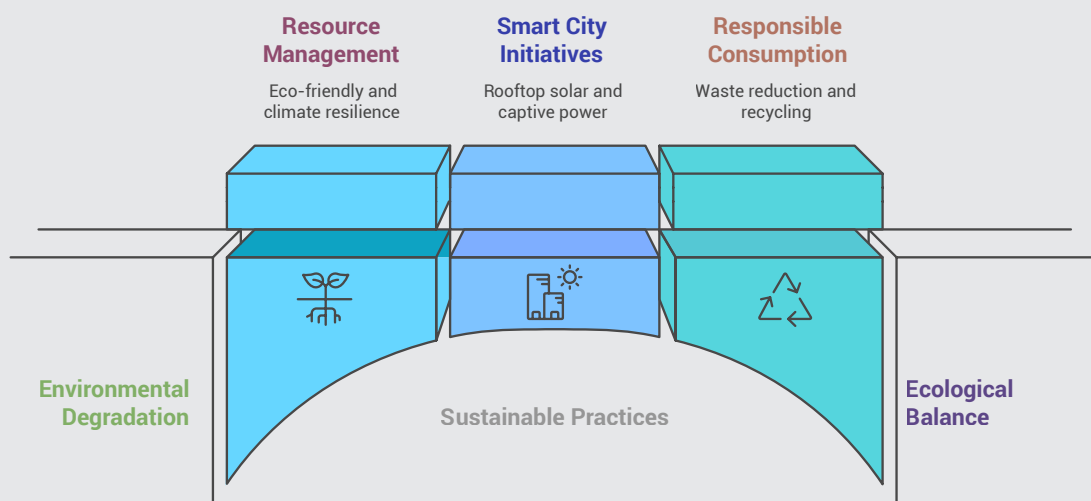


ensures that our technological advancements contribute positively to ecological balance, fostering a more sustainable future for the communities we serve.

#### Optimising Efficiency in Office Operations

Our commitment to environmental responsibility extends deeply into our daily operational practices, particularly within our offices. We continually implement a range of energy-efficient measures aimed at minimising our ecological

#### Achieving Environmental Sustainability





**Our offices embody our green principles, leveraging smart technologies and thoughtful design to reduce energy consumption and environmental impact.**

**40%**  
HETL equity stake

footprint and optimising resource consumption. This includes the widespread adoption of LED lighting systems, alongside automated energy management solutions that intelligently regulate power usage based on occupancy and need. These practical applications actively contribute to a reduced carbon footprint, aligning our internal operations with our broader sustainability goals. Furthermore, we diligently monitor our energy consumption, making continuous adjustments to ensure maximum efficiency.

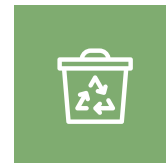
Beyond energy, our comprehensive waste management programs are integral to our operational ethos. We champion the segregation of waste at the source, meticulously ensuring that all recyclable materials, from paper to plastics and electronic components, are correctly processed and diverted from landfills. A conscious effort to reduce single-use plastics is also a key focus, with us actively promoting and adopting sustainable alternatives throughout our facilities. These internal efforts are supported by ongoing awareness campaigns designed to educate and empower our employees to actively participate in waste reduction and responsible recycling practices.

#### Energy Reduction



In FY2025, our office energy efficiency initiatives resulted in a measurable reduction in energy consumption, reflecting optimised usage and smart system deployment.

#### Recycling Rate



Our internal recycling programs achieved an increased diversion rate of office waste from landfills in FY2025, emphasising our commitment to circular economy principles.

### Protecting the Environment and Biodiversity

As a responsible corporate entity, VL E-Governance & IT Solutions Limited prioritises environmental protection and biodiversity conservation in all our undertakings. Before embarking on any new project, we conduct rigorous Environmental Impact Assessments (EIAs) to thoroughly evaluate and mitigate potential adverse effects on local ecosystems. This proactive approach ensures that our activities do not compromise the delicate balance of natural habitats and contribute positively to their preservation. We are committed to fostering healthy ecosystems and actively participate in initiatives such as afforestation and habitat restoration where appropriate, reinforcing the natural environments within which we operate.

**Through rigorous waste management and active recycling, we transform our daily operations into a model of environmental responsibility and resource stewardship.**



Our digital transformation projects inherently contribute to a reduction in material consumption, particularly paper, which in turn supports global efforts to conserve forests. For instance, our widespread e-governance initiatives, including the digitisation of millions of records for various government departments, significantly reduce the reliance on physical documentation. This dual benefit not only enhances operational efficiency and transparency but also underscores our dedication to minimising our environmental footprint through innovative technological solutions. Our work aims to establish new benchmarks where technological advancement and ecological responsibility are seamlessly intertwined.

### Building Resilience to Climate Change

Recognising the escalating urgency of climate change, VL E-Governance & IT Solutions Limited is profoundly committed to reducing our greenhouse gas (GHG) emissions, aligning with both national and international climate targets. We have progressively transitioned towards cleaner energy sources and invested significantly in energy-efficient technologies across our infrastructure to substantially lower our carbon footprint. This strategic shift is complemented by the integration of climate resilience measures across our diverse operations, ensuring our business remains robust and sustainable in the face of evolving environmental conditions.

Our proactive engagement in climate action encompasses pioneering sustainable land management and supporting reforestation initiatives, which play a vital role in carbon sequestration and enhancing community resilience. These efforts form an integral part of our broader strategy to mitigate the adverse impacts of climate change, fostering a more sustainable future for all stakeholders. As we embark on large-scale infrastructure projects, our design and implementation prioritise climate-smart solutions that minimise environmental impact while maximising efficiency and long-term viability. This forward-thinking approach exemplifies our role in shaping India's digital and physical infrastructure responsibly.

**100%**

We plan to implement climate-resilience measures in 100% of all our new projects, ensuring our operations remain sustainable and robust in the face of climate change.

**US\$ 15 billion**

Addressable market

Capitals: Intellectual

## Powering Growth and Innovation Through Intellectual Capital



Our intellectual capital underpins VL E-Governance & IT Solutions Limited evolution into a diversified growth engine. Building on three decades of e-governance expertise—from Aadhaar enrolments to international land-titling projects—we lead the next generation of digital governance, power India's smart-city EPC initiatives, and expand into aviation, aerospace, defence, and satellite sectors. Guided by a culture of trust, perseverance, and entrepreneurial spirit, we harness cutting-edge technologies and rigorous data management to deliver secure, efficient, and innovative solutions. This relentless focus on intellectual excellence drives our progress in FY2025 and beyond.

### A Vision Unfolding: VLEG's Growth Pillars

We have transformed into a diversified growth machine, seamlessly blending a rich legacy of e-governance with a future-forward vision of innovation and infrastructure.

**Three Decades of Trust:** Our core lies in over three decades of flawless e-governance execution. From pioneering the Election Commission to intricate Aadhaar enrolment rollouts and successful overseas land-titling projects, we have consistently delivered scale, reliability, and transparency across mission-critical initiatives.

**Venturing into New Frontiers:** We've been entrusted as an EPC Partner for the first phase of the Sankalp Industrial Smart City, an expansive expressway-junction development that will seamlessly integrate rooftop solar installations, captive power systems, advanced data-processing hubs, and smart residential neighbourhoods, establishing a new benchmark in integrated urban ecosystems. On the Aviation, Aerospace, Defence and Satellite sector front, our binding term sheet for acquisition of equity stake with HAL-Edgewood Technologies propelling VLEG role as an innovator in aviation, aerospace and satellite systems.

## UNSDG Targets:

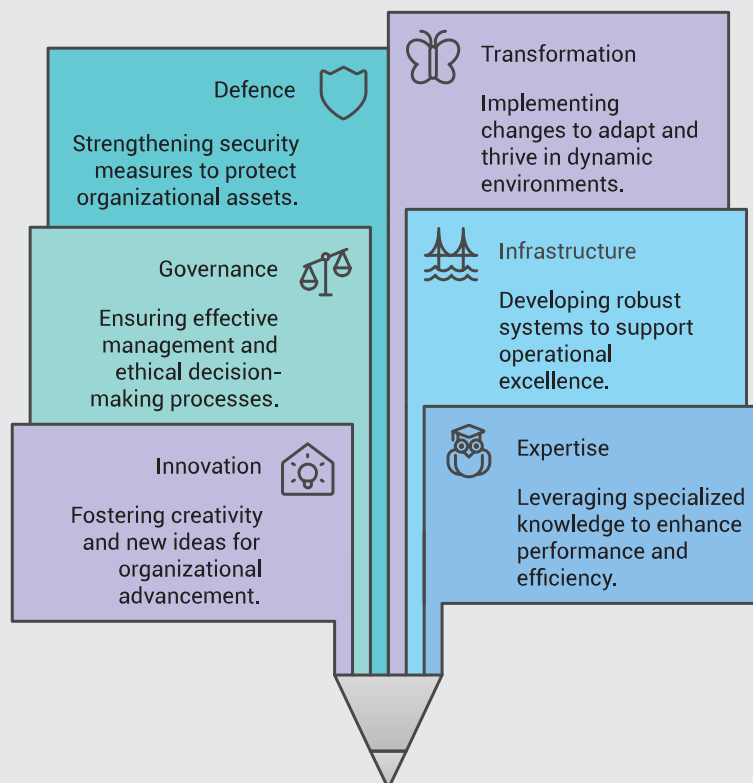


**Strengthened Leadership, Robust Future:** A revved-up leadership team of veterans from defence and infrastructure now guides our trajectory. With zero net debt, we possess the financial firepower for strategic acquisitions and sustained growth. For investors, we offer a unique blend of infrastructure, innovation, and upside – all rolled into one.

### E-Governance Legacy and Digital Transformation

Our three-decade record of accomplishment in e-governance has cemented our position as a leader in transforming digital infrastructure for governments. We have proven expertise in delivering complex, large-scale projects that profoundly

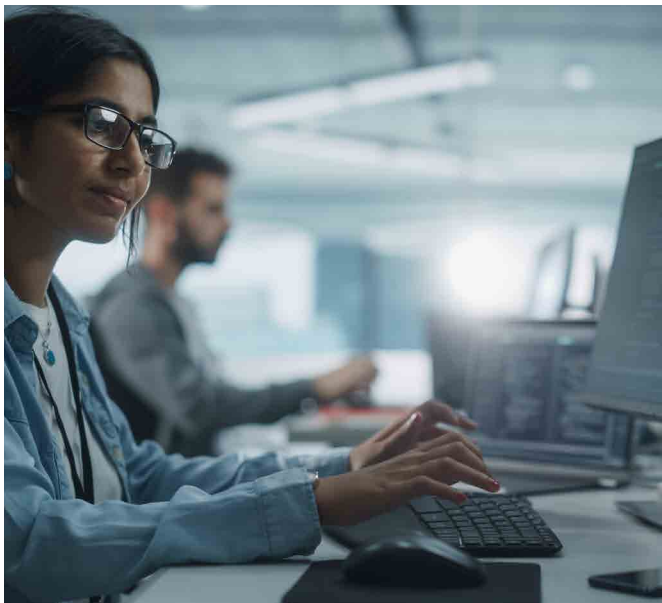
## Strategic Pillars of VLEG's Growth





impact millions of lives, establishing a reputation for reliability, scale, and transparency. Our historical achievements include pivotal roles in the Aadhaar initiative, where we successfully registered over a billion identities and provided unique digital identities to citizens. We also have a strong history with Election Commission rollouts, having generated 100 million voter identification cards and managed over 1,00,000 citizen facilitation centres across states such as Maharashtra, Rajasthan, Gujarat, and Uttar Pradesh. Our international footprint includes successful overseas land-titling programs, notably the dematerialisation of 20 million land deeds for the Philippine government. These projects highlight our distinct capabilities as a systems integrator and end-to-end service provider for Mission-Critical Projects under the National e-Governance Plan.

Our strong credentials make us eligible to bid on large-scale, multi-location government projects, which we are actively pursuing. We are strategically positioned to capitalise on nationwide e-governance projects under the Digital India Land



**We are playing a meaningful role in India's digital transformation, ensuring efficient service delivery and enhanced quality of life for millions of citizens.**

Records Modernisation Programme (DILRMP), including the rollout of Unique Land Parcel Identification Numbers (ULPIN) and Aadhaar-land record integration. Our past success in digitising land records in six districts of Uttar Pradesh provides us with invaluable experience and bandwidth for these upcoming initiatives. Furthermore, we are expanding into new verticals such as railways, digital health, and agri-tech, aligning our expertise with India's evolving digital future. Our commitment to ensuring ethical data handling and privacy is paramount in all these initiatives, as it builds public trust and maintains the highest standards of data integrity across all digital transformations. This commitment extends to safeguarding sensitive information and upholding compliance, contributing to a secure and transparent digital ecosystem. Recognising that our people are at the heart of our intellectual capital, we remain committed to their continuous development. In FY2025, our employees participated in extensive training programs designed to enhance their technical skills, project management capabilities, and understanding of emerging technologies. This ongoing investment ensures our team remains at the forefront of innovation. Our commitment to fostering a high-performance culture includes regular performance and career development reviews for all employees. These reviews provide structured opportunities for feedback, skill enhancement, and career pathing, directly contributing to the continuous growth and refinement of our collective intellectual assets.

**Our three-decade track record in e-governance, including pivotal Aadhaar enrolments and global land-titling, defines our proven capability.**

**20<sub>Mn</sub>**

We dematerialised 20 million land records in the Philippines, showcasing our ability to execute complex international e-governance projects and establish paperless digital record-keeping in 168 Registrar of Deeds offices.

| Project                             | Identities Enrolled / Records Digitised / Cards Generated        | Locations / Offices Covered    | Key Impact   |
|-------------------------------------|--|--------------------------------|--|
| Aadhaar Enrolment                   | Over 5 crore residents enrolled                                  | 4,000 enrolment centres        | Universal identity access, streamlined onboarding    |
| Philippines Land Titling            | 20 million land deeds dematerialised                             | 168 Registrar of Deeds offices | Enhanced land-record transparency                    |
| Election Commission Computerisation | 100 million voter ID cards generated                             | 100,000 facilitation centres   | Improved electoral inclusion                         |
| NPR Digitization                    | 145 million resident records digitised                           | 8 states                       | Accurate, up-to-date demographic database            |
| MCA-21                              | 6.5 lakh corporate records dematerialised; 2 million DINs issued | Regional MCA offices           | Greater corporate registry transparency              |
| PDS (Haryana)                       | 6 million UID-linked smart ration cards                          | 9,300 POS terminals            | Reduced ration fraud; efficient entitlement delivery |

### Policies and Standards: Building a Resilient Foundation

To safeguard our stakeholders and ensure compliance, VLEG has established a suite of policies that govern our approach to data privacy, risk management, and information security. Our Acceptable Use Policy, Risk Management Policy, and Data Privacy Policy are just a few examples of the proactive measures we take to mitigate risks and maintain operational resilience. These policies provide a strong foundation that supports our commitment to excellence across all facets of our business.

### Pioneering High-Tech Defence Solutions

Our strategic expansion into high-tech sectors marks a significant evolution of our intellectual capital, particularly in defence sector. We have executed a binding term sheet to acquire a 40% equity stake in HAL-Edgewood Technologies Private Limited (HETL), a joint venture of Hindustan Aeronautics Limited (HAL). This acquisition is a pivotal move, as it is the first to utilise the patented technology. This cutting-edge OSAMC "Make-in-India" mission computer (Patent No. 302177), designed and developed entirely on Indian soil, represents a crucial import substitution initiative that reinforces national security and self-reliance. Its customisation potential extends to fleets like Mirage-2000, Jaguar, Hawk-132, and Su-30MKI, affirming its versatility and strategic importance.



“Our strategic acquisition in HETL positions us at the forefront of ‘Make-in-India’ defence technology, unlocking significant market opportunities.”

This strategic investment opens access to a substantial market opportunity exceeding US\$15 billion in the aviation, aerospace, defence, and satellite electronics sectors. Our leadership team, now bolstered by veterans from the defence and infrastructure sectors such as Mr. Hari Mohan (former Chairman of Ordnance Factory Board) and Mr. Chandra Kailash Vishwakarma (former Executive Director at HAL), ensures that our governance framework and strategic processes are aligned with these high-tech ambitions. We are committed to pioneering innovative solutions that address critical national needs and contribute to India's technological advancement and defence capabilities. Our focus on intellectual property protection, including patents, is central to our strategy, safeguarding our innovations and ensuring long-term competitive advantage in this high-growth sector.

### Innovating Smart Infrastructure Ecosystems

Our intellectual capital is fundamental to our expansion into smart infrastructure, where we are actively shaping the future of urban development and renewable energy. We have signed a Memorandum of Understanding (MoU) to act as the Engineering, Procurement, and Construction (EPC) Partner for the Sankalp Industrial Smart City Project. This ambitious undertaking involves an estimated EPC contract value of approximately ₹800 crores for Phase I, spanning 494 acres, strategically located at the intersection of the Mumbai–Nagpur Samruddhi Mahamarg and the Delhi–Mumbai Expressway. This prime commercial land in Maharashtra is poised to become a landmark development. The project is designed to integrate cutting-edge industrial, residential, and logistical infrastructure, including rooftop solar installations, open

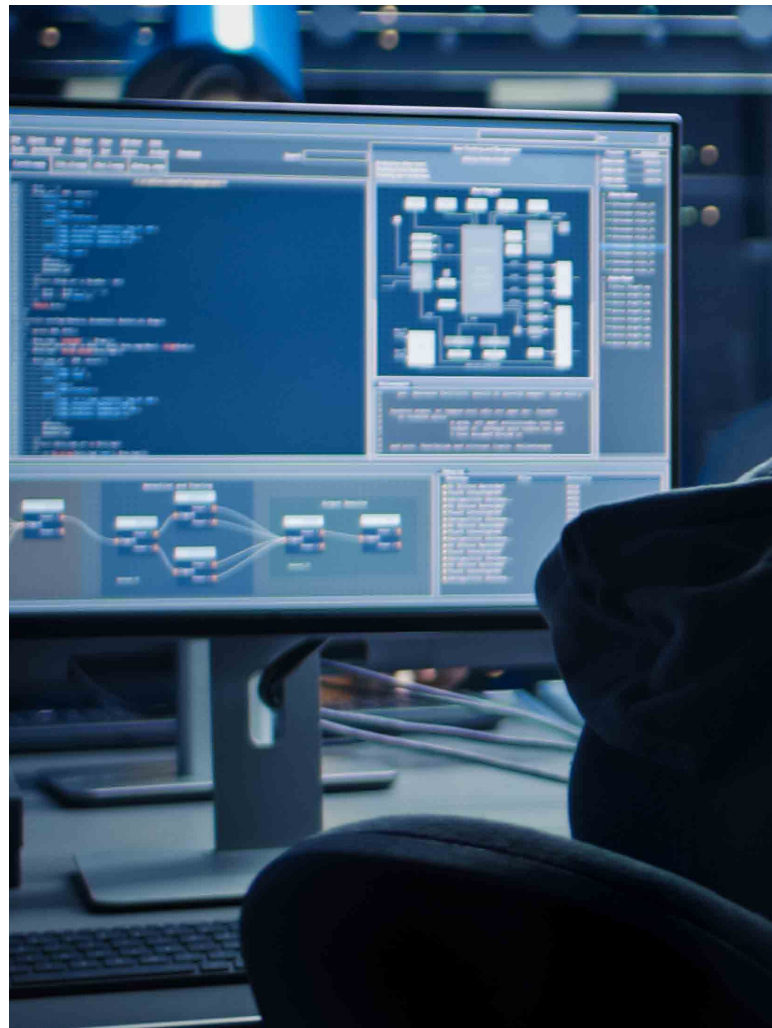
access and captive power infrastructure, data centres, and large-scale warehousing hubs, alongside residential townships with smart infrastructure.

Our strategy extends beyond this initial phase, with plans for phased expansion into Phase II (565 acres) and Phase III (901 acres). We are also pursuing additional opportunities in rooftop solar, captive power, and EV charging networks under the PM-eDrive scheme, introduced by the Ministry of Heavy Industries with a ₹10,900 crore outlay. We aim to target high-return data centre and logistics park projects along prime expressway corridors, leveraging our expertise in system integration and project management. To achieve this, we harness cutting-edge technologies, including the Internet of Things (IoT),

**₹800cr**

We have signed an MoU for EPC partner for the contract valued at approximately ₹800 crores for Phase I of the Sankalp Industrial Smart City Project.

“Our smart-city initiatives integrate cutting-edge industrial, residential, and logistical infrastructure, defining the future of urban development.”



Big Data, Artificial Intelligence (AI), Machine Learning (ML), and Blockchain, which are integral to enhancing efficiency, improving decision-making, and securing our operations. Our comprehensive data quality operating model ensures the integrity and privacy of information across all these advanced solutions, fostering an environment of accuracy, confidentiality, and trust. Our approach to intellectual capital development is guided by the precautionary principle, ensuring that potential risks associated with new technologies and large-scale deployments are thoroughly assessed and mitigated. We integrate ethical considerations and long-term societal impacts into our innovation processes, striving to develop solutions that are not only technologically advanced but also socially responsible.

**40%**

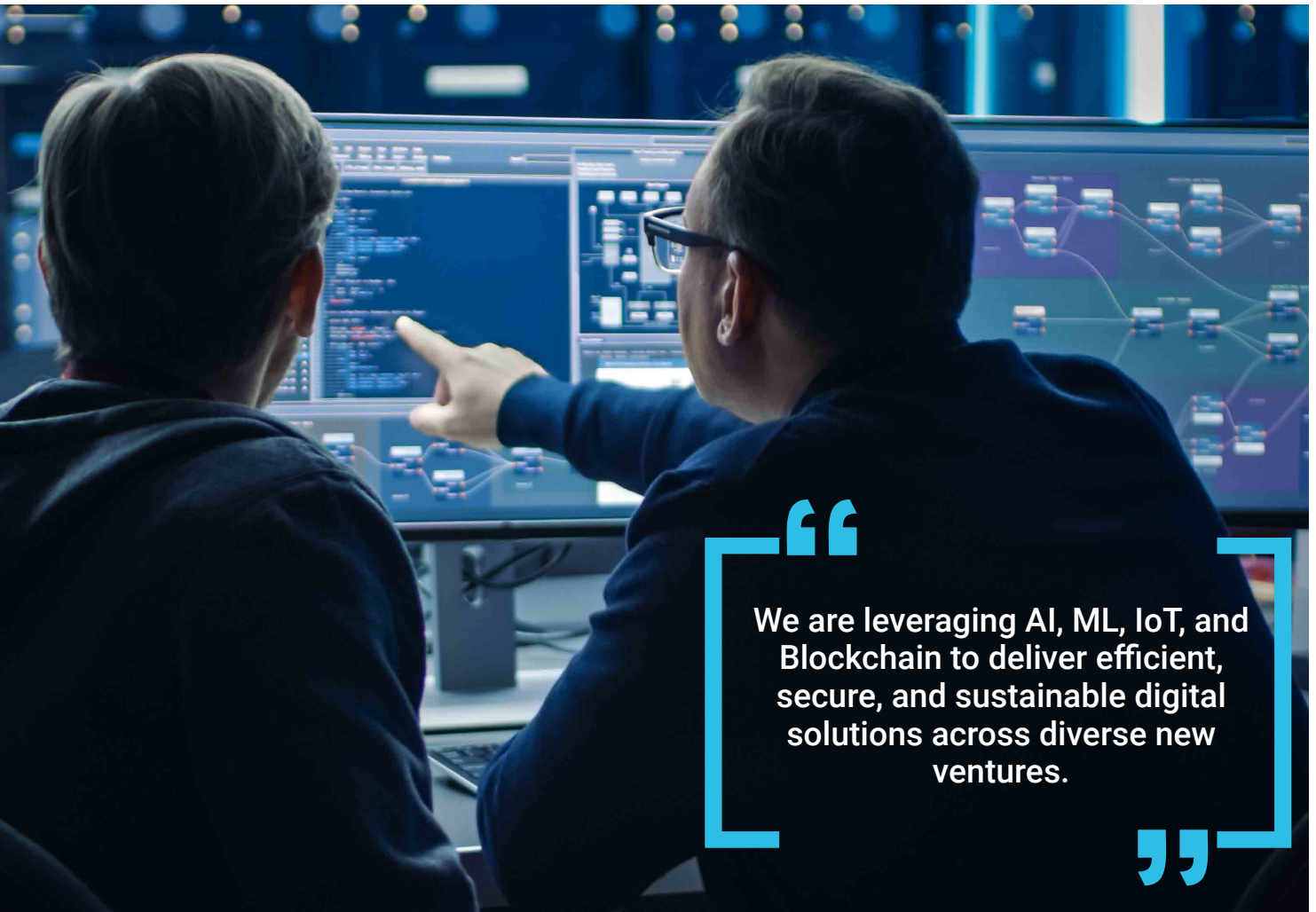
We have signed a binding term sheet for acquisition of 40% equity stake in HAL-Edgewood Technologies, a pivotal move that expands us into high-tech sectors such as defence and aerospace.

**US\$ 15Bn+**

We now have access to a market opportunity exceeding US\$15 billion in aviation, aerospace, defence, and satellite electronics.

**494 Acres**

Phase I of the Sankalp Industrial Smart City Project spans 494 acres, strategically located at a major transportation intersection.



**“We are leveraging AI, ML, IoT, and Blockchain to deliver efficient, secure, and sustainable digital solutions across diverse new ventures.”**



Capitals: Human

## Empowering VLEG's Digital Workforce



### UNSDG Targets:



At VLEG, we recognize that our team fuels every achievement. As an experienced IT and e-governance partner, we regard our people as indispensable collaborators whose expertise and creativity drive continuous innovation and operational excellence. We cultivate a supportive environment where every colleague is empowered to excel, experiment, and make a meaningful impact on our mission to deliver cutting-edge digital solutions.

### Attracting and Retaining Top Digital Talent

We built on our three-decade legacy by sharpening VLEG's employer brand, showcasing mission-mode successes, and positioning ourselves as a destination for digital governance innovators. At the same time, flexible work models and clear career pathways have kept turnover well below industry norms.

#### Workforce Readiness Pyramid

##### Leadership & Growth

Leadership rotations and pulse surveys

##### DEI & Wellness

DEI Charter with mentorship circles

##### Incentives & Milestones

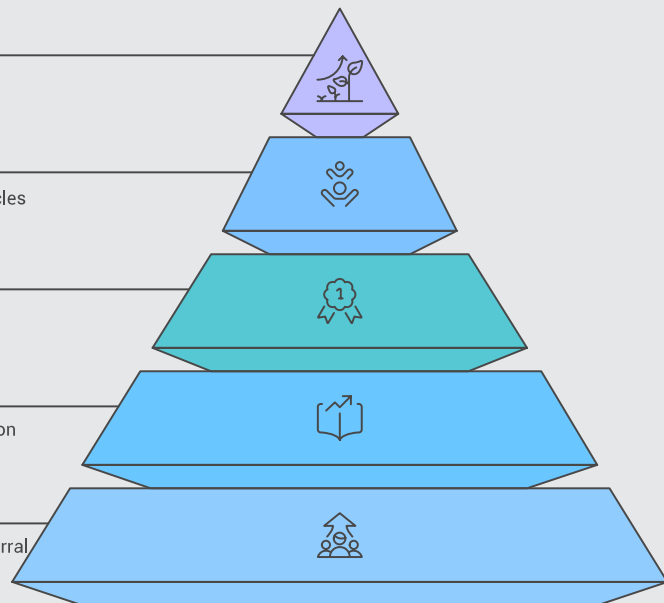
Incentives tied to smart-city milestones

##### Learning & Development

E-learning portal with certification tracks

##### Talent & Engagement

Talent-brand campaign and referral drive

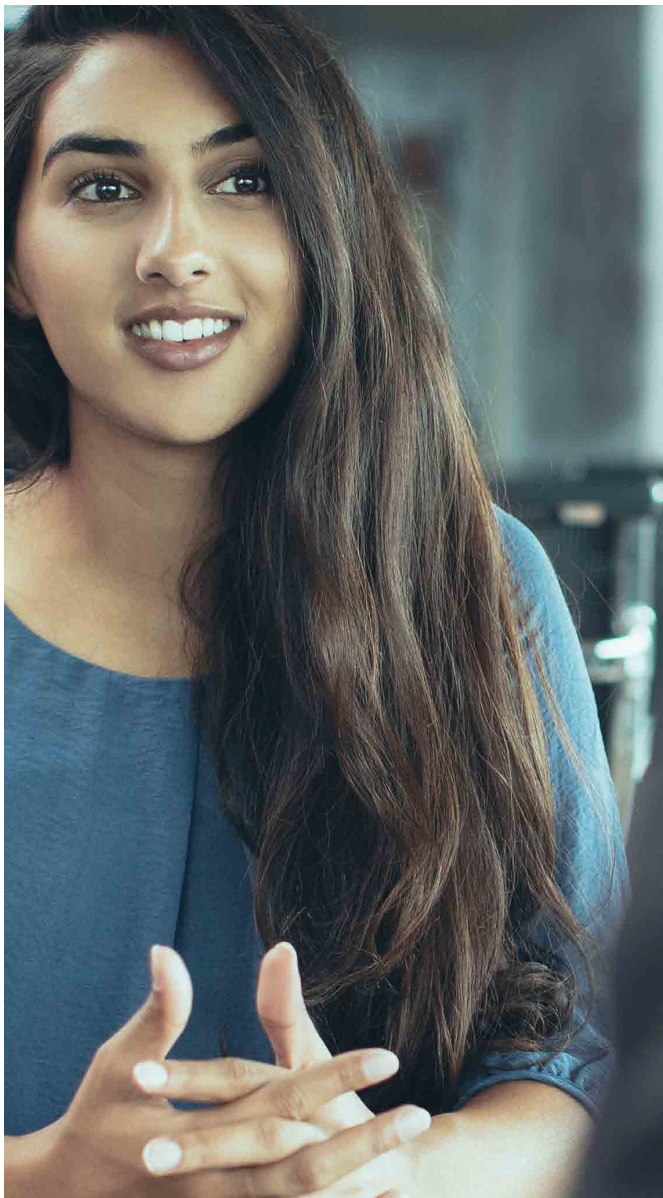


We are transforming VLEG from a public-sector integrator into a digital-innovation magnet. Referral drives unlocked candidates who already share our mission, speeding time-to-hire and cultural fit.

## Cultivating a Dynamic and Inclusive Work Environment

VLEG's organizational culture is built on the principles of inclusivity, collaboration, and continuous learning. We foster a workplace where diverse perspectives are valued, and every employee has the opportunity to contribute to the company's success. Our commitment to diversity and inclusion extends across all levels of the organization, ensuring that our workforce reflects the varied communities we serve.

Our inclusive culture is complemented by a strong emphasis on teamwork and collaboration. We encourage open communication and foster a culture where employees feel empowered to share their ideas and take initiative. This collaborative environment is key to driving the innovation that VLEG is known for, enabling us to develop solutions that meet the evolving needs of our clients.



## Empowering Our Workforce Through Continuous Development

At VLEG, we recognize that the IT industry is dynamic and constantly evolving. To stay ahead of the curve, we invest heavily in the continuous development of our employees. We offer a comprehensive suite of training and development programs designed to enhance both technical and soft skills, ensuring that our workforce is well-equipped to meet the challenges of tomorrow.

In addition to formal training, VLEG promotes a culture of continuous learning through our internal knowledge-sharing platforms. These platforms allow employees to access a wealth of resources, participate in online courses, and collaborate with peers across different departments. This approach not only enhances individual skill sets but also fosters a culture of innovation and agility within the organization.

## Health, Safety, and Well-being


The well-being of our employees is a top priority at VLEG. We are committed to providing a safe and healthy work environment that supports both the physical and mental well-being of our workforce. Our comprehensive health and safety protocols include regular safety audits, ergonomic assessments, and access to health and wellness resources.

Understanding the importance of mental health, VLEG has also introduced a range of wellness initiatives, including stress management workshops, mental health support services, and flexible work arrangements. We recognize that a healthy work-life balance is critical to maintaining high levels of productivity and job satisfaction, and we are committed to supporting our employees in achieving this balance.

To further enhance employee well-being, VLEG has implemented programs that encourage physical activity, such as on-site fitness centres, virtual wellness challenges, and access to health and nutrition experts. These initiatives are designed to promote a holistic approach to health, ensuring that our employees are not only productive but also fulfilled in their personal and professional lives.

## Driving Innovation Through Technological Empowerment

In the IT industry, staying at the forefront of technological advancements is crucial. VLEG empowers its workforce by providing access to the latest tools, technologies, and platforms that enable them to excel in their roles. We have invested in state-of-the-art software and hardware, cloud-based collaboration tools, and advanced analytics platforms that support our employees in delivering high-quality solutions to our clients.



**Empowering our workforce with cutting-edge technology and continuous learning opportunities is at the heart of VLEG's strategy to remain a leader in the IT industry.**

Our focus on technological empowerment extends to our commitment to continuous innovation. VLEG encourages its employees to experiment with new ideas, technologies, and approaches, fostering a culture of innovation that drives our business forward. By providing our employees with the resources and support they need to innovate, we ensure that VLEG remains a leader in the rapidly changing IT landscape.

To keep our workforce at the cutting edge, VLEG offers specialized training programs in emerging technologies such as artificial intelligence, machine learning, blockchain, and the Internet of Things (IoT). These programs are designed to equip our employees with the skills necessary to develop and implement the next generation of IT solutions.

### **Building a Legacy of Excellence**

VLEG's commitment to human capital is reflected in our strong record of accomplishment of attracting, developing, and retaining top talent. Our focus on employee engagement, professional development, and workplace well-being has positioned us as an employer of choice in the IT industry. As we look to the future, we will continue to invest in our people, ensuring that they are equipped to drive the innovation and excellence that VLEG is known for.

We understand that the strength of our human capital is linked to our ability to deliver exceptional value to our clients and stakeholders. By fostering a dynamic and inclusive work environment, empowering our workforce through continuous development, and driving innovation through technological empowerment, VLEG is well-positioned to lead in the IT sector for years to come.

#### **GRI 401-1 New Employee Hires and Turnover**

We track voluntary and involuntary attrition across functions, setting annual retention targets and structured exit interviews to surface insights; these measures aim to keep turnover below industry averages and preserve institutional knowledge.

#### **GRI 401-2 Benefits Provided to Full-Time Employees**

Our total-rewards framework includes market-aligned pay, tiered health coverage, parental leave, flexible work stipends, and wellness allowances. Regular benchmarking ensures competitiveness and supports employee financial security.

#### **GRI 404-1 Average Training Hours per Employee**

We measure average annual learning hours, targeting at least 20 hours of structured training per employee, and link completion rates to career development plans and performance reviews.

#### **GRI 405-1 Diversity of Governance Bodies and Workforce**

We disclose the gender splits of our board and senior management and conduct annual pay-equity analyses to identify and close compensation gaps, ensuring fairness and transparency.

#### **GRI 403-2 Injury Rate and Lost-Time Incidents**

We calculate lost-time injury frequency rates per million hours worked; rigorous incident investigation and preventive protocols underpin our commitment to a zero-harm workplace.



Capitals: Manufactured

## Foundations of VLEG's Smart-City Engine

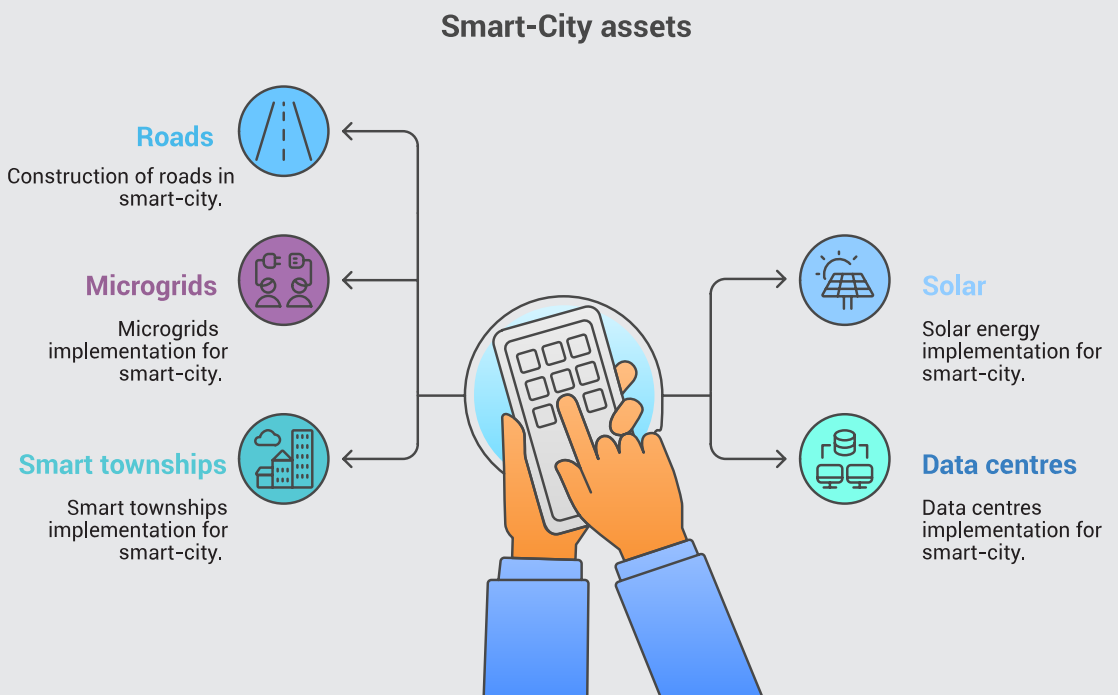
### UNSDG Targets:



At VL E-Governance & IT Solutions Limited, we leverage our Manufactured Capital to build the foundations of India's digital future. Key achievements include partnering with Ekansh Concepts as the EPC lead for the Sankalp Industrial Smart City Project and securing a 40 percent term sheet for equity in HAL-Edgewood Technologies. These strategic investments in both physical and digital infrastructure reinforce our commitment to scalability, reliability, and sustainability, cementing VLEG's position as a trailblazer in the IT services sector.

## Building Smart-City Assets for Next-Gen Infrastructure

As EPC Partner for the Sankalp Industrial Smart City, we will guide development across 494 acres at the Mumbai–Nagpur and Delhi–Mumbai expressway nexus. Our zero-debt balance sheet empowers us to structure performance turning financial strength into a competitive edge on this ₹800-crore project. By recommending and overseeing the integration of high-speed data corridors alongside advanced stormwater management and smart-lighting networks, we ensure every infrastructure element delivers lasting operational value and resilience.



**494 acres**

Phase I land parcel for smart-city development.

**₹800 crore**

Contract value for Phase I.

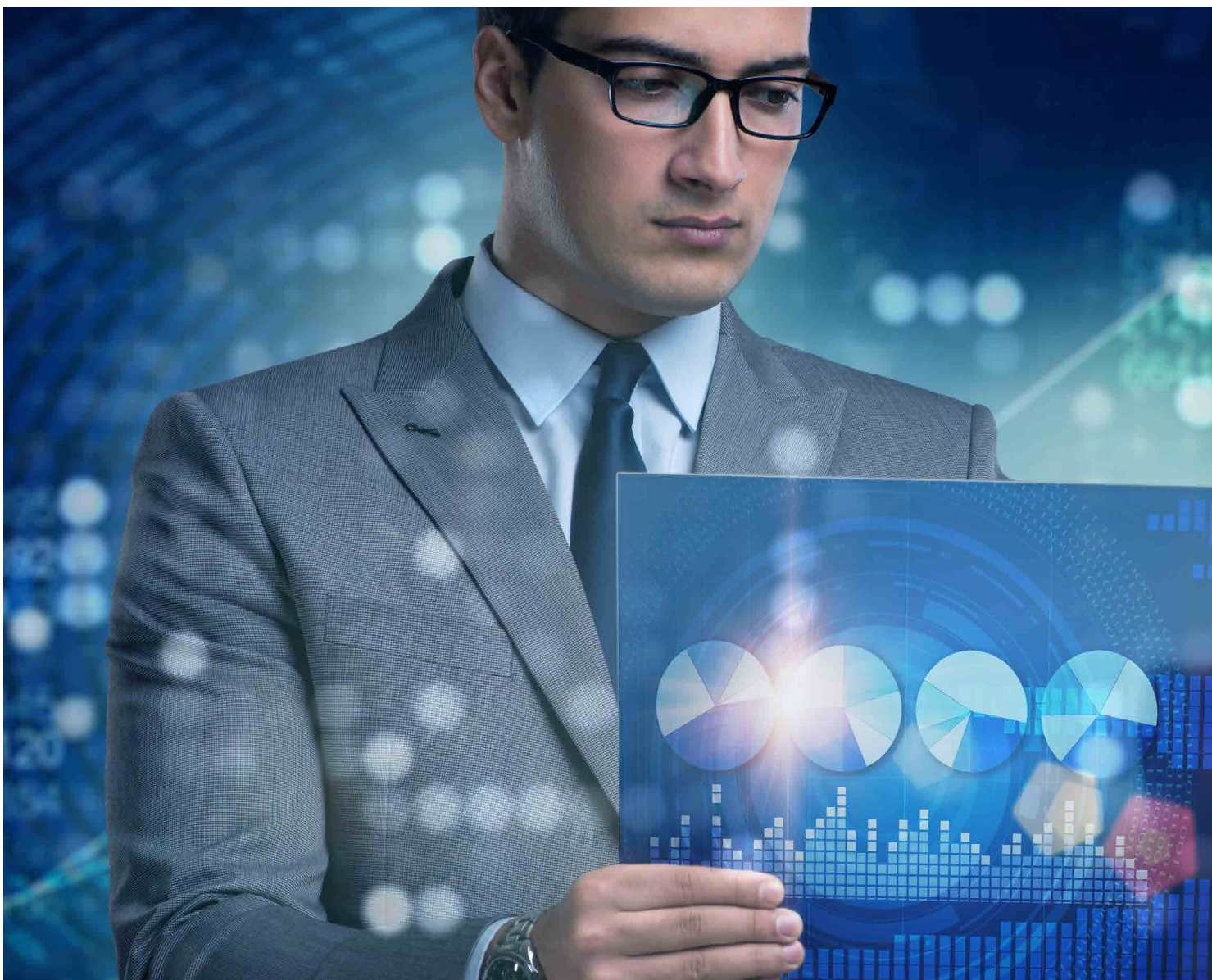
The Sankalp Industrial Smart City is a multi-sector, integrated development initiative with VL E-Governance as its EPC partner.

- » Roof Top Solar Installations
- » Open Access and Captive Power Infrastructure • Power Distribution Franchisee
- » Data Centres
- » Large-Scale Warehousing Hubs
- » Residential Township with Smart Infrastructure

Upon the successful completion of Phase I, the project is designed to expand into Phase II (565 acres) and Phase III (901 acres), further extending its integrated industrial, residential, and logistics offerings within the extending smart city framework.

### Strengthening Our Digital Foundations

This year, we have significantly expanded and modernized our IT backbone to support VLEG's growing service footprint. Our data centers now feature the latest server technologies, designed for high performance, robust security, and energy efficiency. Built-in redundancy and advanced disaster-recovery systems ensure uninterrupted operations for cloud services, big-data analytics, and mission-critical applications. Simultaneously, we have overhauled our network architecture, deploying high-speed, low-latency links that span our offices, with built-in safeguards for emerging technologies like 5G. Dedicated innovation hubs further accelerate breakthroughs in AI, machine learning, and blockchain, empowering us to prototype and deliver tailored solutions faster than ever.





### Driving Resilient, Eco-Conscious Operations

Sustainability and security underlie every infrastructure decision we make. Our “green IT” initiatives include energy-smart virtualization, advanced cooling systems in our data centres, and responsible e-waste recycling. Across all sites, we’ve implemented rigorous cybersecurity protocols, firewalls, encryption, real-time threat monitoring, and regular penetration testing, ensuring our clients’ data remains protected against evolving risks. In our offices, we’ve introduced LED lighting, waste-minimization programs, and flexible work arrangements, reducing our carbon footprint while fostering employee well-being through ergonomic workspaces and collaborative zones.

### Powering Client Transformations

Beyond fortifying our own platforms, we partner with businesses to accelerate their digital journeys. Our cloud-migration experts streamline on-premises to cloud transitions, unlocking scalable, cost-effective operations supported by our resilient data centres. We deliver modern workplace environments, secure virtual desktops, seamless collaboration suites, and compliant remote-access frameworks, that boost productivity without compromising governance. And when clients require bespoke applications or process automation, our seasoned development teams craft tailored software and integrations that drive tangible efficiency gains and innovation.

### Building a Secure, Sustainable Tomorrow

Our investments in cutting-edge infrastructure, green practices, and bulletproof security place VLEG at the forefront of the IT landscape. By continuously refining our digital foundations, championing eco-smart operations, and enabling client transformations, we’re not only meeting today’s demands but shaping a more resilient, responsible industry tomorrow. As we move into FY2026, we remain committed to evolving our capabilities in harmony with our values of sustainability, security, and excellence.



“Serving as the EPC partner for 494 acres of smart-city infrastructure exemplifies our unrivalled expertise in end-to-end project delivery, seamlessly integrating design, construction, and intelligent operations.”



Capitals: Social & Relationship

## Fostering Connections: Our Social & Relationship Capital

VL E-Governance & IT Solutions Limited has grown from a mission-mode integrator into a diversified powerhouse, blending a flawless three-decade e-governance legacy with bold forays into smart-city EPC and Aviation, Aerospace, Defense and Satellite projects sector. Our strength lies in deep stakeholder partnerships, unwavering data integrity and community-first programmes that together pioneer next-gen governance and fuel India's digital future.



**“As we look ahead, VLEG will deepen stakeholder collaboration and broaden our social impact. Building on a foundation of trust and partnership, we will align our operations with the goals of social equity, economic growth, and environmental stewardship.”**



## UNSDG Targets:



## Building Social Capital and Trust

▶ **Aadhaar Identities**

Enrollment of over fifty million identities

▶ **Land Deeds Dematerialized**

Conversion of twenty million land deeds to digital format

▶ **Voter IDs Generated**

Creation of one hundred million voter IDs

▶ **Smart-City EPC MoU**

MOU for a smart-city EPC contract valued at approximately 800 crore.

▶ **HAL-Edgewood Partnership**

Collaboration for high-tech innovation through acquisition of HAL-Edgewood Technologies

▶ **Zero Data Breaches**

Ensuring data security and privacy

## E-Governance Legacy and Community Inclusion

Our foundation rests on delivering transparent, large-scale public services. From registering over fifty million residents through Aadhaar and generating one hundred million voter IDs, to digitising 145 million NPR records and dematerialising twenty million Philippine land deeds, we have empowered citizens across geographies and demographics.

## Strategic Alliances for Societal Impact

Collaborative partnerships amplify our reach. Our EPC MoU for the ₹800 crore Sankalp Industrial Smart City unites infrastructure, renewable energy and digital platforms across 494 acres. Equally, our signing of binding term sheet of 40 per cent equity stake in HETL allow to future business growth opportunities in the field of electronics, software, hardware and aeronautical system required for Aviation, Aerospace, Defense and Satellite projects.

VLEG collaborates with government bodies, non-governmental organizations, and private sector partners to implement initiatives that enhance social welfare and economic development. These collaborations allow us to leverage shared resources, expertise, and networks to achieve broader societal impact.

## Cultivating Trust-Based Customer Relationships

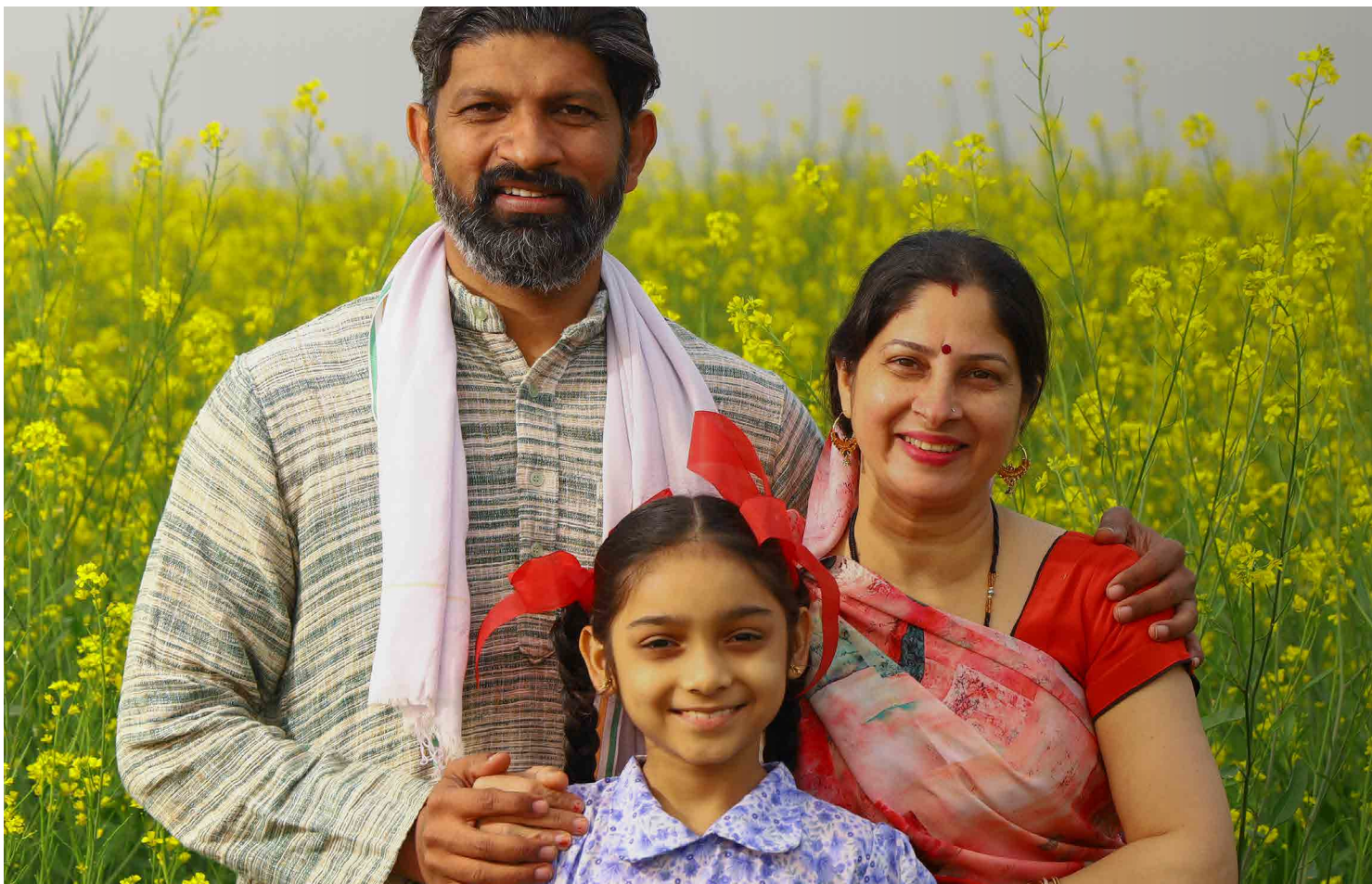
Trust underpins every engagement. We maintain a zero data breach record through rigorous cybersecurity and data privacy protocols. Our data-quality model—and real-time feedback loops—ensure that every transaction and interaction meets the highest standards, fostering long-term loyalty among governments, private partners, and end-users.

## Customer-Centric Approach

Our Social and Relationship Capital strategy places customers at the heart of everything we do, ensuring their needs and experiences guide our decisions. By actively soliciting feedback from clients and stakeholders, we continually refine and enhance our products and services to exceed expectations.

## Employee Engagement and Empowerment

Our people are the driving force behind our Social and Relationship Capital initiatives, and we cultivate a workplace that champions collaboration, creativity, and career development. Through ongoing learning opportunities and encouragement to lead social impact programs, we align individual passions with our corporate values and social mission.





## Driving Social Value through Sustainability

We weave sustainability into every facet of our operations, designing social programs that deliver enduring benefits to the communities we serve. From advancing financial literacy to expanding access to essential services, our goal is to generate lasting, positive societal impact.

## Employee Participation in Social Impact Programs

We actively track and encourage employee involvement in our corporate social responsibility initiatives to foster a culture of giving and community engagement. By measuring participation levels, we ensure these efforts remain closely aligned with VLEG's overarching social objectives.

## Sustainable Social Impact

We weave sustainability into every engagement. Strategic collaborations with NGOs, governments, and private entities leverage shared expertise for scalable social welfare, from smart ration-card rollouts in Haryana to corporate registry modernisation. As we venture into digital health and agri-tech, our solutions remain inclusive, transparent and community-centric.

## 100 million

Voters' identification cards were generated for the Computerisation of the Election Commission of India, alongside managing over 100,000 citizen facilitation centres. This project was executed across multiple states, representing more than 35% of India's population, and involved complex logistics, human resource mobilisation, and staff training, even in challenging terrains.

## ZERO

Reported data breaches to date.

## 100%

Of projects governed by our data-quality operating model

## 20 million

Land deeds dematerialised in the Philippines.

## 50 million+

Aadhaar identities are enrolled across India.

## 20 million

Land deeds have been dematerialised and digitised for the Philippine government, introducing paperless digital record-keeping for 168 Registrar of Deeds offices across the nation. This international project exemplifies the company's expertise in developing large-scale, transformative e-governance solutions that extend beyond India's border.

## 145 million

Resident records digitised for the National Population Register across 27 Zones and one Union Territory, creating a comprehensive database of demographic and biometric data for residents aged five and above. This monumental effort underscores the company's capability in large-scale data management and its contribution to national security and efficient governance.

“Delivering digital identities at this scale transforms access to government services and social welfare. Paperless land titling in 168 offices set a new standard for record-keeping transparency.”





# Management Discussion & Analysis







## Management Discussion and Analysis

### Global Economic Overview

The global economy experienced a modest recovery in 2024, with real GDP expanding by 2.8%, a pace like that of the previous year. However, this remains below the long-term average of 3%, as the effects of recent global shocks, structural rigidities, and tightened financial conditions continue to weigh on momentum. Earlier signs of a “soft landing” have given way to renewed concerns, as rising geopolitical tensions, weak investment, and trade fragmentation reintroduce volatility into global markets. The World Bank projects global growth to slow further to 2.3% in 2025, underscoring the fragile nature of the current recovery. In this evolving environment, resilience, strategic alignment, and adaptability will be crucial for businesses to navigate uncertainty and capitalise on emerging opportunities.

“  
Geopolitical tensions, weak investment, and trade fragmentation continue to weigh on global growth, challenging recovery and resilience.  
”

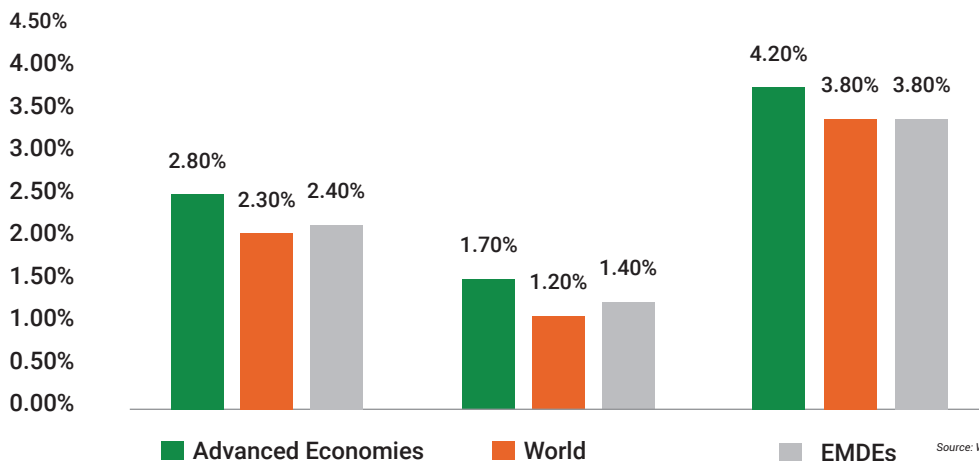


**Disinflation has opened the door for policy easing, reigniting investor interest in long-gestation infrastructure sectors.**

Advanced economies remained on a subdued growth path in 2024, recording a modest expansion of 1.7%, held back by elevated interest rates and the gradual withdrawal of fiscal stimulus. The United States outperformed expectations with a 2.8% growth rate, underpinned by strong consumer spending. Meanwhile, the Euro Area experienced weaker momentum, primarily due to sluggish investment activity. On the other hand, emerging markets and developing economies (EMDEs) posted a stronger performance, expanding by 4.2%, supported by easing inflationary pressures and firmer domestic demand. Looking ahead, EMDEs are anticipated to remain the key drivers of global output, with a projected growth of 3.8% in 2025. Global trade, a key indicator of cross-border business activity, rebounded with a 3.4% increase in 2024 and is expected to grow modestly by 3.5% in 2025.

Global inflation eased considerably and is expected to decline further, reaching around 2.9% by 2025 and continuing into 2026. This broad-based disinflation has created room for central banks to begin unwinding the prolonged phase of monetary tightening. In early 2025, the U.S. Federal Reserve, European Central Bank, and several emerging market regulators signalled rate cuts as inflationary pressures receded. Although real interest rates remain higher than pre-pandemic levels, this policy pivot is likely to reinvigorate investment sentiment, particularly in capital-intensive sectors like infrastructure and technology.

#### Real GDP Growth (%)



## Management Discussion and Analysis *Cont'd...*



Nonetheless, several headwinds remain. Persistent underinvestment in EMDEs, increasing climate volatility, geopolitical tensions, and fiscal pressures in low-income economies continue to pose risks to global demand recovery.

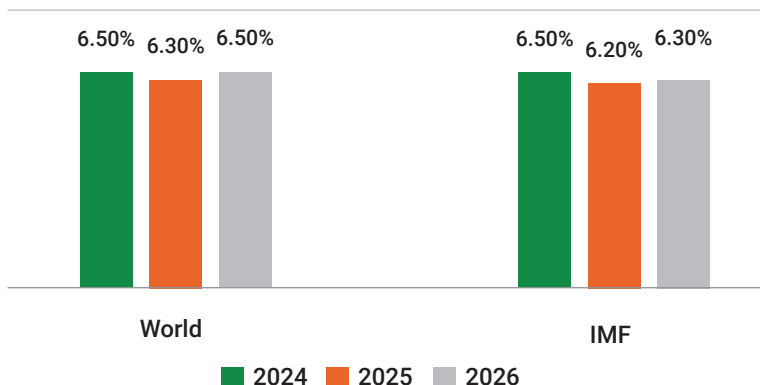
### Indian Economic Landscape

India sustained its growth momentum in FY25, demonstrating resilience amid a turbulent global landscape. Real GDP grew by 6.5%, in line with the Second Advance Estimates, reinforcing India's position as one of the fastest-growing major economies. This performance was achieved despite global headwinds stemming from geopolitical tensions and trade fragmentation. The economy's strength was primarily supported by robust domestic demand. A visible recovery in rural consumption, coupled with steady investment activity and a favourable shift in net exports, contributed meaningfully to overall growth. On the supply side, the services sector continued to function as a key driver of growth, while industrial activity registered healthy expansion, particularly in the construction and manufacturing segments. Additionally, the agriculture sector staged a strong

rebound, aided by a good monsoon season and record levels of food grain production.

India's economic momentum continues into FY26, with high-frequency indicators such as e-way bills, fuel consumption, and PMI data signalling sustained resilience. Rural demand has improved with a healthy rabi harvest and favourable monsoon outlook, while urban consumption benefits from rising travel activity. Although some softening is visible in sectors like construction inputs and vehicle sales, inflation has eased due to strong agricultural output and effective policy measures. Despite external volatility from global trade tensions, Indian financial markets have shown stability. Government bonds gained traction in May 2025, aided by the RBI's record surplus dividend and strong Q4 FY25 growth. India's exports rose 2.8% YoY in May, and forex reserves remained strong at USD 699 billion. The rupee remained relatively stable compared to other currencies. The labour market is also improving, with formal job creation rising and hiring gaining momentum in key sectors such as AI/ML, real estate, and hospitality.

### India's Real GDP Growth



Source: World Bank & IMF.

Headline inflation eased considerably, with the Consumer Price Index (CPI) dropping to 3.34% in March 2025 — the lowest level in six years. This was primarily driven by a moderation in food prices and proactive supply-side measures. Core inflation also trended lower, creating space for the Reserve Bank of India (RBI) to pursue a more supportive monetary stance. Reflecting this shift, the RBI reduced the repo rate by 25 basis points each in February and April 2025, bringing it down to 6.0%. Alongside the rate cuts, the monetary policy stance was revised to “accommodative” to foster growth amid persistent global uncertainties.

As of April 2025, India continues to maintain its distinction as the fastest-growing major economy, despite revisions in global growth projections and rising geopolitical and trade-related uncertainties. Multiple agencies forecast India’s real GDP growth for FY2025–26 to be in the range of 6.3% to 6.7%, supported by strong domestic fundamentals, disciplined

**India remains the world’s fastest-growing major economy, with 6.5% GDP growth in FY2024–25.**

macroeconomic management, and a sustained emphasis on public capital expenditure. The ongoing moderation in inflation further strengthens the foundation for a broad-based and inclusive economic expansion.





## Management Discussion and Analysis *Cont'd...*

### Global Industry Landscape

#### The global IT industry

The global IT industry witnessed robust growth and continued evolution in 2024, fuelled by rapid technological advancements and shifting enterprise priorities. Looking ahead to 2025, key segments such as data centre systems, software, and devices are expected to be significant growth drivers, underpinned by increased investment in generative AI (GenAI) infrastructure and associated hardware upgrades. According to Gartner, Worldwide IT spending is expected to total \$5.61 trillion in 2025, an increase of 9.8% from 2024. Key developments included the accelerated adoption of cloud computing, with organisations increasingly embracing multi-cloud strategies to manage complexity. The integration of AI and machine learning continued to revolutionise business operations, enhancing efficiency and innovation.

In 2025, global technology trends are being shaped by a strong focus on machine customers, AI-augmented development, and sustainable technologies. Organisations are increasingly preparing for an era where non-human entities – such as bots, intelligent agents, and smart devices – function as autonomous buyers and service users. At the same time, the adoption of AI-augmented software engineering is accelerating, enabling faster development cycles, improved code quality, and more adaptive systems. These shifts reflect a broader move toward hyper-automation and digital operational excellence.

Additionally, platform engineering, industry cloud platforms, and augmented connected workforce strategies are helping enterprises scale innovation, improve resilience, and enhance workforce productivity. A growing emphasis on machine learning security and AI governance also signals the maturing of AI ecosystems. Collectively, these trends are not only driving digital transformation but also reinforcing the importance of agility, trust, and sustainability in future-ready business models.



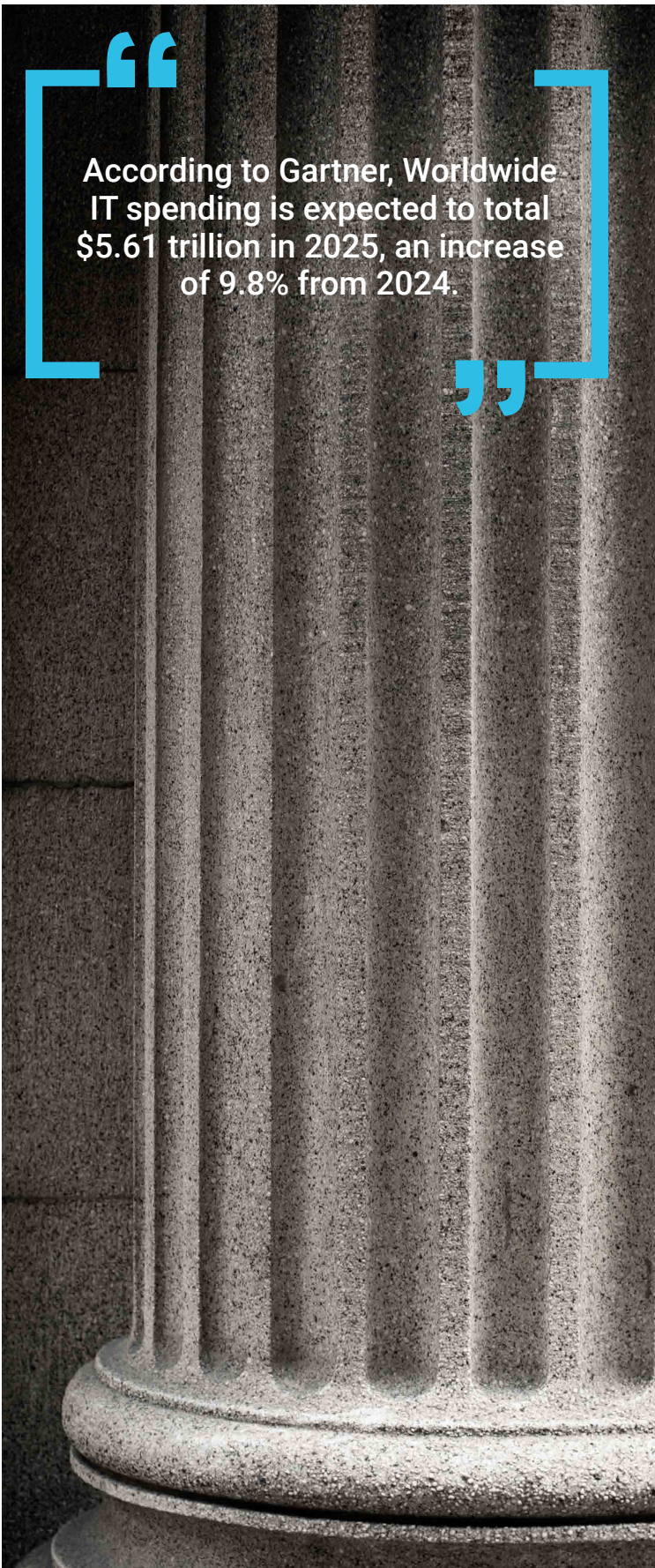


**Global Government Spending on IT and E-Governance:**

Global IT spending by government and public service entities is witnessing accelerated growth, propelled by the increasing demand for digital transformation, operational efficiency, and citizen-centric service delivery. Governments worldwide are making strategic investments in advanced technologies, including cloud computing, artificial intelligence (AI), big data analytics, and cybersecurity. The pandemic served as a strong catalyst, prompting public sector agencies to adopt remote delivery models and digital governance frameworks. As a result, the sector is now experiencing a sustained rise in digital infrastructure development, including initiatives in smart cities, e-governance platforms, and integrated service delivery channels.

A key driver of this momentum is the global shift towards more transparent, accessible, and responsive governance. E-governance solutions—ranging from online citizen services to digitised backend processes—are being adopted widely to enhance efficiency and build public trust. Moreover, growing threats of cyberattacks have made cybersecurity investments a top priority for public sector entities. Additionally, increased regulatory scrutiny has further encouraged investments in IT systems that ensure compliance, privacy, and data protection. Together, these dynamics are setting the stage for a prolonged cycle of robust public IT spending, with emerging economies such as India and China leading the expansion of digital infrastructure.

According to Gartner, global IT spending in the government and education sectors is projected to rise by 8.7% in 2024, reaching USD 824.3 billion in constant currency terms. Over the next five years, aggregate spending is expected to grow at a compound annual growth rate (CAGR) of 9.1%, surpassing USD 1 trillion by 2028. The accelerating push for digital transformation primarily drives this sustained growth, as well as efforts to modernise legacy IT infrastructure and rising demand for citizen services that offer user experiences on par with those in the private sector.



“According to Gartner, Worldwide IT spending is expected to total \$5.61 trillion in 2025, an increase of 9.8% from 2024.”

## Management Discussion and Analysis *Cont'd...*

### Domestic Industry Landscape

#### The Indian Information Technology/ Software industry

The Indian IT and Software industry has emerged as a global technology leader, playing a pivotal role in shaping India's position as a preferred investment and outsourcing destination. With its proven ability to deliver high-quality, cost-effective, and reliable solutions, the industry has transformed India into the top offshoring hub for global enterprises. As of FY2024–25, the sector contributes approximately 7.3% to India's GDP, driven by strong capabilities in both onshore and offshore services, underpinned by innovation and the rapid adoption of emerging technologies.

The IT-BPM industry (excluding e-commerce) is projected to reach USD 283 billion in FY2024–25, with exports accounting for USD 224 billion. The sector also plays a critical role in employment generation, currently supporting a workforce of 5.8 million professionals, including a significant 36% share of women. With consistent growth in revenues, exports, and job creation, the Indian IT/ITeS sector remains a key engine of economic advancement and global competitiveness.

The United States, the United Kingdom, and the European Union continue to be the primary destinations for India's IT and ITes exports, accounting for approximately 62%, 17%, and 11%, respectively. Meanwhile, demand from regions such as the Asia-Pacific, Latin America, and the Middle East is steadily increasing, creating new opportunities for expansion into continental Europe, Japan, China, and Africa. The sector remains one of the largest employment generators in the country, not only creating direct jobs—estimated at 5.8 million in FY2024–25, with a 36% share of women—but also fuelling growth in allied industries, including transport, real estate, catering, security, and facility management.

#### Indian Government Spending on IT and E-Governance:

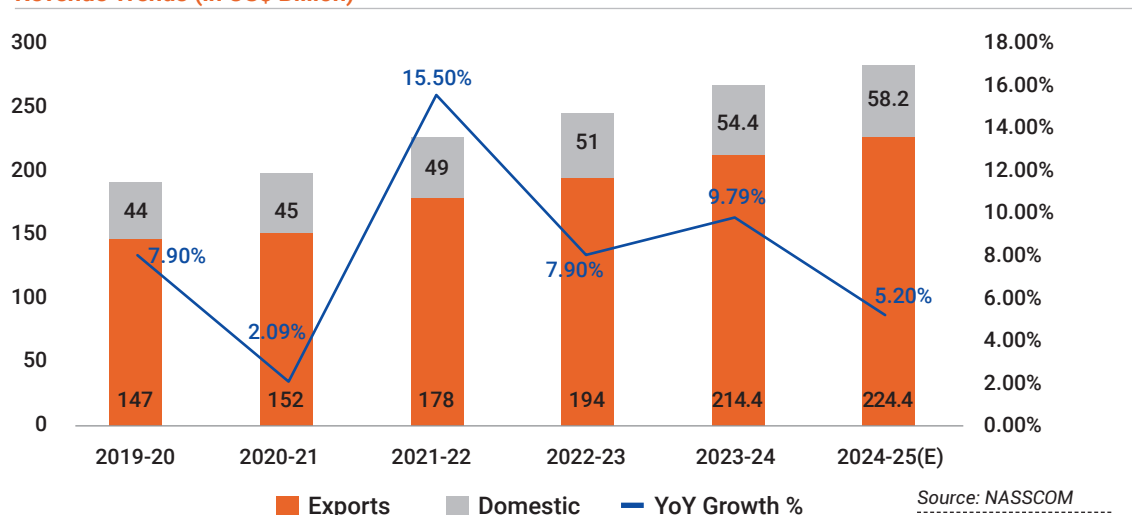
India's public sector continues to demonstrate a strong commitment to modernising its IT architecture, focusing on secure, interoperable, and citizen-centric systems. Flagship platforms, such as the Open Network for Digital Commerce (ONDC), Ayushman Bharat Digital Mission (ABDM), and the National Data Governance Framework, are gaining momentum, reflecting a strategic push towards digital public goods. These initiatives align with the broader national vision of delivering seamless and inclusive public services across critical sectors, including healthcare, education, agriculture, and financial empowerment.

The government's efforts extend beyond scaling existing platforms and are now directed at driving the next phase of digital transformation. Emerging technologies, particularly artificial intelligence, machine learning, and predictive analytics, are being actively explored to optimise public administration, enhance service delivery, and anticipate citizen needs. As the digital-first model becomes institutionalised within the public sector, the demand for scalable, secure, and AI-enabled solutions is expected to accelerate. This presents a compelling growth opportunity for technology providers and e-governance companies, such as VLE E-Governance, which are well-positioned to support the execution of national digital missions and contribute to shaping India's next-generation public digital infrastructure.

#### India's defence manufacturing sector

India's defence manufacturing sector has emerged as a critical pillar of the nation's strategic and economic framework. With one of the world's most significant standing armed forces and a pressing need to modernise its defence systems, India has made significant strides in bolstering its domestic manufacturing capabilities. The sector encompasses a diverse range of sub-segments, including military fixed-wing aircraft, naval vessels, missile systems, artillery, rotorcraft, and tactical communications.

**Revenue Trends (in US\$ Billion)**





The government's strong push towards "Aatmanirbhar Bharat" (self-reliant India) and "Make in India" has led to a sharp uptick in both policy reform and private sector participation in defence production. Public sector undertakings, such as Bharat Electronics Ltd. (BEL), Hindustan Aeronautics Ltd. (HAL), and Bharat Earth Movers Ltd. (BEML), have traditionally driven the sector. However, recent years have seen increasing involvement from private players and emerging defence-tech startups.

### Budget Allocation and Export Performance

In the Union Budget for FY 2025–26, the Ministry of Defence received a total allocation of ₹6.81 lakh crore (approximately US\$78.7 billion), marking a 9.5% year-on-year increase. Notably, ₹1.80 lakh crore (approximately US\$20.8 billion) has been earmarked for capital expenditure, including the procurement of new aircraft, warships, and other military assets. An additional ₹7,146 crore (US\$825.7 million) has been directed to the Border Roads Organisation (BRO), signalling the government's continued emphasis on border infrastructure and combat readiness.

India's defence exports have also surged, reaching ₹21,000 crore (US\$2.43 billion) in 2024. The government aims to elevate this to ₹50,000 crore (approximately US\$7.2 billion) by 2029, with defence products now reaching over 75 countries. According to the Global Firepower Index, India ranks fourth globally in terms of military strength with a score of 0.0979, further underscoring the significance of a robust defence manufacturing base.

### Policy Reforms and Indigenisation Drive

To reduce dependency on imports and promote local production, the Ministry of Defence has notified five Positive Indigenisation Lists (PIL), covering over 3,700 items that are now reserved for domestic procurement. The latest list alone includes 346 items with an import substitution value of ₹1,048 crore (US\$126.6 million).

In FY24, the capital acquisition budget adopted a domestic-to-foreign procurement ratio of 67.75:32.25, reinforcing the commitment to indigenous sourcing. Furthermore, ₹1,500 crore (approximately US\$181.1 million) has been explicitly allocated for startups under the Technology Development Fund (TDF), overseen by the DRDO. These measures are crucial for nurturing innovation, particularly among MSMEs and deep-tech startups.

With a targeted defence manufacturing output of ₹3,00,000 crore (US\$34.7 billion) by FY2029, India's defence manufacturing industry stands at the cusp of transformation. The confluence of rising strategic needs, policy support, innovation-led investments, and export ambitions is creating a favourable ecosystem for sustained growth. India's journey from being one of the world's largest defence importers to becoming a major exporter is well underway, placing the country firmly on the path of self-reliance, security resilience, and global leadership in defence manufacturing.

**India's IT-BPM sector is projected to reach USD 283 billion by FY2024–25, solidifying its position as a global technology powerhouse.**

### Warehousing Infrastructure in India

India's warehousing sector is witnessing a transformative shift, with Tier II and III cities emerging as new growth hubs. As of 2024, the country's total warehousing stock reached 533.1 million square feet, with 100 million square feet contributed by emerging cities—a fourfold increase since 2017. This evolution aligns with the hub-and-spoke model envisioned during the rollout of the Goods and Services Tax (GST), reshaping the logistics map.

The year 2024 saw a robust absorption of 60 million square feet across 20 cities, driven by rising demand fueled by the e-commerce boom and growth in consumption in non-metro areas. Notably, 60% of online purchases now originate from Tier II and III cities, prompting companies to set up smaller fulfilment centres to reduce delivery times and logistics costs.

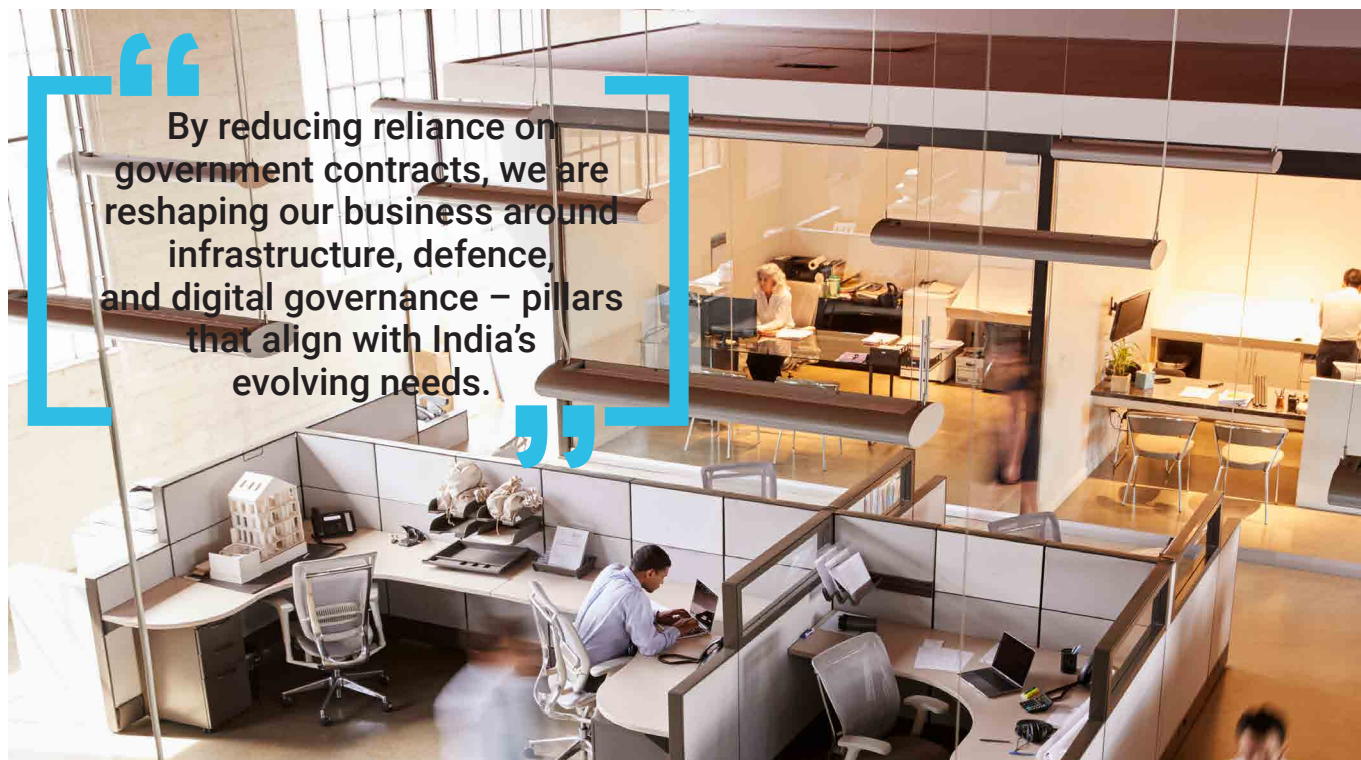
The top 8 Tier I cities accounted for 438 million square feet of stock and 51 million square feet in annual absorption. In contrast, the 12 Tier II-III cities contributed 95 million square feet, with 9 million square feet in absorption. Average rentals remain competitive: ₹24.8 for Grade A and ₹20.5 for Grade B in Tier I cities, and ₹22.0 and ₹17.5, respectively, in emerging markets.

Key regional clusters include Bhubaneswar–Cuttack, Guwahati, and Patna in the East; Chandigarh–Rajpura, Jaipur, and Lucknow in the North; Coimbatore and Kochi in the South; and Goa, Nagpur, and Nashik in the West. These cities offer lower land costs, better availability, and access to consumption centres, making them attractive for warehousing investments.

Infrastructure initiatives such as PM Gati Shakti, Bharatmala, Sagarmala, and UDAN have enhanced connectivity and logistics efficiency. At the same time, policy measures under Make in India, Digital India, and the National Logistics Policy are creating supportive ecosystems. Production-linked incentives (PLI) are also encouraging companies to establish manufacturing and distribution bases in these cities.

JLL's report, launched at LogiMAT India 2025, emphasised that this decentralised growth is unlocking new opportunities in the logistics sector. As Tier II and III cities continue to expand, they are poised to drive the next wave of warehousing growth in India, offering cost-effective operations, enhanced delivery networks, and significant investment opportunities.

## Management Discussion and Analysis *Cont'd...*



### Company Overview

VL E-Governance & IT Solutions Ltd. (VL E-Gov) has undergone a transformational evolution from a service-led e-governance entity into a diversified technology and infrastructure solutions company with national relevance. Rooted in its legacy of delivering high-impact digital public services, the Company today stands at the cusp of a new growth chapter, one that is defined by strategic repositioning and portfolio diversification to enable long-term value creation.

The Company’s origins lie in e-governance implementation, where it played a critical role in bridging digital divides by providing front-end government services across rural and semi-urban India. Over the years, VL E-Gov has established robust domain expertise, a pan-India field presence, and deep working relationships with public sector stakeholders. These capabilities continue to serve as a solid foundation as the Company explores new and scalable avenues of growth.

In recent years, VL E-Gov has adopted a deliberate strategy to move beyond its traditional business model. Recognising the limitations of dependency on bid-based government contracts, the Company has identified core growth verticals where it can deploy its institutional expertise and leverage India’s rising public and private sector digital spend. This repositioning involves three critical pillars: infrastructure-led expansion, defence electronics manufacturing, and next-generation digital governance projects.

The most significant pivot is in the infrastructure space. VL E-Gov, in partnership with leading entities, is pursuing large-scale EPC (Engineering, Procurement and Construction) projects on strategic land parcels, with a flagship project covering 400–500 acres strategically located at the intersection of the Mumbai–Nagpur and Delhi–Mumbai expressways. This project, with an initial outlay of approximately ₹800 crore, will feature warehousing clusters, logistics parks, and solar installations. With major e-commerce players already established as an anchor tenant, the project is expected to serve as a scalable model and long-term revenue generator, with potential access to an adjacent 2,000-acre extension.

Complementing this is the Company’s foray into the Aviation, Aerospace, Defence, and Satellite sectors. The Company has signed a binding term sheet to acquire a 40% equity stake in HELT, a joint venture of Hindustan Aeronautics Limited (HAL). This strategic investment positions the Company to capitalise on future growth opportunities in the design, development, manufacturing, and promotion of high-tech projects and products across electronics, software, hardware, and aeronautical systems, specifically for the Aviation, Aerospace, Defence, and Satellite domains.



## Detailed Description of Business Verticals

VL E-Governance & IT Solutions Ltd. (VL E-Gov) has undergone a deliberate and strategic shift from a predominantly e-governance-centric services company to a multi-vertical enterprise operating at the confluence of digital infrastructure, defence & Aerospace, and digital governance service enablement. The Company's current business portfolio is structured across three principal verticals:

### 1. Digital Services & E-Governance Solutions

This is the Company's foundational business and remains a critical component of its long-term engagement with public digital delivery. VL E-Gov has a strong record in providing services such as UIDAI Aadhaar Enrolments, National Population Registrar, Digitisation of Land Records, Public Distribution System, Inspector General of Registration Services, and various other services, particularly in underserved and remote regions.

The nature of this business is mainly bid-based and project-dependent, with margins and volumes determined by government tenders and policy-driven timelines. While the business will no longer be the sole growth engine of the Company, VL E-Gov will continue to pursue select e-governance projects that align with its strategic roadmap and operating strengths. The experience, know-how, and field infrastructure from this vertical also serve as enabling assets for the Company's newer initiatives.

### 2. Infrastructure and EPC Projects

A significant new thrust area for VL E-Gov is its expansion into large-scale Infrastructure Development and Engineering, Procurement and Construction (EPC). This segment aims to develop physical infrastructure assets, with a focus on logistics parks, warehousing zones, and renewable energy installations, particularly solar power installations.

The Company has partnered with key stakeholders to develop a marquee project in Maharashtra, spanning over 400 acres of land, strategically situated at the junction of the Mumbai–Nagpur Samruddhi Mahamarg and the Delhi–Mumbai Expressway. This mixed-use development will include warehousing infrastructure, logistics clusters, and embedded solar energy solutions.

VL E-Gov operates as an EPC and strategic development partner in this venture, bringing execution capability

and domain expertise. The project is designed to be scalable, with a potential additional land bank of 1,000 acres earmarked for future expansion. This business is expected to generate long-term, annuity-like revenue streams and could emerge as a core value driver in the coming years.

### 3. Aviation, Aerospace, Defence and Satellite projects

VL E-Gov has taken a strategic step into India's high-priority defence Aviation, Aerospace, and Satellite sector through the signing of a binding term sheet for the acquisition of a 40% equity stake in HETL (a joint venture of Hindustan Aeronautics Limited (HAL)). The acquisition will provide future business growth opportunities in the fields of electronics, software, hardware, and aeronautical systems required for Aviation, Aerospace, Defence, and Satellite projects.

The scope of work includes the development of mission-critical embedded systems, chips for fighter aircraft, and mission computers, segments that are poised for exponential growth considering India's push for self-reliance in defence production under the Atmanirbhar Bharat initiative. Regulatory clearances are currently in progress, and execution is expected to commence once all formalities are complete.

Given the high entry barriers, national strategic relevance, and potential for recurring defence orders, this business will represent a powerful long-term opportunity for E-Governance.

**400–500 acre**

EPC project marks our entry into large-scale infrastructure.

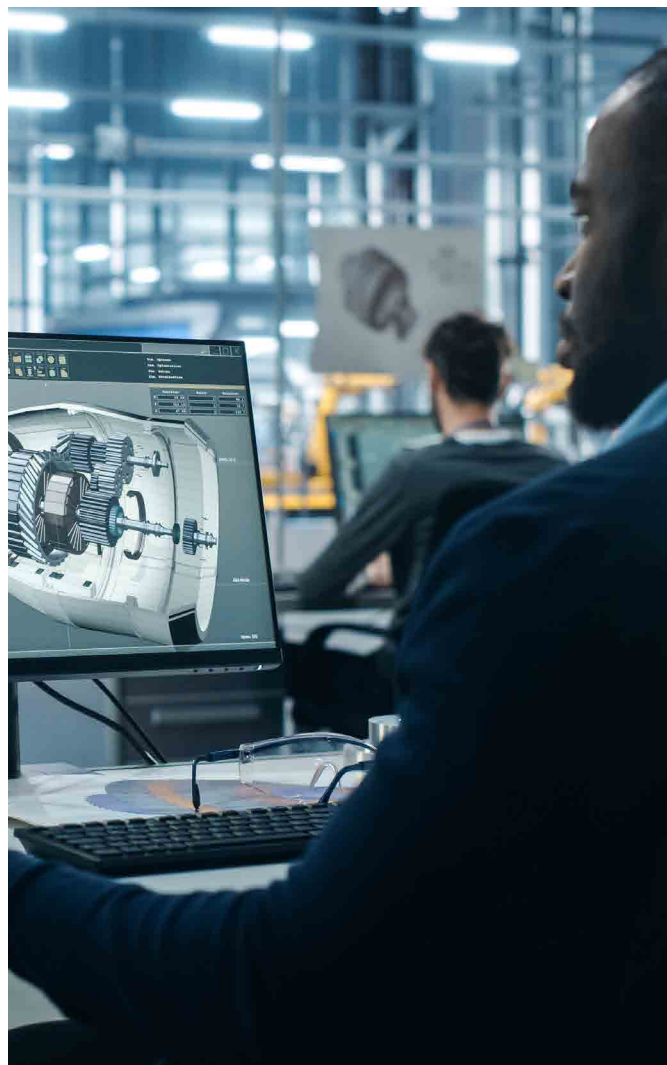
**2000 acre**

earmarked for future infrastructure expansion and scalability.

## Management Discussion and Analysis *Cont'd...*

### Financial Overview

| Particulars             | FY 2025 (in ₹ Million) | FY 2024 (in ₹ Million) |
|-------------------------|------------------------|------------------------|
| Revenue from Operations | 306.88                 | 220.11                 |
| Other Income            | 16.99                  | 4.42                   |
| Total Income            | 323.88                 | 224.53                 |
| Total Expenses          | 309.87                 | 300.83                 |
| EBITDA                  | 14.39                  | (76.29)                |
| Exceptional Item        | 25184.12               | 1623.02                |
| Profit Before Tax (PBT) | (25,170.12)            | (1699.32)              |
| Tax Expenses            | 0.20                   | 0.00                   |
| Profit After Tax (PAT)  | (25170.33)             | (1699.32)              |



#### Topline Performance:

The Company recorded a 39.5% YoY growth in revenue from operations, increasing from ₹220.11 million in FY2024 to ₹306.88 million in FY2025. This suggests improved execution, new business onboarding, and early signs of traction in the restructured business model.

#### Improved Operational Efficiency:

The EBITDA has turned positive at ₹14.39 million, representing a stark turnaround from the previous year's negative ₹76.29 million. This reflects tight cost management and better utilisation of resources. Total expenses rose only modestly (3%), highlighting operational discipline.

#### Exceptional Item:

The extraordinary loss of ₹25,184.12 million in FY2025 is a prudent provision made towards Expected Credit Losses (ECL) on the Company's financial assets, entirely in line with the requirements of Ind AS 109 – Financial Instruments. This reflects our forward-looking approach to risk management and commitment to transparent financial reporting. The ECL provision has resulted in a reduction in net worth for the period. Notwithstanding this, the Company maintains a strong balance sheet, with a positive net worth of Rs. 4,569.66 lakhs. The management is fully committed to closely pursuing the recovery of the underlying assets. All receipts from these assets will be earning accretive returns.

#### Bottom-line Impact:

Despite operational improvements, the net loss widened to ₹25,170.33 million, solely due to the exceptional item. Excluding this one-time charge, the Company would have been profitable at the pre-tax level.

### ₹306.88 million

revenue from operations in FY2025, reflecting continued momentum from the Company's strategic repositioning.

### ₹323.88 million

total income in FY2025, marking a significant increase from ₹224.53 million in FY2024.

“As we expand into complex, high-tech sectors, aligning our risk framework with this new model helps us stay resilient, ready, and focused on long-term value creation.”

#### Key Financial Ratios - FY2024-25 vs. FY2023-24

| Particulars                       | FY 2025   | FY 2024 | Percent Change | Rationale   |
|-----------------------------------|-----------|---------|----------------|---|
| Current Ratio                     | 16.66     | 36.19   | -53.97%        | Due to repayment of Trade Payables and ECL allowance on Financial Assets                |
| Debt-Equity Ratio                 | 0.00      | 0.02    | -100.00%       | Repayment of borrowing  |
| Return on Equity (ROE)            | -201.84%  | -6.71%  | 2909.94%       | Increase resulting from the Loss incurred due to the ECL allowance on Financial Assets. |
| Trade Receivables Turnover Ratio  | -         | 0.02    | -100.00%       | Due to receipt from receivables and ECL allowance thereon                               |
| Trade Payables Turnover Ratio     | -         | 1.10    | -100.00%       | Due to repayment of Trade Payables  |
| Net Capital Turnover Ratio        | 0.71      | 0.01    | 7680.38%       | Due to an increase in revenue and ECL allowance on financial Assets.                    |
| Return on Capital Employed (ROCE) | -5505.84% | -6.80%  | -80884.93%     | Variance due to an increase in Loss and repayment of Debt.                              |

#### Risk Management

As VL E-Governance & IT Solutions Ltd. transitions into a multi-vertical technology enterprise with strategic interests in design engineering, defence systems, infrastructure technology, and semiconductor solutions, our risk landscape has evolved accordingly. The Company's ability to foresee, assess, and mitigate diverse risks across its expanding business lines is central to sustaining growth, ensuring compliance, and protecting stakeholder value. Our risk management approach is embedded into enterprise decision-making and regularly reviewed to stay ahead of emerging threats and market disruptions.

By aligning our risk framework with the evolving business model, the Company ensures its readiness for a broader, innovation-led future. This refreshed risk outlook helps build institutional resilience, attract long-term partners, and support value creation across all business lines beyond traditional e-governance.

| Risk Category                     | Description   | Mitigation Strategy  |
|-----------------------------------|---|--|
| Capital Deployment & Project Risk | New business verticals in Aerospace, defence-tech, and semiconductor design require high upfront investments with prolonged gestation and variable return cycles. | Adopt phased investment models, conduct rigorous technical and financial feasibility assessments, and partner with established PSUs and institutions for co-development. |
| Technology Innovation Risk        | Operating in deep-tech sectors demands constant innovation and rapid adaptation to emerging global standards in design, engineering, and manufacturing.           | Establish in-house innovation hubs, co-create with research institutions, and integrate IP management practices to stay ahead of technology curves.                      |
| Execution Complexity              | Large-scale, multi-stakeholder projects across diverse industries entail higher execution risks, including integration challenges and specialised staffing needs. | Strengthen cross-functional project teams, invest in domain-specific talent, and implement robust programme management tools.  |



## Management Discussion and Analysis *Cont'd...*

| Risk Category                      | Description  | Mitigation Strategy  |
|------------------------------------|--|--|
| Supply Chain and Vendor Risks      | Semiconductor and electronics projects are exposed to raw material volatility, supplier dependencies, and geopolitical restrictions.                               | Develop a diversified vendor base, localise procurement where feasible, and maintain strategic inventory reserves.   |
| Cybersecurity and Data Compliance  | Operating across sensitive domains like defence, Health tech, and finance heightens exposure to data security, IP theft, and regulatory scrutiny.                  | Upgrade cybersecurity infrastructure, comply with national and international data protection frameworks, and perform regular third-party security audits.    |
| Talent & Skill Alignment Risk      | Shifting to innovation-driven sectors requires access to highly skilled talent in electronics, defence engineering, and design.                                    | Build university partnerships, establish training and reskilling academies, and offer long-term incentives to technical teams.                               |
| Regulatory & Licensing Risk        | Operating in regulated sectors such as defence, semiconductors, and electronics involves complex licensing, export norms, and clearances.                          | Set up a regulatory compliance unit, engage with policy stakeholders proactively, and use legal advisory support for licensing and certification.            |
| Financial Risk                     | With increased capital involvement and longer revenue cycles in new verticals, risks related to liquidity, funding, and capital efficiency become more pronounced. | Maintain conservative debt levels, pursue government grants/subsidies, and closely monitor project-level cash flows.   |
| Dependency on Government Contracts | Reliance on government contracts, which can be delayed or cancelled due to policy changes or budget allocations.   | Diversify the portfolio by exploring new business opportunities in design, engineering, and technology infrastructure development across various industries. |

By aligning our risk framework with the evolving business model, the Company ensures its readiness for a broader, innovation-led future. This refreshed risk outlook helps build institutional resilience, attract long-term partners, and support value creation across all business lines beyond traditional e-governance.

### Human Resources and Management

The Company places a strong emphasis on its human resources, recognising that its employees are critical to achieving business objectives and sustaining long-term growth. As of March 31, 2025, the Company's workforce stood at eight employees. and we also introduced new HR initiatives—ranging from leadership development cohorts to comprehensive wellness programs—engaging all participants.

The Company has implemented comprehensive human resource policies and practices designed to attract, retain, and develop talent. These policies focus on creating a conducive work environment, promoting continuous learning and development, and ensuring employee well-being.

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### Training and Development Initiatives

The Company is committed to fostering a culture of continuous learning and development. Various training programs are conducted to enhance the skills and knowledge of employees, ensuring they are well-equipped to manage the dynamic demands of the IT/ITES industry. These programs include technical training, leadership development, and soft skills enhancement.

### Employee Engagement and Well-being

The Company places a high priority on employee engagement and well-being. The Company conducts regular employee

# 100%

employee retention achieved in FY2025, driven by wellness initiatives, work-life balance programmes, and a strong culture of recognition and engagement.

satisfaction surveys to gauge the workplace environment and implement improvements. Initiatives to promote work-life balance, health and wellness programs, and employee recognition schemes are integral to the Company's HR strategy. These efforts have resulted in a 100% employee retention rate in fiscal year 2025.

### Diversity and Inclusion

The Company is committed to promoting diversity and inclusion within the workplace. Efforts are made to ensure equal opportunities for all employees, regardless of gender, race, or background.

### Future HR Initiatives

Looking ahead, the Company plans to introduce several new HR initiatives aimed at further enhancing employee engagement, development, and well-being. These initiatives include implementing advanced HR technology solutions to improve workforce management, expanding leadership development programs, and strengthening efforts to promote diversity and inclusion.

By focusing on comprehensive human resource policies and practices, the Company aims to build a motivated, skilled, and diverse workforce that is well-prepared to drive the Company's growth and success in the competitive IT/ITES industry.

### Corporate Governance Practices and Policies

The Company is committed to maintaining robust corporate governance practices that align with best industry standards. The Company's governance framework is designed to promote transparency, accountability, and ethical business conduct. Key governance practices include:

- » Board Committees: The Company has established various board committees, including the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee, and the Corporate Social Responsibility (CSR) Committee. These committees support the board in overseeing key areas, including financial reporting, executive compensation, and social responsibility initiatives.
- » Code of Conduct: A comprehensive code of conduct is in place, outlining the ethical principles and standards expected from all employees and directors. Regular training and communication ensure adherence to these guidelines.
- » Risk Management: The Company has implemented a robust risk management framework to identify, assess, and mitigate potential risks. This framework is regularly reviewed and updated to address emerging threats and opportunities.
- » Stakeholder Engagement: The Company actively engages with its stakeholders, including shareholders, employees, customers, and regulatory authorities, to ensure their interests are considered in decision-making processes.

### Compliance with Regulatory Requirements

We are dedicated to complying with all applicable regulatory requirements and maintaining the highest standards of legal and regulatory compliance. Key measures include:

- » Regulatory Filings: The Company ensures the timely and accurate submission of all regulatory filings and disclosures as required by law.
- » Internal Audits: Regular internal audits are conducted to review and assess compliance with regulatory standards



## Management Discussion and Analysis *Cont'd...*

and internal policies. Findings from these audits are used to enhance the Company's compliance framework.

- » Ethical Practices: The Company promotes a culture of integrity and ethical behaviour, ensuring that all business practices comply with legal and regulatory requirements.
- » Training and Awareness: Continuous training programs are conducted to keep employees and directors informed about regulatory changes and compliance obligations.

By adhering to these corporate governance practices and policies, the Company demonstrates its commitment to ethical business conduct, transparency, and accountability, thereby fostering stakeholder trust and supporting long-term sustainable growth.

### Future Outlook

VL E-Governance & IT Solutions Ltd. is entering a transformative phase, steering its strategic vision beyond traditional IT/ITES and e-governance services to establish itself as a diversified player in India's evolving industrial and national development landscape. The Company is actively repositioning its core competencies to build long-term value in high-impact sectors, including logistics infrastructure, warehousing parks, and the Aviation, Aerospace, Defence, and satellite sectors.

A large-scale infrastructure development initiative in Maharashtra anchors the Company's foray into logistics and warehousing. Located at the intersection of two national logistics corridors—the Mumbai–Nagpur Samruddhi Mahamarg and the Delhi–Mumbai Expressway—the planned 400+ acre logistics hub is set to become a cornerstone of the Company's business strategy. The site is poised for expansion through the development of warehousing clusters, logistics parks, and integrated facilities for storage, distribution, and value-added services.

The Company is also exploring EPC partnerships and strategic alliances with global logistics players to scale the model further. This initiative, once operational, is expected to provide a stable and recurring revenue stream while enabling participation in India's fast-growing digital and physical commerce backbone.

Simultaneously, the Company is scaling its presence in the defence and aerospace ecosystem, having entered a Binding Term Sheet for the acquisition of a 40% equity stake in HAL-Edgewood Technologies Private Limited (HETL), a Joint Venture of Hindustan Aeronautics Limited (HAL). This acquisition will provide future business growth opportunities in the fields of electronics, software, hardware, and aeronautical systems required for Aviation, Aerospace, Defence, and Satellite projects.

In the medium term, the Company will also evaluate expansion into digital infrastructure, EPC, and technology parks, aligned

with the government's infrastructure pipeline and sustainability goals. Additionally, it will continue to selectively pursue e-governance projects, particularly in areas such as land record digitisation and public service delivery automation, where it has proven expertise and a history of success.

With a significantly deleveraged balance sheet, new cash on the books, and a sharper strategic focus, VL E-Governance & IT Solutions Ltd. is well-positioned to emerge as a multi-vertical platform company, combining physical infrastructure creation with advanced technology delivery. The Company's future roadmap is centred on building enduring physical and digital assets that address national priorities, unlock new revenue drivers, and deliver sustainable long-term value for shareholders.

### Environmental, Social, and Governance (ESG) Initiatives

VL E-Governance & IT Solutions Ltd. is committed to integrating environmental, social, and governance (ESG) considerations into its business operations, reflecting its dedication to sustainable development and responsible corporate citizenship. The Company's approach to ESG is rooted in its Corporate Social Responsibility (CSR) policy, which outlines its philosophy and guidelines for contributing to the welfare and sustainable development of the community.





### Environmental Initiatives

The Company is focused on ensuring environmental sustainability through various initiatives aimed at reducing its environmental footprint. These include promoting ecological balance, protecting flora and fauna, and conserving natural resources. The Company actively engages in projects that support environmental conservation, including rainwater harvesting, reducing water consumption, and implementing energy-efficient practices. These efforts are in line with the Company's goal to minimise its impact on the environment while supporting broader ecological objectives.

### Social Initiatives

On the social front, VL E-Governance & IT Solutions Ltd. is dedicated to making a positive impact on the communities in which it operates. The Company's CSR policy emphasises initiatives in areas such as education, healthcare, rural development, and gender equality. Specific projects include supporting educational institutions, enhancing vocational skills, promoting gender equality, and providing healthcare services to underserved communities. The Company also focuses on empowering women, supporting elderly care, and contributing to disaster relief efforts. These initiatives are designed to uplift marginalised groups and contribute to the overall socio-economic development of the community.

### Governance Practices

The Company's governance framework is built on the principles of transparency, accountability, and ethical business conduct. VL E-Governance & IT Solutions Ltd. adheres to the highest standards of corporate governance, ensuring that its operations are aligned with stakeholder expectations and regulatory requirements. The board of directors and the CSR committee play a crucial role in overseeing the Company's ESG initiatives, ensuring that they are implemented effectively and contribute to the Company's long-term sustainability goals.

#### Internal control systems and their adequacy.

The Company has aligned its current internal financial control systems with the requirements of the Companies Act 2013. Management maintains internal control systems designed to provide reasonable assurance that assets are safeguarded, transactions are executed following management's authorisation and properly recorded, and accounting records are adequate for the preparation of financial statements and other financial information. The internal audit function also conducts Operations Review Audits to enhance processes and strengthen control over existing processes.

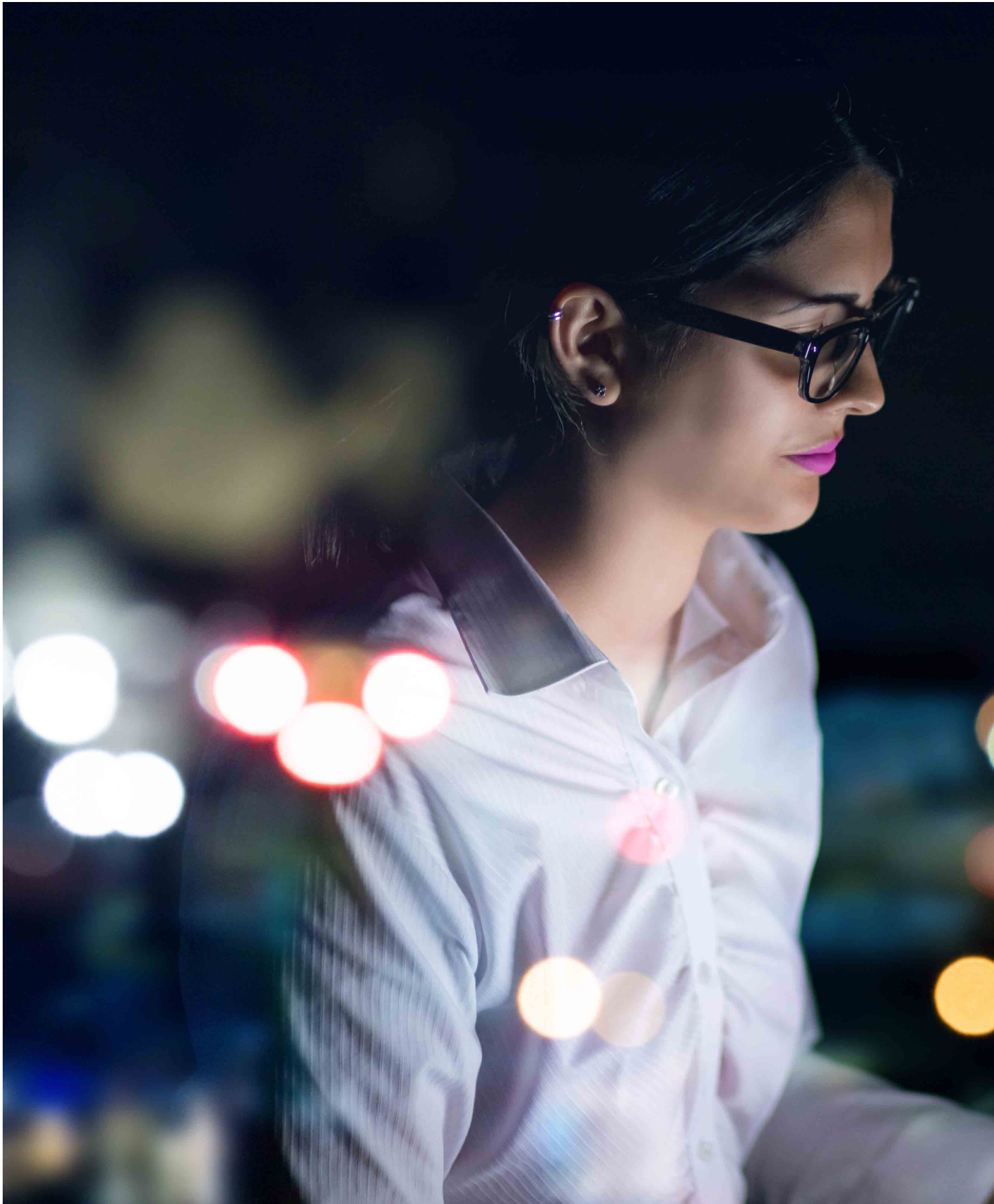
VL E-Governance internal control systems and procedures adhere to industry standards in terms of effective resource utilisation, operational efficiency, and financial reporting. The Company has appointed a reputable firm of Chartered Accountants to oversee and conduct internal audits. The Audit is based on an Internal Audit Plan, which is reviewed each year in consultation with the Audit Committee. In line with international practice, the conduct of Internal Audit is oriented toward reviewing internal controls. The adequacy of the Company's internal controls is tested periodically, and any control deficiencies identified during these assessments are addressed appropriately.

### Disclaimer

This Management Discussion and Analysis (MD&A) contains forward-looking statements about VL E-Governance & IT Solutions Ltd.'s future performance, business strategies, and growth opportunities. These statements reflect management's current expectations and are identified by words such as "anticipate," "believe," "expect," "intend," "may," "plan," "predict," "should," "target," and "will."

Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially. These risks include economic conditions, regulatory changes, market dynamics, competitive pressures, technological advancements, and other factors outlined in the Company's filings with regulatory authorities. The Company does not undertake any obligation to update or revise these statements, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements, made as of the date of this MD&A.





# Statutory Reports





# Directors Report

To,  
The Members,  
**VL E-GOVERNANCE & IT SOLUTIONS LIMITED**  
(Erstwhile Vakrangee Logistics Private Limited)  
Vakrangee Corporate House, Plot No.93,  
Road No.16, M.I.D.C. Marol, Andheri (East),  
Mumbai, Maaharashtra- 400093 India.

**Dear Shareholders,**

Your directors are pleased to present the 9th Annual Report on the affairs of the Company together with the financial statement for the year ended March 31, 2025.

## 1. PERFORMANCE OF THE COMPANY

The Company's performance is summarized below:

### FINANCIAL RESULTS

The Financial Performance of the Company for the year ended March 31, 2025 is summarized below:

(In ₹/- Lakhs)

| Particulars  | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|--|------------------------------|------------------------------|
| Total Income   | 3,238.79                     | 2245.25                      |
| <b>Profit(Loss) before Interest, Depreciation, Exceptional items and Tax</b> | <b>143.89</b>                | <b>(762.91)</b>              |
| Less- Depreciation   | 3.84                         | 0.09                         |
| Interest Cost  | -                            | -                            |
| Exceptional Items  | 2,51,841.28                  | 16230.15                     |
| <b>Profit Before Taxes</b>   | <b>(2,51,701.23)</b>         | <b>(16993.15)</b>            |
| Less – Current Tax   | -                            | -                            |
| Less – Deferred tax  | 2.02                         | 0.06                         |
| <b>Profit After Taxes</b>  | <b>(2,51,703.25)</b>         | <b>(16993.21)</b>            |
| Other Comprehensive Income/(Loss) net of tax                                 | -                            | -                            |
| Total Comprehensive Income for the year                                      | (2,51,703.25)                | (16993.21)                   |
| <b>Earnings Per Share</b>  |                              |                              |
| Basic  | (236.42)                     | (16.04)                      |
| Diluted  | (218.85)                     | (16.04)                      |

### Performance:

The revenues from operations for the FY 2024-25 stands at ₹ 3,068.86 Lakhs as compared to ₹ 2,201.10 Lakhs in previous year. Profit before interest, depreciation, taxation, exceptional item and amortization stood at profit of ₹ 143.89/- Lakhs as compared to loss of ₹ (762.91) Lakhs in previous year. The Profit after Tax for the year under review stood at a loss of ₹ (2,51,703.25)/- lakhs as compared to loss of ₹ (16993.21) Lakhs in the previous year.

## 2. GENERAL REVIEW OF STATE OF COMPANY'S AFFAIRS

The company was originally incorporated as a wholly owned subsidiary of Vakrangee Limited. Subsequently, the National Company Law Tribunal (NCLT) duly sanctioned a Scheme of Arrangement for the demerger of the E-Governance & IT/ITES Business (the Demerged Undertaking) of Vakrangee Limited (the Demerged Company) into VL E-Governance & IT Solutions Limited (the Resulting Company). Pursuant to this demerger, the E-Governance & IT/ITES business of Vakrangee Limited was transferred to VL E-Governance & IT Solutions Limited.

The company was incorporated as Vakrangee Logistics Private Limited, on March 18, 2016. Subsequently, the name of our company was changed to VL E-Governance & IT Solutions Limited w.e.f. November 1, 2021. Our Company has vast experience in delivering system integration and other IT/ITES services for India's e-governance plan. The business activities

of the company includes E-Governance services, IT/ITES system integration services, B2B Trading business and IT/ITEs equipment trading activities.

During the financial year 2024- 25 the company has built the new leadership team in order to align its business strategy and internal processes along with its future growth roadmap. The company has over the years built vast experience and strong execution capabilities to execute large scale field level Government projects. The company will leverage this experience and plans to Bid for New upcoming large scale Government projects, thereby enabling strong future growth roadmap. The Government is implementing nationwide various e-Governance projects including 'Unique Land Parcel Identification Number (ULPIN)', 'Aadhaar Integration with Land Records', 'National Geospatial Knowledge-Based Land Survey of Urban Habitations (NAKSHA)' under Land record digitalization mission (DILRMP), 'PM e-Drive EV Charging Station Operator (CPO)' and 'Solar Power Project' under company's vision to foray into renewable energy. The Company is evaluating these areas and planning to participate in the same.

#### Outlook:

During the year, Company has signed Binding Term Sheet for acquisition of 40% equity stake in HAL-Edgewood Technologies Private Limited (HETL) (26% and 14% equity stake from Edgewood Ventures LLC, USA and Edgewood Technologies Private Limited respectively). This acquisition is a pivotal move for the Company as it expands into high-tech sectors such as aviation, aerospace, defence, and satellite technology which currently have the market opportunity size of more than multibillion USD. This is a strategic investment for the future growth opportunities in the Business of design, develop, manufacture or promote hightech projects/ products in the field of electronics, software, hardware and aeronautical system required for Aviation, Aerospace, Defense and Satellite projects.

A detailed discussion on performance and outlook appears as part of Management Discussion and Analysis Report attached to this report.

### 3. DIVIDEND

Your Directors do not recommend a dividend on the equity shares for the Financial Year ended March 31, 2025.

### 4. SHARE CAPITAL

As on March 31, 2025, the authorized share capital of the company is ₹ 2,00,00,00,000 (Two Hundred Crore Rupees Only) comprising of 20,00,00,000 (Twenty Crore) equity shares of ₹ 10/- each and the paid-up equity share capital of the Company as on March 31, 2025 is ₹ 1,08,45,13,290 (One Hundred and Eight Crore Forty-Five Lakhs Thirteen

Thousand Two Hundred Ninety Rupees only) comprising of 10,84,51,329 ( Ten Crore Eighty Four Lakhs Fifty One Thousand Three Hundred Twenty Nine) equity shares of ₹ 10/- each.

During the year under review, the Company has not issued any shares with differential voting rights or granted stock options or sweat equity.

### 5. CHANGE IN CAPITAL STRUCTURE OF THE COMPANY

Authorized Share Capital of the company stood at ₹ 200,00,00,000 (Rupees Two Hundred Crore) as on March 31, 2025, whereas on March 31, 2024, Authorized Share Capital of the company was ₹ 110,00,00,000 (Rupees Hundred and Ten Crore).

As on March 31, 2024, the company had paid up share capital of ₹ 1,05,95,13,290. On January 16, 2025, the company have allotted 5,34,65,600 convertible warrants on Preferential basis. On the same day, Sameer Bhambha and Shweta Bhambha, two of the allottees have opted for conversion of 12,50,000 warrants each (i.e. 25,00,000 warrants) into equity shares which resulting in increase of paid-up equity share capital of ₹ 1,08,45,13,290. As on March 31, 2025, the number of outstanding convertible warrants stood at 5,09,65,600.

### 6. ISSUE OF SHARES OR OTHER CONVERTIBLE SECURITIES

During the Financial Year under review the Board of Directors vide resolution passed on January 16, 2025, have approved the allotment of 5,34,65,600 convertible warrants, at an issue price of ₹ 75/- each through preferential allotment to non-promoter category from whom 25% application money was received. The allotment was made pursuant to the approval of the shareholders obtained through a Postal Ballot resolution on April 3, 2024, and based on the In-Principal approvals received from BSE and NSE on January 2, 2025. On January 16, 2025, the Company converted 25,00,000 of these warrants into equity shares, upon receiving 100% allotment money from the respective allottees. The last date for conversion of the said warrants is July 15, 2026.

### 7. TRANSFER TO RESERVES

The Board of Directors of your company has decided not to transfer any amount to Reserve for the year under review.

### 8. DEPOSITS

During the year under review, the Company has not accepted or renewed any deposits falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014. There were no unpaid and unclaimed deposits as March 31, 2025.

## 9. MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF REPORT

There are no material changes and commitments affecting the financial position of the company occurred between the end of the financial year and the date of this report.

There was no change in the company's nature of business during FY 2024-25.

## 10. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The company does not have any subsidiary, associate and Joint Venture as on March 31, 2025. During the year, no company has ceased to be a subsidiary, associate or Joint Venture company.

## 11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Particulars of Loans, Guarantees and Investments covered under provisions of section 186 of the Act, if any, are given in the notes to the Financial Statements

## 12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo is given as under:

- **Conservation of Energy:**  
The Operations of the Company are not energy intensive. However, measures have been taken to reduce energy consumption by using efficient computers, IT Assets and other Equipment with latest technologies.
- **Technology Absorption:**  
Since business and technologies are changing constantly, investment in research and development activities is of paramount importance. Our Company continues its focus on quality upgradation and services development.
- **Foreign Exchange Earnings and Outgo: Nil**

## 13. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under the Part B of Schedule V read with Regulations 34(2) and 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section, forming part of the Annual Report.

## 14. CORPORATE GOVERNANCE

The company is committed to maintain good corporate governance practices. Pursuant to regulation 34(3) read with Part C of schedule V of SEBI (LODR) Regulations, 2015, a separate section on corporate governance report along with Certificate from the Mehul Raval, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance is forming part of annual report.

## 15. MANAGEMENT

Due to Demise of Late Mr. Dinesh Nandwana, he ceased to be a Chairman & Managing Director of the company w.e.f. January 31, 2025, and Mr. Sanjay Nandwana is appointed as Managing Director of the company w.e.f. March 27, 2025. During the year Dr. Nishikant Kishanrao Hayatnagar is appointed as Executive Director of the company w.e.f. December 04, 2024, and designated as chairman of the company w.e.f. March 27, 2025.

## 16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

**During the year under review:**

- a) all contracts/arrangements/ transactions entered by the Company with related parties were in the ordinary course of business and on arm's length basis.
- b) contracts/arrangements/ transactions which were material, were entered into with related parties in accordance with the policy of the Company on Materiality of Related Party Transactions and on dealing with Related Party Transactions.

Details of contracts/arrangements/ transactions with related party which are required to be reported in Form No. AOC-2 in terms of Section 134(3) (h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 are provided in Annexure- 1 to this Report.

In accordance with the provisions of SEBI (LODR) Regulations, 2015 the policy on materiality of and dealing with related party transactions as approved by the board is uploaded and the same is available on the website of the company at the link <https://vlegovernance.in/policies-and-disclosure.html>.



The details of transactions with related parties as per the requirement of IND-AS are disclosed in the notes to the Financial Statements.

## 17. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

### Board and Board Meetings

The Company's Board has an optimal combination of executive, non-executive and independent directors (including one women independent director) who bring to the table the right mix of knowledge, skills and expertise.

The Board met at least once in each quarter and 9 meetings of the Board were held during the year and the maximum time gap between two Board meetings did not exceed the time limit prescribed in the Act and SEBI (LODR) Regulations, 2015.

The details viz, Composition, number of meetings, dates of meetings and attendance of Directors at such meeting are included in the Corporate Governance Report.

### Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the board of directors has carried out Board Evaluation i.e. evaluation of the performance of: (i) Board as a whole and (ii) individual directors (including independent directors). The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors at their separate meeting. The evaluation has been done as per the process laid in the "Policy for Evaluation of performance of the Board of Directors of VL E-Governance & IT Solutions Limited (herein after referred to as "Charter") adopted by the Board.

### AUDIT COMMITTEE

The Board has a well-qualified Audit Committee, the composition of which is in line with the requirements of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (LODR) Regulations, 2015. Two third of the members, including the Chairman of the Audit Committee are Independent.

During the year under review, the Board has accepted all the recommendations of the Audit Committee. The Company Secretary of the Company acts as Secretary of the Committee.

The details viz, Composition, number of meetings, dates of meetings and attendance of Directors at such meeting are given in the Corporate Governance Report.

### NOMINATION AND REMUNERATION AND COMPENSATION COMMITTEE

The Company has constituted Nomination and Remuneration and Compensation Committee as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015. The Board has framed a Nomination and Remuneration and Compensation Policy including the fixation of criteria for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel. The Policy is also uploaded on the web-site of the Company at <https://vlegovernance.in/policies-and-disclosure.html> and same has been annexed herewith as "Annexure-2".

The details viz, Composition, number of meetings, dates of meetings and attendance of Directors at such meeting are given in the Corporate Governance Report.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

In accordance with the provisions of Section 135 read with Schedule VII of the Companies Act, 2013 the Company has adopted a CSR Policy outlining various CSR activities to be undertaken by the Company.

Based on the recommendation of the CSR Committee, in respect of unspent CSR amount, the board has identified following projects as Ongoing Project which are :

- Eradication of hunger and malnutrition, promoting education, healthcare

Policy relating to Corporate Social Responsibility is available on the website of the company at <https://vlegovernance.in/policies-and-disclosure.html> and the same is enclosed as Annexed- 3 forming part of this report

The CSR Committee comprises of following:

|    |                                   |   |          |
|----|-----------------------------------|---|----------|
| 1. | Sanjay Nandwana                   | - | Chairman |
| 2. | Nishikant Kishanrao Hayatnagarkar | - | Member   |
| 3. | Tanu Surendra Shukla              | - | Member   |

Further, the disclosures as required under Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed to this Report in "Annexure-4".

### STAKEHOLDERS RELATIONSHIP COMMITTEE

As per the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015, the Company has constituted Stakeholders Relationship Committee. The details viz, Composition, number of meetings, dates of meetings and attendance of Directors at such meeting are given in the Corporate Governance Report.

## RISK MANAGEMENT COMMITTEE

The details viz, Composition, number of meetings, dates of meetings and attendance of Directors at such meeting are included in the Corporate Governance Report.

## 18. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, there have been the following changes in the composition of the Board of Directors and Key Managerial Personnel:

| Sr. No. | Name                               | Appointment/ Resignation | Date of Appointment and resignation | Designation                              |
|---------|------------------------------------|--------------------------|-------------------------------------|--|
| 1.      | Nilesh Champalal Wadode            | Appointment              | 01-06-2024                          | Company Secretary & Compliance Officer   |
| 2.      | Nishikant Kishanrao Hayatnagarkar* | Appointment              | 04-12-2024                          | Executive Director                       |
| 3.      | Hari Mohan                         | Appointment              | 04-12-2024                          | Independent Director                     |
| 4.      | Amit Keval Sabarwal                | Resignation              | 04-12-2024                          | Non-Executive & Non-Independent Director |
| 5.      | Sanjeevkumar Tarachand Bohra       | Resignation              | 04-12-2024                          | Independent Director                     |
| 6.      | Anoop Kumar Agrawal                | Appointment              | 10-12-2024                          | Independent Director                     |
| 7.      | Chandra Kailash Vishwakarma        | Appointment              | 10-12-2024                          | Independent Director                     |
| 8.      | Yogesh Dnyandeo Kharate            | Resignation              | 11-12-2024                          | Non-Executive & Non-Independent Director |
| 9.      | Vishal Chalia                      | Resignation              | 11-12-2024                          | Independent Director                     |
| 10.     | Dinesh Nandwana                    | Deceased                 | 31-01-2025                          | Chairman & Managing Director             |
| 11.     | Sanjay Nandwana                    | Appointment              | 27-03-2025                          | Managing Director                        |

\* Dr. Nishikant Kishanrao Hayatnagarkar has been designated as Chairman of the company w.e.f. March 27, 2025.

As per the information available with the Company, none of the Directors of the Company are disqualified for being appointed as a Directors as specified in Section 164(2) of the Companies Act, 2013.

## 19. DIRECTOR'S RESPONSIBILITY STATEMENT

As per the clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Directors state that:

- in the preparation of the Annual Accounts, the applicable Accounting Standards read with requirement set out in schedule III to the Act have been followed and that no material departures have been made from the same;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 and Loss of the Company for that period;
- they had 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;

- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## 20. VIGIL MECHANISM AND WHISTLEBLOWER POLICY

The Company has established a robust Vigil Mechanism and a Whistleblower Policy in accordance with the provisions of the Act and the Listing Regulations. Employees and other stakeholders are required to report actual or suspected violations of applicable laws and regulations and the Code of Conduct. Such genuine concerns can be raised by a Whistle-blower through an e-mail or letter to the Chairman of the Audit Committee. The Vigil Mechanism and Whistle-blower Policy is

available on the Company's website and can be accessed at <https://vlegovernance.in/policies-and-disclosure.html>.

## 21. DETAILS OF POLICY DEVELOPED AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The company is exposed to various financial risks such as credit risk, liquidity risk, interest rate risk etc. The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. The risk mitigation process and measures have been also formulated and clearly spelled out in the said policy. The said policy is available on the website of the company <https://vlegovernance.in/policies-and-disclosure.html>.

## 22. COMPANY'S POLICY RELATING TO DIRECTOR'S APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

Companies Policies relating to director appointment and payment of remuneration and criteria for determining qualifications, positive attributes, independence of directors and other matters are uploaded on the website of the company <https://vlegovernance.in/policies-and-disclosure.html>.

## 23. DISCLOSURES RELATED TO REMUNERATION AS PER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith as "Annexure -5".

## 24. A STATEMENT ON DECLARATION UNDER SUB-SECTION (6) OF SECTION 149 OF THE COMPANIES ACT, 2013 AND REGULATION 16(1)(b) OF SEBI (LODR) REGULATIONS, 2015

All Independent Directors have given declarations affirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent Directors during the year. Further, all the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013 and the Code of Conduct for Directors and senior management.

## 25. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The internal control systems are designed to ensure sound management of your Company's operations, safekeeping of its assets, optimal utilization of resources, reliability of its financial information and compliance.

The Statutory Auditors of the Company have audited the financial statements included in this annual report and have issued a report on our internal financial controls over financial reporting as defined in Section 143 of the Act.

## 26. AUDITORS

### STATUTORY AUDITORS

M/s. B K G & ASSOCIATES, Chartered Accountants (Firm Registration No.114852W) were appointed as the Statutory Auditors of the Company at the Seventh Annual General Meeting held on 12th June 2023 for a period of 5 years i.e. w.e.f. June 12, 2023 until the conclusion of Twelfth Annual General Meeting.

The Auditor's Report for FY 2024-25 does not contain any qualifications, reservations, adverse remarks.

### COST AUDITORS

Cost audit is not applicable to the company for the FY 2024-25 under Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

### SECRETARIAL AUDITOR:

Pursuant to provisions of section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014, the company has appointed Mehul Raval, Practicing Company Secretaries (Mem No.: ACS-18300) to undertake the secretarial audit of the company. The report on the secretarial audit in prescribed form MR-3 is annexed in this annual report as Annexure – 6.

There is no qualifications, reservations, observations or adverse remarks in the report issued by the Secretarial Auditor.

In addition to the Secretarial Audit Report MR-3 and pursuant to SEBI circular dated 8th February 2019; a report on secretarial compliance (Regulation 24A of SEBI (LODR) Regulations, 2015) by Mehul Raval, COP NO: 24170, for the financial year 2024-25 has been submitted with stock exchanges. There were no qualifications, reservations or adverse remarks in this report.



#### INTERNAL AUDITOR:

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations.

As per provision of section 138 of the Companies Act, 2013, every listed company is required to appoint an internal auditor to conduct internal audit and the functions of the company. The internal audit is entrusted to V K Asawa and Associates Chartered Accountant Firm, Mumbai (FRN – 143338W). The main thrust of internal audit is to test and review controls, appraisal of risks and business processes. Auditor plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board.

### 27. REPORTING OF FRAUD BY AUDITORS

The Auditors have not reported any instance of fraud under Section 143(12) of the Companies Act, 2013.

### 28. EXTRACT OF ANNUAL RETURN

The Annual Return (MGT-7) of the Company as on March 31, 2025, would be available on the Company's website and can be accessed at <https://vlegovernance.in/>.

### 29. DISCLOSURE OF ACCOUNTING TREATMENT

Applicable accounting standard as prescribed from time to time under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2016, have been followed in preparation of the financial statements of the company as at March 31, 2025.

### 30. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

There were no outstanding unclaimed and unpaid amount with the company and therefore company was not liable to transfer any kind of amount to Investor Education and Protection Fund. Further, as required under section 124 of the Act and pursuant to scheme of arrangement approved by honorable NCLT, total number of 233,145 equity shares have been transferred by the Company to the Investor Education and Protection Fund Authority during the financial year 2023-24. Details of shares transferred have been uploaded on the website of IEPF.

### 31. AFFIRMATION ON COMPLIANCE OF SECRETARIAL STANDARDS

The Company has followed the applicable Secretarial Standards, with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

The Company hereby affirms that during the year under review Company has complied with all the applicable secretarial standards (including any modifications or amendments thereto) issued by the Institute of Company Secretaries of India.

### 32. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All women employees (permanent, contractual, temporary and trainee) are covered under this Policy. During the year 2024-25, no complaints on sexual harassment were received.

|  |     |
|--|-----|
| Number of sexual harassment complaints received    | NIL |
| Number of complaints disposed of                   | NIL |
| Number of complaints pending for more than 90 days | NIL |

We hereby state and confirm that, the Company has constituted an internal complain committee under provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Company has complied with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder.

#### Compliance under the Maternity Benefit Act, 1961:

The Company affirms that it has complied with the applicable provisions of the Maternity Benefit Act, 1961, including but not limited to:

- Grant of maternity leave to eligible employees,
- Provision for nursing breaks, and
- Ensuring protection against dismissal during maternity leave and other associated entitlements

### 33. OTHER STATUTORY DISCLOSURES

The Directors state that no disclosure or reporting is required with respect to the following items as there were no transactions related to these items during the year under review:

- Significant or material order passed by any regulators or courts or tribunals against the Company impacting the going concern status and Company's operations in future

- Issue of sweat equity shares or equity shares with differential rights as to dividend, voting or otherwise;
- Provision of money for purchase of its own shares by employees or by trustees for the benefit of employees;
- Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016;
- Instance of one-time settlement with any financial Institution; and
- Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act.

### 34. ANNEXURES FORMING PART OF THIS REPORT

| Annexure   | Particulars  |
|------------|--|
| Annexure-1 | AOC-2- Disclosures on Related Party Transactions   |
| Annexure-2 | Nomination and Remuneration and Compensation Policy  |
| Annexure-3 | Corporate Social Responsibility (CSR) Policy   |
| Annexure-4 | Disclosures as required under Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 |
| Annexure-5 | Disclosures relating to remuneration and other details as required under Section 197(12) of the Act    |
| Annexure-6 | MR-3   |

### 35. CAUTIONARY STATEMENT

Statements in this Board of directors' report and management discussion and analysis describing the company's objectives, projections, estimates, expectations/predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual reserves could defer from those expressed or implied.

### 36. ACKNOWLEDGEMENTS

Your directors take this opportunity to thank the employees, customers, vendors, investors of the Company and the communities in which the Company operates. The Board also wishes to place on record their appreciation for the hard work, dedication and commitment of the employees at all levels. The Board looks forward to their continued support and understanding in the years to come.

On behalf of the Board of Directors  
For VL E-Governance & IT Solutions Limited

Nishikant Kishanrao Hayatnagarkar  
Chairman & Executive Director  
(DIN: 00062638)

Place: Mumbai  
Date: 02.08.2025

# ANNEXURE TO DIRECTOR'S REPORT

Annexure-1

**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 – Not Applicable
  - (a) Name(s) of the related party and nature of relationship
  - (b) Nature of contracts/arrangements/transactions
  - (c) Duration of the contracts/arrangements/transactions
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - (e) Justification for entering into such contracts or arrangements or transactions (f) Date of approval by the Board (g) Amount paid as advances, if any:
  - (h) 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
  - (a) Name(s) of the related party and nature of relationship  
Vakrangee Limited (Common Promoters in Both Companies)
  - (b) Nature of contracts/arrangements/transactions
    - a) purchase/sale of Goods and Availing and rendering of services;
    - b) transfer/lease of business asset(s) and/or equipment to meet its business objectives/requirements;
    - c) transfer/render/avail any resources, services or obligations to meet its business objectives/ requirements
  - (c) Duration of the contracts/arrangements/transactions :  
From June 08, 2023, to March 31, 2025.
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
  - (e) Date(s) of approval by the Board, if any: June 08, 2023.
  - (f) Amount paid as advances, if any: NA

**On behalf of the Board of Directors  
For VL E-Governance & IT Solutions Limited**

**Nishikant Kishanrao Hayatnagarkar  
Chairman & Executive Director  
(DIN: 00062638)**

**Place: Mumbai  
Date: 02.08.2025**



## ANNEXURE TO DIRECTOR'S REPORT

### Annexure-2

#### NOMINATION AND REMUNERATION AND COMPENSATION AND BOARD DIVERSITY POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013

read along with the applicable rules thereto and SEBI (Listing Obligations & Disclosure Requirements) 2015 as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration and Compensation Committee (NRC or the Committee) and has been approved by the Board of Directors in the Board Meeting held on June 23, 2023

#### 1. Definitions:

- a) **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;
- b) **"Key Managerial Personnel"** means:
  - i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
  - ii. Chief Financial Officer;
  - iii. Company Secretary; and
  - iv. such other officer as may be prescribed.
- c) **"Senior Management"** shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and shall comprise all members of management one level below the Chief Executive Officer / Managing Director / Whole time Director / Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

#### 2. Objective:

The objective of the policy is to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### 3. Role of the Committee:

The role of the NRC will be the following:

- a) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- b) To formulate criteria for evaluation of Independent Directors and the Board.
- c) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- d) To carry out evaluation of Director's performance.
- e) To recommend to the Board the appointment and removal of Directors and Senior Management.
- f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- g) To devise a policy on Board diversity, composition, size.
- h) Succession planning for replacing Key Executives and overseeing.
- i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### 4. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may

be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

## 5. TERM / TENURE

### a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

### b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

## 6. EVALUATION

The Committee evaluates the performance of Director, Key Managerial Personnel and Senior Management Personnel yearly or at such intervals as may be considered necessary. The portion of incentive pay, and variable pay is quantitatively determined using pre-established parameters such as Revenue targets, Materiality Issues, KPI Targets and ESG Performance targets released by the Company. The targets are also mentioned in the HR Manual of the Company.

We believe linking Materiality Issues KPI Targets and Environmental, Social & Governance (ESG) performance to pay can help hold executive management accountable for the delivery of sustainable business goals. Executive pay should be aligned with performance and long-term strategy in order to protect and create value which is in the interest of both companies and their investors. This

alignment presents opportunities for engagement to promote the consideration of ESG issues when setting pay. We have released a detailed quantitative ESG performance Target of VL E-Governance website giving emphasis on reduction of Green Houses Gases emissions from our own operations.

## 7. REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

## 8. RETIREMENT

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Act and the prevailing policy of the Company.

The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 9. POLICY FOR REMUNERATION TO DIRECTORS/KMP/ SENIOR MANAGEMENT PERSONNEL

### a. Remuneration to Managing Director / Whole-time Directors:

- The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

### b. Remuneration to Non- Executive / Independent Directors:

- The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013)

shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

- iii. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- iv. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  1. The Services are rendered by such Director in his capacity as the professional; and
  2. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- v. The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

**c. Remuneration to Key Managerial Personnel and Senior Management:**

- i. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- ii. The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- iii. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time. d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key

Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate. The incentive pay shall be based on the integrated ESG Performance Targets as defined by the Company from time to time.

- iv. Compensation Clawback: The terms of all compensation held by the Key Managerial Personnel and Senior Management/ Executive officers allow us to recoup any shares or other amount that may be paid in the event the individual engages in certain acts of misconduct. The Company may recover compensation in the event the named executive officer commits any misconduct while employed by Company or at any time thereafter, the individual engages in a breach of confidentiality, materially breaches any agreement with Company, commits an act of theft, embezzlement or fraud or if Company is required to prepare to prepare an accounting restatement as a result of the named executive officer's misconduct.

**10. IMPLEMENTATION**

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

The Committee may Delegate any of its powers to one or more of its members.

**11. APPOINTMENT POLICY**

The Appointment Policy for Independent Directors, Key Managerial Personnel & Senior Executives will be as under-

**a. Independent Directors:**

Independent Directors will be appointed based on the criteria mentioned under section 149(6) of the Companies Act, 2013 and in accordance with other applicable provisions of the Companies Act, 2013, rules made thereunder the Listing Regulations and other applicable laws.

**b. Key Managerial Personnel (KMP):**

KMP will be appointed by the resolution of the Board of Directors of the Company, based on qualifications, experience and exposure in the prescribed field. Removal of the KMP will also be done by the resolution of Board of Directors of the Company. Appointment/ Removal will be in accordance with the provisions of the Companies Act, 2013, rules made thereunder.



**c. Senior Executives:**

Senior Executive will be appointed by the Chairman and the Managing Director and/or Executive Director of the Company based on their qualifications, experience and exposure. Removal of the Senior Executives will also be by Chairman, Managing Director and/or Executive Director. Further, appointment and removal will be noted by the Board as required under clause 8(3) of Companies (Meeting of Board and its Powers) Rules, 2014.

**12. BOARD DIVERSITY**

- a. The Company acknowledges the importance of diversity in its broadest sense in the Boardroom as a driver of Board effectiveness. Diversity encompasses diversity of perspective, experience, education, background, ethnicity and personal attributes. The Company recognizes that gender diversity is a significant aspect of diversity and acknowledges the role that woman with the right skills and experience can play in contributing to diversity of perspective in the Boardroom.
- b. The NRC shall review and evaluate Board composition to ensure that the Board and its Committees have the appropriate mix of skills, experience, independence and knowledge to ensure their continued effectiveness. In doing so, it will take into account diversity, including diversity of gender,

amongst other relevant factors. The NRC will ensure that no person is discriminated against on grounds of religion, race, gender, pregnancy, childbirth or related medical conditions, national origin or ancestry, marital status, age, sexual orientation or any other personal or physical attribute which does not speak to such person's ability to perform as a Board member.

- c. All appointments to the Board (as recommended by the NRC) shall be made on merit while taking into account suitability for the role, Board balance and composition, the required mix of skills, background and experience (including consideration of diversity and ethnicity). Other relevant matters such as independence and the ability to fulfil required time commitments in the case of Independent and Non Executive Directors will also be taken into account.
- d. The NRC shall monitor and periodically review the Board Diversity and recommend to the Board so as to improve one or more aspects of its diversity and measure progress accordingly.
- e. The Company will be able to ensure Board diversity if shareholders are able to judge for themselves whether the Board as constituted is adequately diverse. The Company shall continue to provide sufficient information to the shareholders about the qualifications, expertise and characteristics of each Board Member.

# ANNEXURE TO DIRECTOR'S REPORT

Annexure 3

## CORPORATE SOCIAL RESPONSIBILITY POLICY

### 1. CONCEPT AND VISION:

The company strongly believes that sustainable community development is essential for harmony between the community and the industry. It endeavours to make a positive contribution to the underprivileged communities by supporting a wide range of socio-economic, educational and health initiatives. Also, it is committed to integrate its business values and operations to meet the expectations of all its stakeholders.

In this regard, the Company has made this policy which encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large and is titled as the "CSR Policy" which is based as per The Companies (Corporate Social Responsibility Policy) Rules, 2014 initiated by the Central Government under the relevant provisions of Section 135 of the Companies Act, 2013 and Schedule VII of the said Act.

This CSR Policy shall apply to all corporate social responsibility initiatives and activities undertaken by the Company for the benefit of different segments of the society and for enhancement of the fields like education, health care, environment, employment, promoting gender equality and women empowerment etc. more particularly described below.

### 2. OBJECTIVES OF THE POLICY:

The objectives of this policy are to:

- i) Demonstrate commitment to the common good through responsible business practices and good governance.
- ii) Actively support the state's development agenda to ensure sustainable change.
- iii) Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.

### 3. APPLICABILITY:

- i) The Company, CSR policy has been developed as per Section 135 of the Companies Act, 2013 (referred to as the Act in this policy) on CSR and in accordance with the CSR rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India in 2014.
- ii) The Policy shall apply to all CSR projects/

programmes undertaken by the Company in India as per Schedule VII of the Act as amended from time to time.

- iii) This policy shall be applicable to the Company including all its subsidiaries, and all their employees.

### 4. CSR INITIATIVES AND ACTIVITIES:

The Company may adopt any one or more of the following initiatives and activities as enumerated in Schedule VII of the Companies Act, 2013 or as may be amended from time to time under this CSR Policy:

- I. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- II. Contributing or collaborating with registered trust, voluntary organizations, academic institutes, government or a registered society or a company undertaking CSR activities;
- III. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- IV. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- V. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water, including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- VI. Protection of natural heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries; promotion and development of traditional arts and handicrafts;
- VII. Measures for the benefit of arm forces veterans, war windows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents

including widows;

- VIII. Training to promote rural sport, nationally recognized sports, Paralympic sport and Olympic sports;
- IX. Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- X. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- XI. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- XII. Rural development projects;
- XIII. Slum area development.

- XIV. disaster management, including relief, rehabilitation and reconstruction activities.

Any of the aforesaid initiatives and the activities that may be undertaken by the Company will be referred to as "CSR Initiatives and Activities" hereinafter.

For the purpose of this item, the term "slum area" shall mean the area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

Any expenditure incurred towards below mentioned projects/programs/activities shall not be construed as CSR.

- activities undertaken in pursuance of normal course of business of the company.
- any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
- contribution of any amount directly or indirectly to any political party under section 182 of the Act.
- activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019.
- activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
- activities carried out for fulfilment of any other statutory obligations under any law in force in India.

## 5. GOALS:

Our Goals include the following:

| Sr. No. | Goal Area   | Actions  |
|---------|---|--|
| 1       | Hunger, poverty, malnutrition and healthcare                    | Company will work with organisations working in medical or health - related projects such as providing support for cancer treatment, cataract surgeries, etc.  |
| 2       | Education   | To Provide grants to various colleges in India for improving their infrastructure. Sponsor chairs and create endowment funds for the colleges/ universities to assist students with their studies.   |
| 3       | Rural and Social Development                                    | We believe that the well - being of people living in rural areas ensures sustainable development. We will work with local administrators to achieve community development goals. We will partner with governments and NGOs and support them in improving infrastructure such as constructing roads, providing drainage systems and electricity, and rehabilitating natural - disaster affected victims in rural areas. |
| 4       | Gender equality, environmental sustainability, art and Culture. | Company will, among other things, focus on promoting gender equality and empowering women, ensuring environmental sustainability, ecological balance, protection of flora and fauna and protection of national heritage, art and culture including restoration of buildings and sites of historical importance.  |



## 6. CSR BUDGET:

CSR Committee will recommend the annual budgeted expenditure project wise to the Board for its consideration and approval.

For achieving its CSR initiatives and activities through implementation of meaningful and sustainable CSR programmes, the Company will endeavor to allocate, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. For the purpose of the CSR Policy the 'net profit' of the Company shall mean the net profit as defined in the Gazette of Government of India vide its G.S.R. notification dated 27th February 2014.

**"Net profit"** means the net profit of a company as per its financial statement prepared in accordance with the applicable Provisions of the Act, but shall not include the following, namely:-

- (i) Any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- (ii) Any dividend received from other companies in India, which are covered under and complying with the Provisions of Section 135 of the Act:

Provided that net profit in respect of a financial year for which the relevant financial Statements were prepared in accordance with the provisions of the Companies Act, 1956, (1 of 1956) shall not be required to be re-calculated in accordance with the provisions of the Companies Act, 2013:

## 7. IMPLEMENTATION:

### 7.1 CSR Committee:

CSR Initiatives and Activities will be initiated by a committee comprising of 3 (Three) members and the composition of the Committee shall be in accordance with the provisions of section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee shall:

- (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) monitor the Corporate Social Responsibility Policy of the company from time to time.
- (d) formulate and recommend to the Board, an annual action plan in pursuance of CSR policy.

- (e) Analyse need of an impact assessment, if any, for the projects undertaken by the company.

### 7.2 CSR Initiatives and Activities:

The company endeavors to make CSR a key business process for sustainable development. The Company strongly believes that the sustainable community development is essential for harmony between the community and the industry. It is committed that to integrate the its business values and operations to meet the expectations of all its stakeholders.

In pursuing its CSR activities, the Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs. in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014.

A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of their own personnel for CSR.

The Company may build CSR capacities of its own personnel as well as those of its implementing agencies through institutions with established track records of at least three financial years but such expenditure shall not exceed 5% of the total CSR expenditure of the Company in one financial years.

The time period and/or the duration over which a particular CSR Initiative and Activity will be spread will depend on its nature, extent of coverage and the intended impact of the said initiative or activity which will be determined by the CSR Committee.

### 7.3 Guiding Principles:

To attain its CSR objectives in a professional manner and integrated manner, the company shall:

- Undertake proactive engagement with stakeholders to actively contribute to the socio-economic development of the periphery/ community in which it operates.
- Using environment friendly and safe processes in production.
- Create a positive footprint within the society by creating inclusive and enabling infrastructure/ environment for liveable communities.
- Ensure environmental sustainability by adopting best ecological practices and encouraging conservation/judicious use of natural resources.

- Work towards mainstreaming the marginalized segments of the society by striving towards providing equal opportunities and making meaningful difference in their lives.
- Focus on educating the girl child and the underprivileged by providing appropriate infrastructure, and groom them as future value creators.
- Assist in skill development by providing direction and technical expertise to the vulnerable thereby empowering them towards a dignified life.
- Emphasize on providing basic nutrition/health care facilities with special focus on establishing health centers for the mother and child as well as the elderly.
- Facilitate water conservation by reducing water consumption at the plants and taking up rain water harvesting projects.
- Create a business value chain which is sustainable – environmentally + socially + economically.
- Promote an inclusive work culture.
- Work towards generating awareness for creating public infrastructure that is barrier free, inclusive and enabling for all including the elderly and the disabled.
- Create positive awareness towards the need to adopt measures that lead towards reducing carbon footprints, dependence on fossil fuels and promote alternate energy approaches.
- Promoting the well-being and development of employees and their families through an inspiring corporate culture that engenders good values.
- Employee participation is an important part of developing responsible citizenship. Our company encourages and motivates employees to spend time volunteering on issues of their interest.
- At the time of national crisis, as a company it is imperative for us to respond to emergency situations & disasters by providing timely help to affected victims and their families.
- Promote economic, social, educational, infrastructural and health development by providing active support to local initiatives.
- Create significant difference in the lives of stakeholders by aligning initiatives with sustainable development.

- Optimum use of physical, financial and natural resources by collaborating with Government Organizations, community-based organization, donor agencies, foundations, corporates and other development/likeminded partners.
- Ensure stakeholders participation in planning and execution of development initiatives to create ownership and accountability.
- Enhance capacity, skill and competence of employee, development partners, community and other stakeholders to enable them to involve in sustainable development initiatives.
- Organize local youths to promote Sports, Art and Culture and also create an opportunity for them so that they can represent their country.
- Ensure People/Community participation during execution of CSR activities.
- Environment conservation through sustainable initiatives.

#### 7.4 Role of Board of Directors:

- Review the recommendations made by the CSR Committee.
- Approve the CSR policy of the Company
- Disclose the contents of the policy in the Company's report/website
- Ensure that the Company spends in the every financial year at least two (2) percent of the average net profits made during the three financial years of the Company on CSR activities pursuant to CSR policy of the Company.
- Satisfy itself that the funds disbursed towards CSR have been utilised for the purposes and in the manner as approved and the Chief Financial Officer or the person responsible for financial management shall certify the same.
- Board of a Company shall monitor the ongoing projects and the implementation of the same with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- To ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- Shall review and make note of impact assessment reports, if any, which shall be annexed to the annual report on CSR.

### 7.5 CSR Annual Action Plan and Location of CSR Efforts:

The CSR Committee shall decide on the locations for CSR activities and formulate and recommend to the Board for approval a CSR annual action plan, which shall contain all matters which are required under Applicable Law and any other matters as the CSR Committee may deem fit from time to time. The Board may modify the annual action plan as per the recommendations of the CSR Committee at any time during the financial year, based on reasonable justification.

### 7.6 Impact Assessment:

Impact assessment shall be undertaken by the Company or by recipient or by implementing agency as required by and in the manner set out under Applicable Law, and the impact assessment report(s) shall be placed before the CSR Committee and the Board, and shall be disclosed as legally required.

## 8. SPECIALISED EXECUTING AGENCIES/PARTNERS

CSR Initiatives and Activities identified under this CSR Policy may also be implemented through specialized executing agencies/partners which could include – voluntary organizations, formal or informal elected local bodies such as Panchayats; Institutes/Academic Institutions; other Trusts; Self Help Groups; Government/ Semi Government Agencies/autonomous organizations; Mahila Mandals; Professional Consultancy Organization etc.

The CSR Committee in its discretion may also decide to dovetail and synergize the Company's CSR Initiatives and Activities with the initiatives taken by the aforesaid specialized executing agencies/partners.

The Company may enter into an agreement with any of the Charitable Trusts registered under the provisions of Bombay Public Trusts Act, 1950 or Indian Trust Act, 1882 or a registered society or a company established under Section 8 of the Companies Act, 2013 and also with the implementing specialized executing agency/partner to lay down the manner of contribution made by the Company for its CSR Initiatives and Activities and enable the Company/CSR Committee to monitor the same so as to ensure that the allocation/contribution is spent for the intended purpose only.

In case of CSR initiatives and activities executed by any of the aforesaid specialized executing agencies like NGOs/Trusts/Voluntary organizations, the Board/CSR Committee shall ensure the following criteria:

- (a) a company established under section 8 of the Act, or a registered public trust or a registered society,

registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company.

- (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government.
- (c) any entity established under an Act of Parliament or a State legislature.
- (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

## 9. AREA OF CSR INITIATIVES AND ACTIVITIES:

The CSR Committee shall while spending/contributing the Annual CSR Budget earmarked for the CSR Initiatives/ Activities shall give preference to the local areas and areas around it where the Company operates.

## 10. DISPLAY OF CSR ACTIVITIES:

Appropriate documentation and contents of the Company's CSR Policy, composition of CSR Committee, annual CSR Initiatives/ activities/projects undertaken with the approval of the CSR Committee/Board through any Charitable Trust and/or specialized executing agencies/partners, and information on the CSR expenditure incurred will be available on the Company's website <https://vlegovernance.in>

Company shall in its Board's Report include an annual report on CSR.

In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.

The progress of CSR Initiatives and Activities under implementation will be reported to the Board of Directors of the Company on regular basis.

## 11. GENERAL:

Any or all provisions of this CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by Government of India, from time to time. Any amendment in the list of CSR activities under Schedule VII of the Companies Act, 2013 shall apply automatically to this policy without any further amendment to the policy.

The Company also reserves the right to modify, cancel, add, or amend any of the provisions of this CSR Policy.



# ANNEXURE TO DIRECTOR'S REPORT

ANNEXURE – 4

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2024-25

## 1. Brief Outline on CSR Policy of the Company

The Company fully recognizes its commitment to the fulfilment of its social responsibilities. The objectives of Company's CSR Policy are to: (1) Demonstrate commitment to the common good through responsible business practices and good governance. (2) Actively support the state's development agenda to ensure sustainable change. (3) Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.

The Company ensures that the CSR programs are in line with statutory norms defined in Schedule VII and Section 135 of the Companies Act, 2013. The projects and activities undertaken / proposes to undertake is mainly in eradicating hunger, poverty and malnutrition, promoting preventive health care, promoting education including special education and employment enhancing vocation skills, ensuring environmental sustainability, ecology balance, agro forestry, conservation of natural resources. Ecology balances, protection of natural heritage, art and culture, measures of the benefit of the armed forces, training to promote rural sports etc.

## 2. Composition of CSR Committee:

| Sr. No. | Name of Director                      | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|---------------------------------------|--------------------------------------|--|--|
| 1       | Mr. Sanjay Nandwana                   | Chairman (Managing Director)         | -  | -  |
| 2       | Dr. Nishikant Kishanrao Hayatnagarkar | Member (Executive Director)          | -  | -  |
| 3       | Ms. Tanu Surendra Shukla              | Member (Independent Director)        | -  | -  |

## 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company :

<https://vlegovernance.in/board-committees.html> and

<https://vlegovernance.in/policies-and-disclosure.html>

## 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

The requirement of undertaking impact assessment of CSR projects, pursuant to sub-rule (3) of Rule 8 of the Companies (CSR Policy) Rules 2014, is not applicable the Company

## 5. Details of the amount available for set off in pursuance of Sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any:

| Sr. No | Financial Year | Amount available for set-off from preceding financial years (in ₹/Lakhs) | Amount required to be set off for the financial year, if any (in ₹/Lakhs) |
|--------|----------------|--|---|
| NIL    |                |  |   |

6. (a) Average net profit/(Loss) of the Company as per Section 135(5) : (₹ 828.52) Lac
- (b) Two percent of average net profit of the company as per section 135(5) : NIL
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
- (d) Amount required to be set off for the financial year, if any : NIL
- (e) Total CSR obligation for the financial year (6a+6b-6c) : NIL
7. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in ₹/ Lakhs) | Amount Unspent (in ₹/ Lakhs)   |                   |  |         |                   |
|--|--|-------------------|--|---------|-------------------|
|  | Total Amount transferred to Unspent CSR Account as per section 135(6). |                   | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). |         |                   |
|  | Amount (in ₹/ Lakhs)   | Date of transfer. | Name of the Fund   | Amount. | Date of transfer. |
| -  | -  | -                 | Not Applicable   |         |                   |

## (b) Details of CSR amount spent against ongoing projects for the financial year:

| (1)            | (2)                 | (3)   | (4)                  | (5)                      |          | (6)              | (7)  | (8)  | (9)   | (10)                                      | (11)   |                          |
|----------------|---------------------|---|----------------------|--------------------------|----------|------------------|--|--|---|---|--|--------------------------|
| Sr. No.        | Name of the Project | Items from the list of activities in Schedule VII to the Act. | Local area (Yes/ No) | Location of the project. |          | Project duration | Amount allocated for the project (in ₹/ Lakhs) | Amount spent in the current financial Year (in ₹/ Lakhs) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹/ Lakhs) | Mode of Implementation - Direct (Yes/ No) | Mode of Implementation - Through Implementing Agency |                          |
|                |                     |   |                      | State                    | District |                  |  |  |   |   | Name   | CSR Registration number. |
| NOT APPLICABLE |                     |   |                      |                          |          |                  |  |  |   |   |  |                          |

## (c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1)            | (2)                 | (3)   | (4)                  | (5)                      |          | (6)  | (7)                                      | (8)  |                          |
|----------------|---------------------|---|----------------------|--------------------------|----------|--|--|--|--------------------------|
| Sr. No.        | Name of the project | Items from the list of activities in Schedule VII to the Act. | Local area (Yes/ No) | Location of the project. |          | Amount spent for the project (in ₹/ Lakhs) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency |                          |
|                |                     |   |                      | State                    | District |  |  | Name   | CSR Registration number. |
| NOT APPLICABLE |                     |   |                      |                          |          |  |  |  |                          |

- (d) Amount spent in Administrative Overheads : NIL
- (e) Amount spent on Impact Assessment, if applicable : NIL
- (f) Total amount spent for the Financial Year (7b+7c+7d+7e) : NIL
- (g) Excess amount for set off, if any : NIL

| Sr. No | Particulars   | Amount (in ₹/ Lakhs) |
|--------|---|----------------------|
| (i)    | Two percent of average net profit of the company as per section 135(5)                                      | NIL                  |
| (ii)   | Total amount spent for the Financial Year   | NIL                  |
| (iii)  | Excess amount spent for the financial year [(ii)-(i)]   | NIL                  |
| (iv)   | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL                  |
| (v)    | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | NIL                  |

## 8. (a) Details of Unspent CSR amount for the preceding three financial years:1

| Sr. No       | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135(6) (in ₹/ Lakhs) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹) | Amount spent in the reporting Financial Year (in ₹/ Lakhs) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. |                      |                  | Amount remaining to be spent in succeeding financial years. (in ₹/ Lakhs) |
|--------------|---------------------------|--|---|--|--|----------------------|------------------|---|
|              |                           |  |   |  | Name of the fund   | Amount (in ₹/ Lakhs) | Date of transfer |   |
| 1            | 2023-24                   | 96.71  | 96.71/-   | -  | -  | -                    | -                | 96.71/-   |
| 1            | 2022-23                   | -  | -   | -  | -  | -                    | -                | -   |
| 2            | 2021-22                   | -  | -   | -  | -  | -                    | -                | -   |
| <b>TOTAL</b> |                           | -  | -   | -  | -  | -                    | -                | -   |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| (1)          | (2)         | (3)                 | (4)  | (5)              | (6)  | (7)   | (8)   | (9)   |
|--------------|-------------|---------------------|--|------------------|--|---|---|---|
| Sr. No.      | Project ID. | Name of the project | Financial Year in which the project was commenced. | Project duration | Total amount allocated for the project (in ₹/ Lakhs) | Amount spent on the project in the reporting Financial Year (in ₹/ Lakhs) | Cumulative amount spent at the end of reporting Financial Year. (in ₹/ Lakhs) | Status of the project – Completed /Ongoing. |
| -            | -           | -                   | -  | -                | -  | -   | -   | -   |
| <b>TOTAL</b> |             |                     |  |                  |  |   |   |   |

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **NOT Applicable**

|     |  |                |
|-----|--|----------------|
| (a) | Date of creation or acquisition of the capital asset (s)   | Not Applicable |
| (b) | Amount of CSR spent for creation or acquisition of capital asset   | Not Applicable |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | Not Applicable |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)     | Not Applicable |

10. Specify the reasons(s), if the company has failed to spend two percent of the average net profit as per Section 135(5)- NA

**Note:** The average net profit of the company during the three immediately preceding financial years was negative. Accordingly, the company is not required to incur any expenditure towards Corporate Social Responsibility activities as per the provisions of Section 135(5) of the Companies Act, 2013

**On behalf of the Board of Directors  
For VL E-Governance & IT Solutions Limited**

**Sanjay Nandwana**  
Chairman of CSR Committee  
DIN : 03565954

**Nishikant Kishanrao Hayatnagarkar**  
Chairman & Executive Director  
DIN: 00062638

Place: Mumbai  
Date: 02.08.2025



# ANNEXURE TO DIRECTOR'S REPORT

Annexure-5

**DISCLOSURE UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 ARE GIVEN BELOW:**

- The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 2024-25 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the FY 2024-25:

| Name of Director/KMP                           | Ratio of remuneration to median remuneration of employees | % increase in remuneration in the financial year |
|--|---|--|
| <b>Executive Director</b>                      |   |  |
| Mr. Sanjay Nandwana (MD)*                      | 0.88:1  | NA   |
| Dr. Nishikant Hayatnagarkar (Chairman)^        | -   | NA   |
| Mr. Dinesh Nandwana (MD)**                     | 30.26:1   | NA   |
| <b>Non-Executive and independent Directors</b> |   |  |
| Mr. Anoop Agrawal^^                            | 0.38:1  | -  |
| Mr. C K Vishwakarma^^                          | 0.38:1  | -  |
| Mr. Hari Mohan^                                | 0.29:1  | -  |
| Ms. Tanu Surendra Shukla                       | 0.30:1  | -  |
| Mr. Amit Keval Sabarwal#                       | -   | -  |
| Mr. Sanjeevkumar Tarachand Bohra#              | 0.12:1  | -  |
| Mr. Vishal Chalia##                            | 0.13:1  | -  |
| Mr. Yogesh Dnyandeo Kharate##                  | -   | -  |
| <b>Key Managerial Personnel:</b>               |   |  |
| Mr. Nilesh Champalal Wadode\$                  | NA  | NA   |
| Mr. Pradeep Somani                             | 1.77:1  | 6.74%  |

\* Appointed w.e.f. March 27, 2025

\*\* Deceased as on January 31, 2025.

^ Appointed w.e.f. December 04, 2024

^^ Appointed w.e.f. December 10, 2024

# Ceased as Director w.e.f. December 04, 2024

## Ceased as Director w.e.f. December 10, 2024

\$ Mr. Nilesh Champalal Wadode was appointed w.e.f. June 01, 2024, thus it is not comparable.

- The percentage increase in the median remuneration of employees in the financial year: Nil
- The number of permanent employees on the rolls of Company as on March 31, 2025: 8
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
  - Average increase in remuneration of employees excluding KMPs: 1.07 %\*
  - Average increase in remuneration of KMPs: 6.74%\*

**\*Note:** For the purpose of calculating % increase in remuneration (excluding commission) of KMPs and employees, only those KMPs/ employees who were appointed through out the current and previous financial year, are considered for comparable.

5. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

The Company affirms remuneration is as per the Remuneration Policy of the Company.

**Note:**

- I. Remuneration payable for the relevant Financial Year for comparable employees is taken into consideration for all above calculations. Effect of any arrears or deferred payments for earlier periods have been ignored from.
- II. Non-Executive Directors and Independent Directors of the Board were paid only sitting fees.

**On behalf of the Board of Directors  
For VL E-Governance & IT Solutions Limited**

Place: Mumbai  
Date: 02.08.2025

**Nishikant Kishanrao Hayatnagarkar  
Chairman & Executive Director  
(DIN: 00062638)**

## ANNEXURE TO DIRECTOR'S REPORT

Annexure-6

### SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2025

[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 of  
**VL E-GOVERNANCE & IT SOLUTIONS LIMITED**  
Vakrangee Corporate House, Plot No 93,  
Road No. 16, M.I.D.C. Marol, Andheri (East),  
Mumbai – 400093.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VL E-GOVERNANCE & IT SOLUTIONS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and amendments made from time to time;
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - Not applicable as the Listed Entity has not issued any ESOP;
  - f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities)) Regulations, 2021 - Not applicable as the Listed Entity has not listed its Non-Convertible Securities;
  - g) 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;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not applicable to the Company during the Audit Period and
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not applicable to the Company during the Audit Period.
- (vi) Other laws applicable to the company:
  - i. Information Technology Act, 2000
  - ii. Payment and Settlement Systems Act, 2007;
  - iii. Insurance Regulatory and Development Authority Act, 1999.
  - iv. Reserve Bank of India Act, 1934, Rules and Schemes made thereunder

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, guidelines, Standards, etc. mentioned above and there is no material non-compliance that have come to my knowledge.

#### I further report that –

- a) 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 provision of the Act.
- b) 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.
- c) All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the respective meetings of the Board or Committee thereof.

I 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.

I further report that during the audit period, the Company allotted 5,34,65,600 convertible warrants at the Board meeting held on January 16, 2025. The allotment was made pursuant to the approval of the shareholders obtained through a Postal Ballot resolution on April 3, 2024, and based on the In-Principle approvals received from BSE and NSE on January 2, 2025. On January 16, 2025 the Company converted 25,00,000 of these warrants into equity shares, upon receiving 100% allotment money from the respective allottees.

I have relied on the representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

In case of Direct and Indirect Tax Laws like Income Tax Act, Goods and Service Tax Act, I have relied on the Reports given by the Statutory Auditors of the Company.

I further report that during the audit period, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards, etc.

Sd/-  
**Mehul Raval**  
**Practicing Company Secretary**  
**Mem. No. ACS 18300**  
**CP. No: 24170**  
**UDIN: A018300G000571831**

**Date: June 10, 2025**

**Place: Mumbai**

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



**ANNEXURE "A"**

To,  
The Members of  
**VL E-GOVERNANCE & IT SOLUTIONS LIMITED**  
Vakrangee Corporate House, Plot No 93,  
Road No. 16, M.I.D.C. Marol, Andheri (East),  
Mumbai – 400093.

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I 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. My examination was limited to the verification of procedures on test basis.
6. 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.

Sd/-  
**Mehul Raval**  
Practicing Company Secretary  
Mem. No. ACS 18300  
CP. No: 24170  
UDIN: A018300G000571831

Date: June 10, 2025  
Place: Mumbai

# Corporate Governance Report

## 1. Company's Philosophy on Corporate Governance

As an E-Governance and IT company, our Corporate Governance philosophy is rooted in fairness, ethics, and transparency. We are committed to upholding the highest standards of professionalism, honesty, integrity, and ethical conduct—principles that have guided us even before they were mandated by regulatory frameworks.

Our governance mechanisms empower the Board and its committees to fulfill their fiduciary responsibilities to all stakeholders. This is achieved by ensuring transparency, accountability, independence, and fairness in all decision-making processes. We believe that strong governance is essential to building trust, fostering sustainable growth, and enhancing long-term stakeholder value.

The Company has adopted the Code of Conduct for its employees, including the Whole-time Directors, which encompasses an appropriate mechanism to report any concern pertaining to non-adherence to the said Code. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors which includes a Code of Conduct for Independent Directors, as specified under Schedule IV of the Companies Act, 2013 ('the Act') and Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('SEBI Listing Regulations')

Pursuant to Regulation 26(5) of the SEBI Listing Regulations, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the Company at large. Pursuant to Regulation 26(3) of the SEBI Listing Regulations, all the Board members and senior management of the Company as on March 31, 2025 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the Managing Director is reproduced at the end of this Report. The company has adopted code for prevention of insider trading pursuant to the provisions of Regulations 8 and 9 under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company is in full compliance with the requirements of Corporate Governance under the SEBI Listing Regulations.

## 2. Board of Directors

During the year under review, the composition of the Board was in conformity with Regulation 17 of the SEBI Listing Regulations read together with Section 149 and 152 of the Act and rules framed thereunder. As on March 31, 2025, the Board is headed by the Executive Director. The Board comprises a combination of 4 Independent Directors including 1 Independent Women Director and 1 Managing Director and 1 Executive Director. All the Directors are eminently qualified and experienced

professionals in corporate management and their respective professional areas.

All IDs meet the independence criteria as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations and Section 149 of the Act and the rules framed thereunder. The IDs have further stated that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective, independent, judgment and without any external influence. Based on the disclosures received from all the IDs the Board is of the opinion that the IDs fulfill the conditions of Independence as specified in the Act, the SEBI Listing Regulations and they are independent of the Management.

None of the Directors on the Board hold the office of Director in more than 20 companies, including 10 public companies, as disclosed under Section 184 of the Act read with Rules framed thereunder and none of the Directors of the Company are related to each other. None of the IDs serve as IDs in more than 7 listed entities and furthermore, none of the Executive Director/Managing Director of the Company serve as IDs in more than 3 listed entities. In accordance with Regulation 26 of the SEBI Listing Regulations, none of the Directors are members in more than Ten committees or act as chairperson of more than Five Committees [the committees being, Audit Committee and Stakeholders' Relationship Committee] across all public limited companies in which he/she is a director.

The required information, including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the SEBI Listing Regulations is made available to the Board of Directors, for discussion and consideration at Board Meetings.

Pursuant to Regulation 27(2) of the SEBI Listing Regulations, the Company also submits a quarterly Integrated Filing- Corporate to the Stock Exchanges within 30 days from the close of every quarter. The Managing Director and the Chief Financial Officer (CFO) have certified to the Board on inter alia, the accuracy of the financial statements and adequacy of internal controls for financial reporting, in accordance with Regulation 17(8) read together with Part B of Schedule II of the SEBI Listing Regulations, pertaining to CEO/CFO certification for the Financial Year ended March 31, 2025 as annexed herewith forming part of this report.

During the year under review, total 9 (Nine) Board Meetings were held on 19.04.2024, 01.06.2024, 09.07.2024, 12.08.2024, 08.10.2024, 04.12.2024, 16.01.2025, 14.02.2025 and 27.03.2025 The quorum for the meeting of the Board of Directors is one-third of the Board of Directors or three Directors, whichever is higher,

including atleast one ID and during the year, the requisite quorum was present for all Board meetings. The agenda papers for the Board and Committee meetings are disseminated to all the board of directors and committee members. The maximum gap between any two Board Meetings was less than one hundred and twenty days.

#### Composition/Category of Directors and their shareholding and their Attendance at Meeting during the Year

| Name of Director, Director Identification Number & Category | DIN      | Designation                              | No. of Board Meetings attended in the year | Attendance at the last AGM | No. of total shares held in company |
|---|----------|--|--|----------------------------|-------------------------------------|
| Late Mr. Dinesh Nandwana*                                   | 00062532 | Promoter & Managing Director             | 7  | Yes                        | -                                   |
| Mr. Yogesh Dnyandeo Kharate**                               | 09831227 | Non-Executive & Non-Independent Director | 6  | Yes                        | -                                   |
| Mr. Amit Keval Sabarwal**                                   | 06478938 | Non-Executive & Non-Independent Director | 5  | Yes                        | -                                   |
| Ms. Tanu Surendra Shukla                                    | 09656470 | Independent Director                     | 7  | Yes                        | 180                                 |
| Mr. Vishal Chalia**   | 01744585 | Independent Director                     | 6  | Yes                        | -                                   |
| Mr. Sanjeevkumar Tarachand Bohra**                          | 02863736 | Independent Director                     | 6  | Yes                        | -                                   |
| Dr. Nishikant Kishanrao Hayatnagarkar***                    | 00062638 | Chairman & Executive Director            | 3  | No                         | 17428                               |
| Mr. Hari Mohan***   | 08671182 | Independent Director                     | 3  | No                         | -                                   |
| Mr. Anoop Kumar Agrawal***                                  | 07508525 | Independent Director                     | 3  | No                         | -                                   |
| Mr. Chandra Kailash Vishwakarma***                          | 10864745 | Independent Director                     | 3  | No                         | -                                   |
| Mr. Sanjay Nandwana***                                      | 03565954 | Managing Director                        | 0  | No                         | 13                                  |

\* Dinesh Nandwana was part of the promotor and promotor group of the company. Due to sad demise of Mr. Dinesh Nandwana his Directorship is discontinued w.e.f. January 31, 2025.

\*\* Mr. Amit Keval Sabarwal and Mr. Yogesh Dnyandeo Kharate ceased to be a Non-Executive & Non-Independent Director w.e.f. December 04, 2024 and December 11, 2024 respectively.

Mr. Sanjeevkumar Tarachand Bohra and Mr. Vishal Chalia ceased to be Independent Director w.e.f. December 4, 2024 and December 11, 2024 respectively, due to personal reasons and there were no other material reasons other than those provided.

\*\*\* Dr. Nishikant Kishanrao Hayatnagarkar and Mr. Hari Mohan have been appointed as Director w.e.f. December 04, 2024 and Mr. Anoop Kumar Agrawal and Mr. Chandra Kailash Vishwakarma have been appointed as Director w.e.f. December 10, 2024.

Mr. Sanjay Nandwana has been appointed as Managing Director of the company w.e.f. March 27, 2025.

- Number of Directorships/ Committee Membership held by Directors of the company in other companies including the name of other listed companies where the director is a director and the category of their directorship as on March 31, 2025.

| Name of Directors                     | No. of Directorships in other companies<br>(1) | Committee positions in other companies<br>(2) | Directorships in other listed entities (Name of Company and Category of Directorship) |
|---------------------------------------|--|---|---|
| Dr. Nishikant Kishanrao Hayatnagarkar | 2  | 0   | 0   |
| Mr. Sanjay Nandwana                   | 1  | 0   | 0   |
| Mr. Hari Mohan                        | 0  | 0   | 0   |
| Mr. Anoop Kumar Agrawal               | 0  | 0   | 0   |
| Mr. Chandra Kailash Vishwakarma       | 0  | 0   | 0   |
| Ms. Tanu Surendra Shukla              | 1  | 0   | 0   |

- (1) Excludes directorship held in foreign companies.
- (2) Pertains to memberships/chairpersonships held in the Audit Committee and Stakeholders' Relationship Committee of other Indian public companies as per Regulation 26(1)(b) of the SEBI Listing Regulations.

#### Inter-se Relationship

All the above-mentioned directors are not related to each other and there is no inter-se relationship between them.

The recommendations of the Committees are placed before the Board for necessary approval. During the year under review, all Committee recommendations placed before the Board of Directors were unanimously accepted.

#### Meetings of Independent Directors

IDs' meeting in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations was convened on March 26, 2025, mainly to review the performance of Executive Director and also the Board as a whole for FY 2024-25 and assessed the quality, quantity and timeliness of the flow of information between the Management and the Board.

Pursuant to the provisions of Regulation 25(7) and Regulation 46 of the SEBI Listing Regulations, kindly refer to the company's website:- <https://vlegovernance.in/policies-and-disclosure.html> for policy on familiarization program and details of familiarization program imparted to IDs. The company at its meeting held during the financial year 2024-25 had familiarize the Independent Directors with regard roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company and related matters.

| Name of the IDs                 | No. of IDs Meetings held during tenure | No. of Meetings attended |
|---------------------------------|--|--------------------------|
| Mr. Hari Mohan                  | 1                                      | 1                        |
| Mr. Anoop Kumar Agrawal         | 1                                      | 1                        |
| Mr. Chandra Kailash Vishwakarma | 1                                      | 1                        |
| Ms. Tanu Surendra Shukla        | 1                                      | 1                        |

Mr. Sanjeevkumar Tarachand Bohra resigned from directorship and committees of the company w.e.f. December 4, 2024, and Mr. Vishal Chalia resigned from directorship and committees of the company w.e.f. December 11, 2024, due to personal reasons. Confirmation by such director that there are no other material reasons other than those provided in resignation was provided in resignation letter.

#### Criteria of Board Membership

The Nomination and Remuneration Committee (NRC) has formulated a policy to include criteria for selection of board members and their remuneration to ensure that the Board composition is balanced with the requisite skillsets, so that the Company benefits from new insights, guidance and challenges to business proposals. The Policy outlines the appointment criteria and qualifications of the Directors on the Board of Company and the matters related to remuneration of the Directors. The said Policy is available on the Company's website at <https://vlegovernance.in/policies-and-disclosure.html>.

#### Board Diversity

To ensure that a transparent Board nomination process is in place, that encourages diversity of thought, experience, knowledge, perspective, age and gender, the Board has adopted a Diversity Policy formulated by the NRC, wherein it is expected that the Board has an appropriate blend of functional and industry expertise. As on March 31, 2025, our 6 Board of Directors, consisted of 1 Chairman & Executive Director (ED), 1 Managing Director and 4 IDs out of which 1 were Women Directors. While recommending the appointment of a director, the NRC considers the manner in which, the function and domain expertise of the individual could contribute to the overall skill-domain mix of the Board and is supported by the Group Human Resources in this regard.

#### Chart or a Matrix setting out the Skills/Expertise/Competence of the Board of Directors:

The following is the list of core skills / attributes identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members:

- i. Knowledge of Company's business, policies, major risks/threats and potential opportunities, technical /professional skills and specialized knowledge of Company's business
- ii. Sales and marketing skills (both domestic and international)
- iii. Business strategy and analytics, critical and innovative thinking
- iv. Corporate management and corporate governance
- v. Financial and management skills, administration
- vi. Leadership and decision making
- vii. Behavioural skills—attributes and competencies to use knowledge and skills for effective contribution to Company's growth
- viii. Risk identification- legal and regulatory compliance



| Areas of Skills/<br>Expertise                   | Name of the Directors                   |                    |            |                        |                                   |                            |
|---|---|--------------------|------------|------------------------|-----------------------------------|----------------------------|
|   | Nishikant<br>Kishanrao<br>Hayatnagarkar | Sanjay<br>Nandwana | Hari Mohan | Anoop Kumar<br>Agrawal | Chandra<br>Kailash<br>Vishwakarma | Tanu<br>Surendra<br>Shukla |
| Knowledge of Company's business                 | ✓                                       | ✓                  | ✓          | ✓                      | ✓                                 | ✓                          |
| Sales and Marketing                             | -                                       | ✓                  | -          | -                      | -                                 | ✓                          |
| Business strategy and analytics                 | ✓                                       | ✓                  | ✓          | ✓                      | ✓                                 | ✓                          |
| Corporate management and governance             | ✓                                       | ✓                  | ✓          | ✓                      | ✓                                 | ✓                          |
| Financial and management skills, administration | ✓                                       | ✓                  | ✓          | ✓                      | ✓                                 | ✓                          |
| Leadership and decision making                  | ✓                                       | ✓                  | ✓          | ✓                      | ✓                                 | ✓                          |
| Behavioural skills                              | ✓                                       | ✓                  | ✓          | ✓                      | ✓                                 | ✓                          |
| Risk identification                             | ✓                                       | ✓                  | ✓          | ✓                      | ✓                                 | ✓                          |

**a. Nishikant Kishanrao Hayatnagarkar:**

Mr. Hayatnagarkar is a Doctorate in Computer Science from IIT-Powai, Mumbai and has extensive professional experience in microchip design and innovation. Renowned in the field of microchip designing, Dr. Nishikant has developed a voice recognition system, which is widely used in various applications like Tele Banking Tele Gas Booking, amongst others. He has also designed and developed a Multilingual Keyboard. He is a consultant to Media Labs Asia – Kamal Rekhi School for Information Technology (IIT Mumbai) for the development of a Multilingual data input device – Marathi language Keyboard (Key – Lekh) and E-Lekh (Tablet based Marathi language Input).

**b. SANJAY NANDWANA:**

Mr. Sanjay Nandwana is a seasoned technology leader with 34+ years of experience in IT, business management, and digital transformation across sectors like e-Governance, BFSI, Fintech, Digital Payments, and Defence. A Science graduate with a Master's in Economics. As Head of Technology & Innovation and former Group CTO at Vakrangee, he has driven enterprise-wide digital strategies, including land record digitization using GIS. Mr. Nandwana has founded ventures in ITES, Fintech, and QSR, and has been recognized among India's 100 Most Innovative CIOs/CTOs (2016) and with the India CISO Award (2017). He continues to lead next-

gen digital solutions that drive strategic growth and industry transformation.

**c. Hari Mohan:**

Mr. Hari Mohan is a 1982-batch IOFS officer and former Chairman of the Ordnance Factory Board (2019), with over 39 years of experience in defense manufacturing. A mechanical engineering post-graduate, he led key units including the Pune Ammunition Factory and Chennai's Battle Tank unit, and held senior roles at BHEL, SAIL, and multiple ordnance factories. He has represented India in global defense delegations and was honored with the 'Ayudh Ratna' award for exemplary service.

**d. Anoop Kumar Agrawal:**

Mr. Anoop Kumar Agrawal, an IIT Delhi alumnus (B.Tech, Civil Engineering, 1985) and former IRSE officer, brings over 34 years of experience in rail infrastructure, metro systems, and ropeway projects. He has held senior roles including Executive Director at NHSRCL and MD of IPRCL, leading key high-speed rail and port connectivity projects. Known for his expertise in project management, PPP financing, and technical innovation, he has worked on major initiatives across India, including ADB and World Bank-funded rail projects. A Gold Medal awardee from Railway Staff College, he now advises on strategic infrastructure developments, integrating international best practices.

**e. Chandra Kailash Vishwakarma:**

Mr. Vishwakarma, a Mechanical Engineering topper (1976) from M.M.M. Engineering College and PGDM (Marketing, 1999), is a seasoned aerospace and defense expert with over 40 years of experience. Trained at HAL and internationally in France and Russia, he retired as Executive Director (Coordination) at HAL, New Delhi, where he led key defense procurement efforts and liaised with the Ministry of Defense.

Previously, as GM of HAL's Accessories Division in Lucknow, he oversaw production of 1,000+ critical aircraft components, and earlier led Management Services at HAL Kanpur. Known for his leadership in the SU-30 fighter program and defense manufacturing, he is an active member of the Aeronautical Society of India and the Council of Science & Technology, UP.

**f. Tanu Surendra Shukla:**

Mrs. Tanu Shukla has 5 years of expertise in import and export, with strong leadership skills for managing large-scale projects and exploring new opportunities in the e-Governance sector. Her innovative and strategic approach drives business growth and fosters advancements in technology-driven governance solutions.

#### COMMITTEES OF THE BOARD

The company is in compliance with the provisions of the Companies Act, 2023 and SEBI (LODR) Regulations, 2015, with respect to the constitution and composition of various board committees. The Committees operate under direct supervision of the board and the respective chairperson. All Committee decisions are taken, either at the meetings of the Committee or by passing of circular resolutions. The Company Secretary acts as the Secretary for all Committees meetings. The Chairperson of each Committee briefs the Board on significant discussions at its meetings. The recommendations of committees are submitted to the board for their approval. During the year under review all recommendations made by the various Committees were accepted by the Board.

The Board has constituted the following committees to take the informed decisions in the best interest of the company in accordance of the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' relationship committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

### 3. AUDIT COMMITTEE

The Audit Committee functions according to its terms of reference that defines its composition, authority, responsibility and reporting functions in accordance with Section 177 of the Act, Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations applicable to the Company and is reviewed from time to time.

**The detailed terms of reference of the Audit Committee is:**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ Draft prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take

up steps in this matter;

7. Review and monitor the auditor's independence performance and effectiveness of audit process;
8. Approval or any subsequent modification of transaction of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertaking or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
18. To oversee and review the functioning of the Whistle Blower mechanism, in case the same is existing;
19. Calls for comments of the auditor about the internal control systems, scope of auditing including the observations of the auditor and review of the financial statements before submission to the board;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100

crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. To investigate any other matters referred by any of the Board of Director
24. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

**The audit committee shall mandatorily review the following information:**

- 1) management discussion and analysis of financial condition and results of operations;
- 2) management letters / letters of internal control weaknesses issued by the statutory auditors;
- 3) internal audit reports relating to internal control weaknesses; and
- 4) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- 5) statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

As on date of this report, the Committee comprises of 3 members, 2 being IDs, who are financially literate and have relevant finance and/or audit exposure. Mr. Anoop Kumar Agrawal, being the Chairman of the Audit Committee is the Financial Expert under the applicable provisions and Regulations. The quorum of the Committee is two members or one-third of its members, whichever is higher, with atleast two IDs being present. The chairman of the Audit Committee was present at the last Annual General Meeting of the Company. During the period under review 6 Audit Committee meetings were held on 19.04.2024, 01.06.2024, 09.07.2024, 08.10.2024, 03-02.2025, 14.02.2025. The requisite quorum was present for all the meetings.

**The composition of the Audit Committee and attendance of the members at meetings held during the year:**

| Name of the Member                  | Category                      | Designation | No. of Meetings |                    |          |
|-------------------------------------|-------------------------------|-------------|-----------------|--------------------|----------|
|                                     |                               |             | Held            | Eligible to Attend | Attended |
| Sanjeevkumar Tarachand Bohra*       | Independent Director          | Chairman    | 6               | 4                  | 4        |
| Dinesh Nandwana*                    | Managing Director             | Member      | 6               | 4                  | 4        |
| Vishal Chalia*                      | Independent Director          | Member      | 6               | 4                  | 4        |
| Hari Mohan*                         | Independent Director          | Chairman    | 6               | 0                  | 0        |
| Anoop Kumar Agrawal**               | Independent Director          | Chairman    | 6               | 2                  | 2        |
| Chandra Kailash Vishwakarma**       | Independent Director          | Member      | 6               | 2                  | 2        |
| Nishikant Kishanrao Hayatnagarkar** | Chairman & Executive Director | Member      | 6               | 1                  | 1        |

**Note:**

\* During the year under review Mr. Sanjeevkumar Tarachand Bohra, Mr. Vishal Chalia, Mr. Hari Mohan and Mr. Dinesh Nandwana ceased to be a member of the Committee w.e.f. 04.12.2024, 11.12.2024, 31.12.2024 and 31.01.2025 respectively.

\*\*Mr. Anoop Kumar Agrawal, Chandra Kailash Vishwakarma and Dr. Nishikant Kishanrao Hayatnagarkar has been appointed as Member of committee w.e.f. 31.12.2024, 31.12.2024 and 13.02.2025.

Attendees: CFO and Statutory Auditors are normally invited to Audit Committee Meetings.

The Committee meetings are held at the Company's registered office through Audio/Visual Means. The management is responsible for the preparation, presentation and integrity of the Company's financial statements, accounting and financial reporting principles. The management is also responsible for internal control over financial reporting and all procedures are designed to ensure compliance with accounting standards, applicable laws and regulations as well as for objectively reviewing and evaluating the adequacy, effectiveness and quality of the Company's system of internal controls.

#### 4. NOMINATION AND REMUNERATION COMMITTEE (NRC)

The NRC of the Company functions according to its terms of reference, its objectives, composition, meeting requirements, authority and power, responsibilities, reporting and evaluation functions in accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations.

**The terms of reference enumerated in the Committee Charter, after incorporating therein the regulatory changes mandated under the SEBI Listing Regulations:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (1A). For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such a description. For the purpose of identifying suitable candidates, the Committee may:
  - uses the services of an external agencies, if required.
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and



- c. considers the time commitments of the candidates.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
3. devising a policy on diversity of board of directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
5. Deciding on, whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors,
6. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive directors.
7. Define and implements the performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.

8. Decide the amount of Commission payable to the Whole time Directors.
9. Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the company, standards prevailing in the industry, statutory guidelines etc.
10. To formulate and administer the Employee Stock Option Scheme.
11. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

During the year under review, the Committee comprises 3 IDs. The Chairman of the NRC attended the last Annual General Meeting of the Company. Performance evaluation criteria for the independent director is available on the website of the company <https://vlegovernance.in/policies-and-disclosure.html>. During the year under review, 5 NRC meetings were held on 01/06/2024, 12/08/2024, 04/12/2024, 10/12/2024, 27/03/2025. The requisite quorum was present for all the meetings.

**The composition of the NRC and attendance of its members at its meetings held during the year is as follows:**

| Name of the Member            | Category                               | Designation | No. of Meetings |                    |   |
|-------------------------------|--|-------------|-----------------|--------------------|---|
|                               |  |             | Held            | Eligible to Attend | 3 |
| Sanjeevkumar Tarachand Bohra* | Independent Director                   | Chairman    | 5               | 3                  | 2 |
| Amit Keval Sabarwal*          | Non-Executive Non-Independent Director | Member      | 5               | 3                  | 4 |
| Vishal Chalia*                | Independent Director                   | Member      | 5               | 4                  | 0 |
| Tanu Surendra Shukla*         | Independent Director                   | Member      | 5               | 1                  | 1 |
| Yogesh Dnyandeo Kharate*      | Non-Executive Non-Independent Director | Member      | 5               | 1                  | 1 |
| Hari Mohan**                  | Independent Director                   | Chairman    | 5               | 1                  | 1 |
| Anoop Kumar Agrawal**         | Independent Director                   | Member      | 5               | 1                  | 1 |
| Chandra Kailash Vishwakarma** | Independent Director                   | Member      | 5               | 1                  |   |

**Note:**

\* During the year under review Mr. Sanjeevkumar Tarachand Bohra, Mr. Amit Keval Sabarwal, Mr. Vishal Chalia, Mr. Yogesh Dnyandeo Kharate and Ms. Tanu Surendra Shukla ceased to be a member of the committee w.e.f. 04.12.2024, 04.12.2024, 11.12.2024, 11.12.2024 and 31.12.2024 respectively.

\*\* Mr. Hari Mohan, Mr. Anoop Kumar Agrawal and Mr. Chandra Kailash Vishwakarma has been appointed as member of committee w.e.f. 31.12.2024.

**Remuneration Policy**

The Remuneration Policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. For detailed Remuneration Policy for Directors, KMP and other

employees, in accordance with the provisions of the Act and the SEBI Listing Regulations and is available on the website at <https://vlegovernance.in/policies-and-disclosure.html>.

#### Performance Evaluation of Board of Directors:

Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an Annual Board effectiveness evaluation was conducted for FY 2024-25, involving the following:

- i) Evaluation of IDs by the entire Board was undertaken, based on their performance and fulfillment of the independence criteria prescribed under the Act and SEBI Listing Regulations, including their independence from the Company's Management; and
- ii) Evaluation of the Board of Directors, its committees and individual Directors, including the role of the Board Chairman.
- iii) Evaluation of Executive Director was undertaken by the Independent Directors at their separate ID's Meeting.

## 5. STAKEHOLDER'S RELATIONSHIP COMMITTEE (SRC')

The SRC functions in accordance with Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations. The suitably revised terms of reference enumerated in the Committee Charter, after incorporating therein the regulatory changes mandated under the SEBI Listing Regulations, are as follows:

1. Resolving the grievances of the security holders of the listed entity including complaints Transfer of shares, including review of cases for refusal of transfer / transmission of shares, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized;

2. Issue duplicate/split/consolidated share certificates;
3. Review the process and mechanism of Redressal of Shareholders/ Investor grievance and suggest measures of improving the system of Redressal of Shareholders/ Investor grievance, effective exercise of voting rights by shareholders.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
5. Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants.
6. Oversee the implementation and compliance of the Code of conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 as amended from time to time.
7. Oversee the performance of Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
8. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting;
9. Carrying out any other function contained in the equity listing agreement as and when amended from time to time.

During the year under review, the Committee comprises 1 Independent Director and 1 Managing Director and 1 Executive Director. The Chairman of the SRC also attended the last Annual General Meeting of the Company. During the period under review, 1 SRC meetings was held on 29-03-2025. The requisite quorum was present for the meeting.

#### The composition of the SRC and attendance of its members at its meetings held during the year is as follows:

| Name of the Member                | Category                      | Designation of director | No. of Meetings |                    |          |
|-----------------------------------|-------------------------------|-------------------------|-----------------|--------------------|----------|
|                                   |                               |                         | Held            | Eligible to Attend | Attended |
| Tanu Surendra Shukla              | Independent Director          | Chairman                | 1               | 1                  | 1        |
| Sanjay Nandwana                   | Managing Director             | Member                  | 1               | 1                  | 1        |
| Nishikant Kishanrao Hayatnagarkar | Chairman & Executive Director | Member                  | 1               | 1                  | 1        |

\* Note: During the year under review Mr. Amit Keval Sabarwal, Mr. Dinesh Nandwana, Ms. Tanu Surendra Shukla and Mr. Yogesh Dnyandeo Kharate ceased to be a member of the company w.e.f. 04/12/2024, 31/01/2025, 31/12/2024 and 11/12/2024 respectively. Ms. Tanu Surendra Shukla, Dr. Nishikant Kishanrao Hayatnagarkar and Mr. Sanjay Nandwana

has been appointed as member of the committee w.e.f. 31/12/2024, 31/12/2024 and 27/03/2025 respectively.

#### Compliance Officer

Mr. Nilesh Champalal Wadode, Company Secretary & Compliance officer (w.e.f. June 1, 2024) who oversees the redressal of investors grievances.

The company has assigned transfer and dematerialization work related to shares to Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agents. The complaints or queries relating to the shares can also be forwarded to the Company's Registrar and Share Transfer Agents.

#### SCORES

A centralised web based complaints redress system 'SCORES' which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports by the concerned companies and online viewing by the investors of actions taken on complaint and its current status.

The status on the total number of investor complaints received during FY 2024-25 is as follows:

| Type   | Number of Complaints |
|--|----------------------|
| Complaints regarding non-receipt of dividend, shares lodged for transfer etc.                  | 3                    |
| Complaints received from the shareholders through SEBI and other statutory bodies and resolved | 3                    |
| Complaints redressed out of the above  | 3                    |
| Pending complaints as on March 31, 2025  | 0                    |

There were no pending share transfers pertaining to the Financial Year ended March 31, 2025.

## 6. RISK MANAGEMENT COMMITTEE (RMC')

The RMC functions in accordance with Regulation 21 read with Part D of Schedule II of the SEBI Listing Regulations. The terms of reference enumerated in

the Committee Charter, after incorporating therein the regulatory changes mandated under the SEBI Listing Regulations, are as follows:

- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

During the period under review, 2 RMC meetings were held on 05-11-2024 and 29-03-2025. The composition of the RMC and attendance of its members at its meetings held during the year is as follows:

| Name of the Member                | Category                               | Designation of director | No. of Meetings |                    |          |
|-----------------------------------|--|-------------------------|-----------------|--------------------|----------|
|                                   |  |                         | Held            | Eligible to Attend | Attended |
| Dinesh Nandwana*                  | Chairman & Managing Director           | Chairman                | 2               | 1                  | 1        |
| Yogesh Dnyandeo Kharate*          | Non-Executive Non-Independent Director | Member                  | 2               | 1                  | 1        |
| Sanjeevkumar Tarachand Bohra*     | Independent Director                   | Member                  | 2               | 1                  | 1        |
| Sanjay Nandwana                   | Managing Director                      | Member                  | 2               | 1                  | 1        |
| Tanu Surendra Shukla              | Independent Director                   | Chairman                | 2               | 1                  | 1        |
| Nishikant Kishanrao Hayatnagarkar | Chairman & Executive Director          | Member                  | 2               | 1                  | 1        |

\*Note: RMC has been constituted on October 8, 2024. During the year under review Mr. Dinesh Nandwana, Mr. Yogesh Dnyandeo Kharate, Mr. Sanjeevkumar Tarachand Bohra and Mr. Hari Mohan ceased to be a member of the company w.e.f. 31/01/2025, 11-12/2024, 04/12/2024, 31/12/2024 respectively. Dr. Nishikant Kishanrao Hayatnagarkar, Ms. Tanu Surendra Shukla and Mr. Sanjay Nandwana has been appointed as member of the committee w.e.f. 04/12/2024, 31/12/2024 and 27/03/2025.

#### Senior management

Particulars of senior management including the changes therein since the close of the previous financial year:

| Sr. No. | Name                     | Designation                            |
|---------|--------------------------|--|
| 1.      | Pradeep Ghanshyam Somani | Chief Financial Officer                |
| 2.      | Nilesh Champalal Wadode  | Company Secretary & Compliance Officer |
| 3.      | Mayank Singh             | General Manager                        |

## 7. Corporate Social Responsibility ('CSR') Committee

The Committee is constituted by the Board in accordance with provisions of Section 135 of the Act to:

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The CSR Policy is placed on the Company's website <https://vlegovernance.in/policies-and-disclosure.html> as required under the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

During the year under review, the CSR Committee comprises of 3 Directors including 1 ID. The Chairman of the CSR Committee also attended the last Annual General Meeting of the Company.

The composition of the CSR Committee during the year is as follows:

| Name of Director                  | Category                      | Designation |
|-----------------------------------|-------------------------------|-------------|
| Sanjay Nandwana                   | Managing Director             | Chairman    |
| Tanu Surendra Shukla              | Independent Director          | Member      |
| Nishikant Kishanrao Hayatnagarkar | Chairman & Executive Director | Member      |

Note: During the year under review Mr. Amit Keval Sabarwal, Sanjeevkumar Tarachand Bohra and Mr. Dinesh Nandwana ceased to be a member of the company w.e.f. 04-12-2024, 04-12-2024 and 31-01-2025. Dr. Nishikant Kishanrao Hayatnagarkar and Mr. Sanjay Nandwana has been appointed as member of the committee w.e.f. 04-12-2024 and 27-03-2025 respectively.

#### Remuneration of Directors and Key Managerial Personnel

The Company has a well-defined policy for the remuneration of the Directors, Key Managerial Personnel and other employees. The said policy was reviewed and approved by the Board at its meeting held on June 8, 2023. The said policy is set out on the website of the Company at [https://www.vlegovernance.in/PDF/Policies\\_and\\_disclosure/NRC%20POLICY.pdf](https://www.vlegovernance.in/PDF/Policies_and_disclosure/NRC%20POLICY.pdf).

The Board of Directors / Nomination and Remuneration Committee is authorized to decide the remuneration of the Executive Directors, subject to the approval of the members. The remuneration structure comprises of salary, perquisites, retirement benefits as per law / rules and commission which is linked to the performance of the Company. Annual increments are decided by the Board of Directors within the salary scale approved by the members.

- The Non-Executive / Independent Directors have received sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees was such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other



enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

- c) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied: (1) The Services are rendered by such Director in his capacity as the professional; and (2) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

**The details of remuneration paid to the Directors for the financial year 2024-2025 are given below:**

(In ₹/- in Lakhs)

| Sr. No. | Name of Director                  | Salary & Perquisites | Commission | Sitting fees | Total       |
|---------|-----------------------------------|----------------------|------------|--------------|-------------|
| 1.      | Nishikant Kishanrao Hayatnagarkar | -                    | -          | -            | -           |
| 2.      | Sanjay Nandwana                   | 4,76,232             | -          | -            | 4,76,232    |
| 3.      | Hari Mohan                        | -                    | -          | 1,55,000     | 1,55,000    |
| 4.      | Anoop Kumar Agrawal               | -                    | -          | 2,05,000     | 2,05,000    |
| 5.      | Tanu Surendra Shukla              | -                    | -          | 1,60,000     | 1,60,000    |
| 6.      | Amit Keval Sabarwal               | -                    | -          | -            | -           |
| 7.      | Chandra Kailash Vishhwakarma      | -                    | -          | 2,05,000     | 2,05,000    |
| 8.      | Dinesh Nandwana                   | -                    | -          | 1,63,24,798  | 1,63,24,798 |
| 9.      | Sanjeevkumar Tarachand Bohra      | -                    | -          | 65,000       | 65,000      |
| 10.     | Vishal Chalia                     | -                    | -          | 70,000       | 70,000      |
| 11.     | Yogesh Dnyandeo Kharate           | -                    | -          | -            | -           |

**Notes:**

- Salary & perquisites to Executive Directors includes House rent allowances, leave travel allowances, leave encashment, retiral benefits and car perks.
- Sitting fees include fees for attending the Board Meetings, Audit Committee Meetings, Nomination and Remuneration Committee Meetings, Corporate Social Responsibility Committee Meeting, Stakeholder's Relationship Committee Meeting. Besides, the Company also reimburses the out of pocket expenses incurred by the Directors for attending meetings of the Company.
- The notice period and severance fee, if any, are governed by the applicable rules of the Company at the relevant point in time. Presently, the Company does not have a scheme for grant of stock options to its employees.

Apart from the above, none of the Independent Directors has any material pecuniary relationship or transactions with Company and no other pecuniary relationships (including stock options) or transactions vis-a-vis the Company existed with any Director during the year.

## 8. GENERAL BODY MEETINGS

### GENERAL MEETINGS

Details in respect of last three Annual General Meeting:

| Annual General Meeting | Date of AGM | Venue and Time  | Special Resolutions passed |
|------------------------|-------------|---|----------------------------|
| 8 <sup>th</sup> AGM    | 27.09.2024  | Meeting conducted through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") pursuant to the Ministry of Corporate Affairs ("MCA") Circular. | 1                          |
| 7 <sup>th</sup> AGM    | 12.06.2023  |   | 5                          |
| 6 <sup>th</sup> AGM    | 26.09.2022  |   | -                          |

### RESOLUTION(S) PASSED THROUGH POSTAL BALLOT

The postal ballot is conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The postal ballot notice is sent to shareholders as per the permitted mode wherever applicable. The Company also publishes a notice in the newspapers in accordance with the requirements under the Companies Act, 2013. Shareholders holding equity shares as on the cut-off date may cast their votes through e-voting or through postal ballot during the voting period fixed for this purpose. After completion of scrutiny of votes, the scrutinizer submits his report to the Chairman and the results of voting by postal ballot are announced within two working days of conclusion of the voting period. The results are displayed on the website of the Company (<https://www.vlegovernance.in>), and communicated to the Stock Exchanges, Depositories. The resolutions, if passed by the requisite majority, are deemed to have been passed on the last date specified for remote e-voting.

**1. The Company sought the approval of shareholders through notice of postal ballot dated March 04, 2024 on the below given Items:**

| Resolution No. | Resolutions  | Type     | Date of Resolution Passed |
|----------------|--|----------|---------------------------|
| 1              | Increase In Authorised Share Capital and Consequent Alteration in Capital Clause of the Memorandum of Association of the Company.      | Ordinary | 03.04.2024                |
| 2              | To consider and approve Preferential Allotment of upto 8,40,00,000 Convertible Warrants to the Non-Promoter Category.                  | Special  |                           |
| 3              | Alteration in Object Clause of the Company and Consequent Alteration in Object Clause of the Memorandum of Association of the Company. | Special  |                           |

| Resolution No.   | Voting Result   | % of total number of votes cast | Shares   |
|------------------|---|---------------------------------|----------|
| Resolution No. 1 | Total number of shares polled in favour of Special resolution | 98.44%                          | 43793899 |
|                  | Total number of shares polled against Ordinary resolution     | 1.56%                           | 693861   |
| Resolution No. 2 | Total number of shares polled in favour of Special resolution | 98.68%                          | 43895742 |
|                  | Total number of shares polled against Special resolution      | 1.32%                           | 587571   |
| Resolution No. 3 | Total number of shares polled in favour of Special resolution | 99.96%                          | 44467798 |
|                  | Total number of shares polled against Special resolution      | 0.04%                           | 15444    |

**2. The Company sought the approval of shareholders through notice of postal ballot dated January 29, 2025 on the below given Items:**

| Resolution No. | Resolutions  | Type     | Date of Resolution Passed |
|----------------|--|----------|---------------------------|
| 1              | Appointment of Mr. Nishikant Kishanrao Hayatnagarkar (DIN:00062638), as Executive Director of the company. | Special  | 02.03.2025                |
| 2              | Appointment of Mr. Hari Mohan (DIN:08671182), as an Independent Director of the Company.                   | Special  |                           |
| 3              | Appointment of Mr. Chandra Kailash Vishwakarma (DIN: 10864745), as an Independent Director of the Company. | Special  |                           |
| 4              | Appointment of Mr. Anoop Kumar Agrawal (DIN: 07508525), as an Independent Director of the Company.         | Special  |                           |
| 5              | Approval of Material Related Party Transactions of the Company.  | Ordinary |                           |

| Resolution No.   | Voting Result   | % of total number of votes cast | Shares   |
|------------------|---|---------------------------------|----------|
| Resolution No. 1 | Total number of shares polled in favour of Special resolution | 98.46                           | 35071571 |
|                  | Total number of shares polled against Ordinary resolution     | 1.54                            | 548260   |
| Resolution No. 2 | Total number of shares polled in favour of Special resolution | 99.57                           | 35465932 |
|                  | Total number of shares polled against Special resolution      | 0.43                            | 153369   |
| Resolution No. 3 | Total number of shares polled in favour of Special resolution | 99.57                           | 35465144 |
|                  | Total number of shares polled against Special resolution      | 0.43                            | 154157   |
| Resolution No. 4 | Total number of shares polled in favour of Special resolution | 99.57                           | 35465142 |
|                  | Total number of shares polled against Special resolution      | 0.43                            | 154159   |
| Resolution No. 5 | Total number of shares polled in favour of Special resolution | 99.88                           | 35075480 |
|                  | Total number of shares polled against Special resolution      | 0.12                            | 43761    |

Mehul Raval, Practicing Company secretary was appointed as scrutiniser for conducting the postal ballot exercise in fair and transparent manner.

## 9. MEANS OF COMMUNICATION

The Company recognizes communication as a key element to the overall Corporate Governance framework, and therefore emphasizes prompt, continuous, efficient and relevant communication to all external constituencies.

The Quarterly, Half Yearly and Annual Results are regularly submitted to the National Stock Exchange of India Limited (NSE), BSE Limited (BSE) as per the Listing Regulations and necessary disclosures were made on the Company's website and were published in newspapers and copies of the newspaper publication are available on the website of the company. Additionally, the results and other important information are also periodically updated on the company's website <https://vlegovernance.in/> in the "Investors" section.

**The following are details of the newspapers wherein results were published during FY 2024-25.**

| Date of Publication | Particulars  | Newspaper                        |
|---------------------|--|----------------------------------|
| 28.05.2025          | Audited Standalone Financial Results for quarter and Year ended March 31, 2025.              | Free Press Journal and Navshakti |
| 15.02.2025          | Audited Standalone Financial Results for quarter and Nine months ended December 31, 2024.    | Free Press Journal and Navshakti |
| 09.10.2024          | Unaudited Standalone Financial Results for quarter and Nine months ended September 30, 2024. | Free Press Journal and Navshakti |
| 10.07.2024          | Unaudited Standalone Financial Results for quarter and half year ended June 30, 2024.        | Free Press Journal and Navshakti |

**Website:** The Company's website <https://vlegovernance.in/> is a comprehensive reference on its management, vision, policies, corporate governance and investor relations. All official release and other related information are available on the website of the company.

**Designated E-mail ID:** The company has designated E-Mail ID namely [investor@vlegovernance.in](mailto:investor@vlegovernance.in) for the investors grievances. The E-mail ID has been displayed on company's website <https://vlegovernance.in/>.

### Stock Exchange filings:

NSE electronic application processing system (NEAPS) is a web based application designed by national stock exchange of India Limited for corporates. All periodical and other compliance filings are filed electronically on NEAPS.

BSE Limited's BSE listing centre is a web based application designed by national stock exchange of India Limited for corporates. All periodical and other compliance filings are filed electronically on BSE listing centre.

## 10. PRESENTATIONS MADE TO INSTITUTIONAL INVESTORS OR TO THE ANALYSTS.

Result Update Presentations on the Company's quarterly, half - yearly as well as annual financial results are available on the Company's website <https://www.vlegovernance.in> and are also sent to the Stock Exchanges.

### GENERAL SHAREHOLDERS INFORMATION:

#### A. Address of Correspondence:

The address of correspondence:

VL E-Governance & IT Solutions Limited,  
"Vakrangee Corporate House", Plot No. 93,  
Road No. 16, M.I.D.C. Marol, Andheri (E),  
Mumbai – 400 093.

#### B. Date of Incorporation: March 18, 2016.

#### C. CIN: L74110MH2016PLC274618

#### D. Details of Annual General Meeting:

1. Day and Date : September 27, 2025
2. Time : 02:00 PM
3. Venue : The company is conducting the AGM through video conferencing/other audio Visual means (VC/OAVM), pursuant to the circulars issued by the ministry of corporate affairs and SEBI and as such there is no requirement to have a venue for the AGM. For details, please refer to the AGM notice.
4. Cut-off date for remote E-Voting: September 20, 2025

#### E. Financial Year : The financial year of the company is April 1 to March 31.

#### F. Dividend payment date

The Company does not recommend the dividend for the FY 2024-25.

#### G. Financial Calendar for the Financial Year 2025-26

| Tentative Schedule   | Likely board meeting Schedule   |
|--|---------------------------------|
| Financial reporting for the quarter ended June 30, 2025      | On or before August 14, 2025    |
| Financial reporting for the quarter ended September 30, 2025 | On or before November 14, 2025  |
| Financial reporting for the quarter ended December 31, 2025  | On or before February 14, 2026  |
| Financial reporting for the quarter ended March 31, 2026     | On or before May 30, 2026       |
| Annual General Meeting for the financial Year 2025-26        | On or before September 30, 2026 |

#### H. The Equity shares of the company are listed on the following stock exchanges:

|                                       |   |
|---------------------------------------|---|
| National Stock Exchange of India Ltd. | Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 |
| BSE Ltd.                              | Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001                           |
| ISIN no. for Equity Shares            | INE03HW01020  |

#### I. Stock Code for Equity Shares

| Stock Exchange                        | Code   |
|---------------------------------------|--------|
| National Stock Exchange of India Ltd. | VLEGOV |
| BSE Ltd.                              | 543958 |

#### J. Listing Fees

The company has paid the annual listing fees of both stock exchanges, and the company hereby confirms about the same.



**K. Market price data- high, low during each month in last financial year;**

Stock Market Data relating to Equity Shares listed in India:

| Month<br>(2024-25) | Price on BSE during each month |        |               | Price on NSE during each month |        |               |
|--------------------|--------------------------------|--------|---------------|--------------------------------|--------|---------------|
|                    | High                           | Low    | Volume traded | High                           | Low    | Volume traded |
| April              | 71.79                          | 52.00  | 12,94,745     | 73.00                          | 51.00  | 57,47,000     |
| May                | 65.00                          | 55.00  | 6,65,495      | 64.95                          | 55.95  | 49,29,000     |
| June               | 69.99                          | 53.15  | 8,58,124      | 68.80                          | 53.35  | 60,12,000     |
| July               | 94.41                          | 63.00  | 31,49,689     | 94.50                          | 63.00  | 200,19,000    |
| August             | 118.45                         | 78.09  | 58,75,925     | 118.68                         | 77.86  | 691,03,000    |
| September          | 167.80                         | 114.80 | 42,65,302     | 167.80                         | 114.69 | 736,98,000    |
| October            | 179.65                         | 129.30 | 25,62,677     | 180.53                         | 130.15 | 217,67,000    |
| November           | 168.00                         | 141.10 | 7,44,516      | 168.00                         | 142.58 | 70,19,000     |
| December           | 183.45                         | 146.60 | 22,33,504     | 184.00                         | 147.09 | 113,78,000    |
| January            | 197.90                         | 137.60 | 20,58,441     | 197.77                         | 137.55 | 260,51,000    |
| February           | 141.40                         | 55.30  | 4,46,999      | 141.31                         | 54.98  | 41,16,000     |
| March              | 52.54                          | 30.87  | 79,29,395     | 52.23                          | 31.00  | 262,32,000    |

**L. Performance in comparison to broad-based indices such as BSE sensdex, NSE NIFTY Index etc.;**

| Month<br>(2024-25) | Price of BSE |        | Volume<br>Traded | Sensdex  | Price on NSE |        | Volume<br>Traded | Nifty    |
|--------------------|--------------|--------|------------------|----------|--------------|--------|------------------|----------|
|                    | High         | Low    |                  |          | High         | Low    |                  |          |
| April              | 71.79        | 52.00  | 12,94,745        | 74482.78 | 73.00        | 51.00  | 57,47,000        | 22604.85 |
| May                | 65.00        | 55.00  | 6,65,495         | 73961.31 | 64.95        | 55.95  | 49,29,000        | 22530.7  |
| June               | 69.99        | 53.15  | 8,58,124         | 79032.73 | 68.80        | 53.35  | 60,12,000        | 24010.6  |
| July               | 94.41        | 63.00  | 31,49,689        | 81741.34 | 94.50        | 63.00  | 200,19,000       | 24951.15 |
| August             | 118.45       | 78.09  | 58,75,925        | 82365.77 | 118.68       | 77.86  | 691,03,000       | 25235.9  |
| September          | 167.80       | 114.80 | 42,65,302        | 84299.78 | 167.80       | 114.69 | 736,98,000       | 25810.85 |
| October            | 179.65       | 129.30 | 25,62,677        | 79389.06 | 180.53       | 130.15 | 217,67,000       | 24205.35 |
| November           | 168.00       | 141.10 | 7,44,516         | 79802.79 | 168.00       | 142.58 | 70,19,000        | 24131.1  |
| December           | 183.45       | 146.60 | 22,33,504        | 78139.01 | 184.00       | 147.09 | 113,78,000       | 23644.8  |
| January            | 197.90       | 137.60 | 20,58,441        | 77500.57 | 197.77       | 137.55 | 260,51,000       | 23508.4  |
| February           | 141.40       | 55.30  | 4,46,999         | 73198.1  | 141.31       | 54.98  | 41,16,000        | 22124.7  |
| March              | 52.54        | 30.87  | 79,29,395        | 77414.92 | 52.23        | 31.00  | 262,32,000       | 23519.35 |

**M. Suspension of Trading**

During the year under review, the securities of the company were not suspended from trading on stock exchanges.

**N. Registrar and Share Transfer Agent**

Bigshare Services Pvt. Ltd.

Address: Pinnacle Business Park, Office No S6-2,  
6th, Mahakali Caves Road, Next to Ahura Centre,  
Andheri East, Mumbai-400093.

Telephone No.:022-62638200

Fax No.- :022-62638299

Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

#### O. Share Transfer System

In terms of Regulation 40(1) of SEBI (LODR) Regulations, 2015, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. As per the SEBI circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, any listed companies shall henceforth issue the securities in dematerialized form only while processing any service request pertaining to issue of securities. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

All requests for dematerialization of shares are processed and the confirmation is given to respective Depositories i.e., National Securities Depository Limited and Central Depository Services (India) Limited, generally within 21 days.

#### P. Combined Shareholding Pattern as on March 31, 2025

| Category                     | No. of shares held | % of total share capital |
|------------------------------|--------------------|--------------------------|
| Promoters                    | 2,52,03,394        | 23.24                    |
| Public                       | 8,32,47,935        | 76.76                    |
| Financial Institutions/Banks | 1648               | 0.00                     |
| Insurance Companies          | 6692697            | 6.17                     |
| Foreign Portfolio Investors  | 2323252            | 2.14                     |
| Body Corporates              | 18643304           | 17.19                    |
| Non-Resident Indians (NRIs)  | 4083788            | 3.77                     |
| Others                       | 51503246           | 48.49                    |
| <b>Total</b>                 | <b>108451329</b>   | <b>100.00</b>            |

#### Q. Distribution of Equity shareholding as on March 31, 2025

| Category<br>(No. of Shares) | No. of shareholders | % of shareholders | No. of shares held | % of shareholding of<br>total share capital |
|-----------------------------|---------------------|-------------------|--------------------|---|
| 0-5000                      | 133611              | 93.3951           | 7950653            | 7.5041                                      |
| 5001-10000                  | 4217                | 2.9477            | 3228587            | 3.0472                                      |
| 10001-20000                 | 2339                | 1.6350            | 3474004            | 3.2789                                      |
| 20001-30000                 | 858                 | 0.5997            | 2185072            | 2.0623                                      |
| 30001-40000                 | 397                 | 0.2775            | 1413309            | 1.3339                                      |
| 40001-50000                 | 358                 | 0.2502            | 1692160            | 1.5971                                      |
| 50001-100000                | 568                 | 0.3970            | 4237195            | 3.9992                                      |
| 100001-above                | 712                 | 0.4978            | 84270349           | 77.1773                                     |
| <b>Total</b>                | <b>143060</b>       | <b>100.00</b>     | <b>108451329</b>   | <b>100.00</b>                               |

#### R. Dematerialization of Shares and Liquidity

The Company's shares are traded in dematerialized form and are available for trading with both the depositories, namely, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

| Mode of Holding       | No. of shares<br>(as on March 31, 2025) | % to total Equity |
|-----------------------|---|-------------------|
| Held with NSDL        | 61180977                                | 56.41             |
| Held with CDSL        | 47141006                                | 43.47             |
| Held in physical form | 129346                                  | 0.12              |
| <b>TOTAL</b>          | <b>108451329</b>                        | <b>100.00</b>     |

Note: The Company allotted 25,00,000 equity shares on January 16, 2025, pursuant to conversion of warrants into equity shares. These shares were in the process of corporate action with NSDL as on March 31, 2025.

The company had entered into tripartite agreement with NSDL, CDSL and Bigshare Services Private Limited for dematerialization of securities. Shareholders holding equity shares in physical form are requested to have their shares dematerialized to be able to freely transfer them.

**Procedures for dematerialization of Equity Shares:**

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

- a) Demat account should be opened with a Depository Participant (DP).
- b) Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
- c) DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- d) DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is ABS Consultants Private Limited.
- e) RTA will process the DRF and confirm or reject the request to DP/ depositories
- f) Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP

**S. Plant locations;**

In view of the nature of the company's business viz. providing E-Governance services and B2B trading, the company operates from its registered office and does not have any manufacturing plant.

**T. Outstanding GDR /ADR/warrants or any convertible instruments, conversion date and likely impact on equity:**

During the year the Company allotted 5,34,65,600 convertible warrants at the Board meeting held on January 16, 2025, at an issue price of ₹ 75/- each through preferential allotment to non-promoter category from whom 25% application money was received. The allotment was made pursuant to the approval of the shareholders obtained through a Postal Ballot resolution on April 3, 2024, and based on the In-Principal approvals received from BSE and NSE on January 2, 2025. On January 16, 2025 the Company converted 25,00,000 of these warrants into equity shares, upon receiving 100% allotment money from the respective allottees. The

outstanding 5,09,65,600 convertible warrants have a maturity date of July 15, 2026.

The company has not issued any GDR /ADR/ or any other convertible instruments.

**U. Commodity price risk or foreign exchange risk and hedging activities**

The company does not deal into any of commodity and hence is not directly exposed to any commodity price risk.

The Company does not operate internationally, and all of its business transactions, including sales, purchases, and borrowings, are conducted in Indian Rupees. As such, the Company is not exposed to foreign exchange risk arising from regular operations.

However, the Company is exposed to foreign exchange risk with respect to foreign currency loans extended to a related party. The interest receivable on these loans remains outstanding and is denominated in foreign currency.

**V. Credit Ratings**

During the year under review, the Company do not require to obtain any credit ratings.

## 11. OTHER DISCLOSURES

**A. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large**

All transactions entered into with related parties as defined under the Act and Regulation 23 of the SEBI Listing Regulations, each as amended, during the year under review were on an arm's length price basis and in the ordinary course of business. The related party transactions are placed before audit committee for their approval/noting. The related party transactions have been approved/noted by the Audit Committee. The detailed Policy on Related Party Transactions is available on the website of the Company at <https://vlegovernance.in/policies-and-disclosure.html>

There have been no materially significant related party transactions, pecuniary transactions or relationships between the company and its directors, management or relatives except for those reported in the Financial Statements for the year ended March 31, 2025. None of these transactions had potential conflict with the interest of the company. During the year under review, there was no transaction of a significantly material in nature with any of the related parties, which was in conflict with the interests of the Company.

- B. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years**

There was no non-compliance by the listed entity, and no penalties, strictures imposed on the company by the stock exchange(s) or the board or any statutory authority, on any matter related to capital markets.

- C. Vigil Mechanism/Whistle Blower Policy**

In accordance with the provisions of the Act and Regulation 22 of the SEBI Listing Regulations the Company has in place a Vigil Mechanism and a Whistle-Blower Policy duly approved by the Audit Committee which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The detailed Policy on vigil mechanism/whistle blower is available on the website of the Company at <https://vlegovernance.in/policies-and-disclosure.html>.

During the year, no director or employee or personnel has been denied access to the Audit Committee.

- D. Code of Conduct**

Whilst the Code of Conduct is applicable to all employees of the Company, including Managing Director and Executive Directors, the Board has also adopted a Code of Conduct for its Non-Executive Directors, which includes a Code of Conduct for Independent Directors as specified under Schedule IV of the Act and Regulation 26(3) of the SEBI Listing Regulations. The detailed Codes of Conduct are respectively available on the website of the Company at <https://vlegovernance.in/policies-and-disclosure.html>.

Furthermore, pursuant to the provisions of Regulations 8 and 9 under the SEBI (Prohibition of Insider Trading) Regulations, 2015 the Company has adopted to the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices. Mr. Nilesh Champalal Wadode is the compliance officer under the Company's Prevention of Insider Trading Code. Kindly refer to the Company's website <https://vlegovernance.in/policies-and-disclosure.html> for the detailed Code of

Corporate Disclosure Policy of the Company.

- E. Prevention of Insider Trading**

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices. All the Directors, employees and third parties such as auditors, consultants etc. who have access to the UPSI of the company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the Code. Mr. Nilesh Champalal Wadode was the Compliance Officer, responsible for setting forth procedures and implementation of the Code for trading in the Company's securities.

- F. Compliance with mandatory requirements:**

The Company has complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015.

- G. Compliance with discretionary/non mandatory requirements of the SEBI (LODR) Regulations, 2015:**

- **Shareholders Right:** The company's financial results and quarterly investors update presentation which covers operational details apart from financial details are uploaded on the website of the company and stock exchanges. The financial results are also published in newspaper hence the financial results are not sent to the shareholders of the company.
- **Modified opinion(s) in audit report:** The Company's financial statement for the financial year 2024-25 does not contain any audit qualification.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee.

- H. Details of utilization of funds raised through preferential allotment or qualified institutions placement:**

The Company has raised a total amount of ₹ 114.31 Crore through the preferential allotment of convertible warrants, in accordance with Regulation 32(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Out of the total proceeds:**

- ₹ 70.22 Crore has been utilized towards the objects stated in the offer document.
- The remaining amount of ₹ 44.09 Crore is currently lying unutilized in the Monitoring Agency (MA) account.



The company has not raised any funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the SEBI (LODR) Regulations, 2015

**I. Certificate from a company secretary in practice**

As required by clause 10 (i) mentioned in Part C of Schedule V of the SEBI (LODR) Regulations, 2015, the Company has obtained a certificate from MEHUL RAVAL, Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Companies by the Board/ Ministry of Corporate Affairs or any such Statutory Authority.

**J. Fees to Statutory Auditor**

Total fees for all services paid by the Company to the Statutory Auditor is given below:

| Payment to Statutory Auditor | Amount (in Lakhs) |
|------------------------------|-------------------|
| Audit Fees                   | 1.00              |
| Tax Audit Fees               | -                 |
| Other Services               | 0.5               |
| Reimbursement of Expenses    | -                 |

**K. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

|  |     |
|--|-----|
| Number of complaints filed during the year 2024 - 25.        | NIL |
| Number of complaints disposed-off during the year 2024 - 25. | NIL |
| Number of complaints pending as on 31 March 2025.            | NIL |

**L. Disclosure by listed entity of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount'**

During the year under review, the company has not granted any loans and advances, secured or unsecured, to firms/companies in which directors are interested.

**M. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries**

The company does not have any subsidiary companies as defined in regulation 16 of SEBI (LODR) Regulations, 2015. Accordingly, the requirement of formulating policy on dealing in material subsidiaries does not arise.

**N. Investor Grievance and Share Transfer System**

All transfer, transmission or transposition of securities, are conducted in accordance with the provisions of Regulation 40 the SEBI Listing Regulations, read together with relevant SEBI Circulars. In terms of the SEBI Listing Regulations, securities of the Company can only be transferred in dematerialized form. Further, SEBI vide its Circular No. SEBI/HO/MIRSD\_RTAMB/P/ CIR/2022/8 dated January 24, 2022, mandated all the listed companies to issue securities in dematerialized form only, while processes the service request for issue of duplicate securities certificates, renewal/ exchange of securities certificate, claim from Unclaimed Suspense Account, endorsement, sub-division/ splitting of securities certificate, consolidation of folios, transmission and transposition.

In view to the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or Company's Registrar and Share Transfer Agent (RTA) of the company, for assistance in this regard. Also, share transactions in electronic form can be effected in a much simpler and faster manner.

Shareholders should communicate with RTA, quoting their folio number or Depository Participant ID "DPID") and Client ID number, for any queries on their securities holding.

**O. Compliance of Corporate Governance requirements specified under Regulations 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations**

The Company is in Compliance with,

- The Corporate Governance Requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46.
- All the requirements mentioned in sub- paras (2) to (10) of section C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- During the year under review the Board has accepted all the recommendations of its committees.

**12. COMPLIANCE CERTIFICATE:**

The Compliance Certificate issued by Mehul Raval, Practicing Company Secretary on Compliance with the Corporate Governance requirements by the Company is annexed with this report.

**13. Disclosures with respect to demat suspense account/ unclaimed suspense account**

The disclosure with respect to demat suspense account/ unclaimed suspense account is not applicable to the company for the financial year 2024-25 as there are no shares in demat suspense account or unclaimed suspense account.

**14. Disclosure of certain types of agreements binding listed entities**

No Agreement has been entered or executed by the shareholders, promoters, promoters group entities, directors, related parties, KMPs, employees of the company during the year.

**DECLARATION**

All the Board members and Senior Management Personnel of the company have affirmed compliance with the “Code of Conduct for the Board of Directors and the Senior Management Personnel”, for the financial year 2024-25 in terms of Para D of schedule V of SEBI (LODR) Regulations, 2015.

**For and on behalf of the Board  
VL E-GOVERNANCE & IT SOLUTIONS LIMITED**

**Nishikant Kishanrao Hayatnagarkar  
Chairman and Executive Director  
DIN: 00062638**

**CEO / CFO Certificate**

(Issued in accordance with provisions of Regulation 17(8) of SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
THE BOARD OF DIRECTORS OF  
**VL E-GOVERNANCE & IT SOLUTIONS LIMITED**

Dear Sirs/Madam,

We the undersigned, in our respective capacity in **VL E-Governance & IT Solutions Limited ("the company")** to the best of our knowledge and belief, we state that;

- a) We have reviewed the financial statements and cash flow statement of the company for the year ended March 31, 2025.
- b)
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- c) 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 in violation of the company's code of conduct.
- d) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- e) We have indicated to the auditors and the Audit committee-
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. 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 VL E-Governance & IT Solutions Limited**

**Place: Mumbai**  
**Date: 19/05/2025**

**SD/-**  
**Sanjay Nandwana**  
**Managing Director**  
**DIN: 03565954**

**SD/-**  
**Pradeep Somani**  
**Chief Financial Officer**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**VL E-GOVERNANCE & IT SOLUTIONS LIMITED**  
Vakrangee Corporate House, Plot No 93,  
Road No. 16, M.I.D.C. Marol, Andheri (East),  
Mumbai – 400093.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **VL E-GOVERNANCE & IT SOLUTIONS LIMITED** having **CIN: L74110MH2016PLC274618** and having Registered office at Vakrangee Corporate House, Plot No 93, Road No. 16, M.I.D.C. Marol, Andheri (East), Mumbai – 400093. (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors as on March 31, 2025 on the Board of the Directors of the Company as stated below have been debarred or disqualified from being appointed as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director                  | DIN      | Original Date of Appointment in Company | Date of Cessation |
|---------|-----------------------------------|----------|---|-------------------|
| 1       | Sanjay Nandwana                   | 03565954 | 27/03/2025                              | -                 |
| 2       | Nishikant Kishanrao Hayatnagarkar | 00062638 | 04/12/2024                              | -                 |
| 3       | Hari Mohan                        | 08671182 | 04/12/2024                              | -                 |
| 4       | Anoop Kumar Agrawal               | 07508525 | 10/12/2024                              | -                 |
| 5       | Chandra Kailash Vishwakarma       | 10864745 | 10/12/2024                              | -                 |
| 6       | Tanu Surendra Shukla              | 09656470 | 08/06/2023                              | -                 |

Ensuring the eligibility of for the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: June 10, 2025  
Place: Mumbai

**Mehul Raval**  
Practicing Company Secretary  
ACS: 18300  
COP: 24170  
UDIN: A018300G000571864



## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE REPORT

To,  
The Members of  
**VL E-Governance & IT Solutions Limited**  
Vakrangee Corporate House, Plot No 93,  
Road No. 16, M.I.D.C. Marol, Andheri (East),  
Mumbai – 400093.

I have examined the compliance of conditions of Corporate Governance by **VL E-Governance & IT Solutions Limited** for the year ended on **March 31, 2025**.

I certify that the company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clause (b) and (i) of Regulation 46 and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### Managements Responsibility

The compliance of conditions of Corporate Governance is responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in Listing Regulations. My examination was limited to procedures and implementation thereof adopted by the Company for ensuring Compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

### Opinion

Based on my examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clause (b) and (i) of Regulation 46 and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2025.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### Restriction on Use

The certification is addressed to and provided to the members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations and should not be used by any other person for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without my prior consent in writing.

Date: June 10, 2025  
Place: Mumbai

Mehul Raval  
Practicing Company Secretary  
ACS: 18300  
COP: 24170  
UDIN: A018300G000571875



# Financials



# Independent Auditor's Report

## To the Members of VL E-GOVERNANCE & IT SOLUTIONS LIMITED

(formerly known as Vakrangee Logistics Private Limited)

### Report on the Audit of Financial Statements

#### OPINION

We have audited the financial statements of **VL E-Governance & IT Solutions Limited** (formerly known as Vakrangee Logistics Private Limited) (**hereinafter referred to as "the Company"**), which comprise the Balance sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash flows and Statement of Changes in equity for the year then ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its loss (including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

#### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 opinion.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to communicate in our report for the year ended March 31, 2025.

- As described in Note 31 of the financial statements for the year ended March 31, 2025, the management has determined the allowance for credit losses based on historical loss experience adjusted to reflect the impact of the economic conditions. The allowance for credit loss model requires consideration of the customers' business operations/ability to pay dues. Based on such analysis the Company has recorded a significant allowance of Expected Credit Loss aggregating to ₹ 2,51,841.28/- lakhs for the year (compared to ₹ 37.42 lakhs in the previous year), which are disclosed in Note 5, 8 and 11 of the Standalone Financial Statements.

We identified allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses.

#### Principal Audit Procedure

Our audit procedures included, but were not limited to, the following

- Evaluated the design and implementation including the operating effectiveness of the controls over:
  - Basis of consideration of the impact of the economic conditions;
  - Completeness and accuracy of the data used in estimation of probability of default;
  - Computation of the expected credit loss allowance
  - Tested the completeness and accuracy of the ageing of accounts receivable data.
  - Further in addition to the above process, a forward-looking expected loss impairment model as prescribed in IND AS 109 "Financial Instruments" was also applied by the Company. This involves judgment as the expected credit losses must reflect information about past events, current conditions, and forecasts of future conditions.
  - Selected a sample of the customers, and
  - Verified publicly available information relating to the Company's customers to test if the management had correctly considered the adjustments to credit risk.
  - Obtained and verified the details of credit period extension granted to the customers and developed an expectation of similar extensions across other customers of the Company.
- The Company has incurred losses for the financial year ended March 31, 2025 due to the substantial provisioning of expected credit loss. As detailed in Note No. 14 and



31 of the financial statements, the Company reported a net loss of ₹2,51,841.28 lakhs for the year (compared to ₹16,993.15 lakhs in the previous year). These losses have significantly reduced the Company's net worth and raise a material uncertainty that may cast significant doubt on its ability to continue as a going concern.

Management has prepared the financial statements on a going concern basis, based on its expectations regarding future operational performance, availability of current and future funding arrangements and with positive net worth of ₹ 4,569.66/- Lakhs. The assessment of the Company's ability to continue as a going concern involves significant management judgment and is subject to inherent uncertainties associated with future economic and business conditions.

We considered this to be a key audit matter due to the significance of the matter to the financial statements, the material uncertainty relating to the going concern assumption, and the considerable judgment involved in management's assessment.

#### Principal Audit Procedure

Our audit procedures included, but were not limited to:

- Evaluating management's assessment of the going concern assumption, including consideration of the Company's cash flow projections, funding plans, and their feasibility;
- Assessing the reasonableness of key assumptions used in the cash flow forecasts and testing their mathematical accuracy;
- Considering the terms and conditions of financial support letters or other funding arrangements from related parties, lenders, or shareholders;
- Evaluating the adequacy of the disclosures made in the financial statements regarding the going concern assumption and related material uncertainty

Based on the audit procedures performed, and notwithstanding the significant losses incurred and the substantial reduction of the Company's net worth—which may raise doubts regarding the Company's ability to continue as a going concern—management is of the view that Despite this condition, the Company continues to demonstrate financial resilience, maintaining positive net worth amounting to ₹ 4,569.66/- Lakhs and the use of the going concern basis of accounting remains appropriate and , as detailed in Note 31 to the financial statements. We concur with management's assessment considering the net assets is more than the total liability of the company with positive net worth and the use of the going concern basis of accounting in the preparation of the financial statements.

Our opinion is not modified in respect of this matter.

#### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### 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 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the Ind AS and other 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 (refer Key Audit Matters and Note no 32 of Financial Statements) 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 RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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; and
- 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.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 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 it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity, dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
- g) In our opinion and according to the information and explanations given to us, the managerial remuneration for the year ended March 31, 2025, has been paid / provided by the Company to its directors is in accordance with the provisions of Section 197 read with Schedule V to the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (A) The Management has represented that, to the best of its knowledge and belief, no funds 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(s) or entity(ies), including foreign entities ("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 have been received by the company from any person(s) or entity(ies), including foreign entities ("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; and
  - (C) Based on such audit procedures that we have 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.
  - No dividend has been declared or paid during the year by the company.
  - Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account 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. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

**For BKG & Associates**  
Chartered Accountants  
**Firm Registration No: 114852W**

**CA G.L. Gupta**  
Partner  
**Membership No. : 034914**  
**UDIN : 25034914BMULEP7144**

Place : Mumbai  
Date : May 26, 2025

## Annexure A To The Independent Auditors' Report

**(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report to the Members of VL E-GOVERNANCE & IT SOLUTIONS LIMITED ('the Company') for the year ended March 31, 2025.**

The Annexure referred to in Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2025, we report that:

- I
  - (A) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
  - (b) The Company does not have any Intangible Assets, accordingly reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
  - (B) As explained to us all the property, plant & equipment are physically verified by the Management according to phased programme designed to cover all the items over the year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanations, no material discrepancies have been noticed on such verification
  - (C) According to the information and explanations given to us, based on test check examination of the records and Sale deeds/ conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company.
  - (D) The company has not revalued its property, plant & equipment (including Right of use assets) and Intangible Assets during the year ended March 31, 2025.
  - (E) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- II
  - (A) The Company does not hold any inventory at the end of reporting period however the management has conducted verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies were noticed as compared to book records on such verification.
  - (B) The Company has not been sanctioned working capital limits, at any points of time during the year,

from banks or financial institutions hence reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

- III According to the information and explanations given to us and on the basis of our examination of the records, the company has during the year not made any investments in, given any guarantee or security or granted any loans or advances which are characterised as loans, unsecured or secured, to LLPs, firms or companies or any other person. However, interest on loans granted in earlier years is still outstanding as at the balance sheet date.
- (A) With respect of the unsecured loans and advances to the related parties, the requisite information is as below:

| Particulars  | Amount<br>(₹ in lakhs) |
|--|------------------------|
| (A) Aggregate amount Loans granted / provided during the year to:                  | -                      |
| - Subsidiary, Joint Ventures and Associates  | -                      |
| - Others   | -                      |
| (B) Balance outstanding as at Balance sheet date in respect of the above cases to: | -                      |
| - Subsidiary, Joint Ventures and Associates  | 3,092.97               |
| - Others*  | -                      |

\*Note: consists outstanding interest amount on loan given to entity related to the promoter and director (included in note 5 of Financial Statement).

- (B) According to the Information and explanations given to us and in our opinion the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prima facie pre-judicial to the company's interest.
- (C) In respect to above loans and advances granted in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated.
- (D) According to the Information and explanations given to us and in our opinion the total amount overdue for more than ninety days as at March 31, 2025 is ₹ 3,092.97 Lakhs. There are no overdue of loans granted by the company as at March 31, 2025.
- (E) No loan or advances in the nature of the loan granted which has fallen due during the year has been renewed or extended or fresh loan granted to settle the over dues of existing loan given to the same parties.



- (F) The Company has not granted loans or advances in the nature of loans without specifying any terms or period of repayment during the year however during the earlier years loans has been granted to related party as defined in clause (76) of section 2 of the Companies Act, 2013, aggregating to a total of ₹ 3,092.97 (in Lakhs) on balance sheet date i.e. March 31, 2025, which is 100% of the Total loans granted.
- IV According to the information and explanations given to us and on the basis of our examination of the records, the Company has complied with the provisions of the Section 185 and 186 of the Act, in respect to the loans, making investment and providing guarantees and securities, as applicable.
- V The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- VI The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act. Accordingly, the provisions under Clause 3(vi) of the order are not applicable to the company.
- VII In respect of Statutory dues:
- (A) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (B) There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues, as applicable, in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.
- (C) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, goods & service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- However, for AY 2023-24, the Company discharged its net tax liability of ₹72,80,775/- through available TDS credit of ₹72,85,777/-, as duly reflected in the return of income. Upon completion of scrutiny assessment under section 143(3), the returned income was accepted without any variation. However, the Department erroneously failed to grant the claimed TDS credit of ₹72,85,777/- and consequently raised a demand to that extent. Aggrieved by this, the Company has filed an appeal before the Hon'ble CIT(A).
- VIII 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 not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- IX (A) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (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 not taken any term loans, Accordingly, clause 3(ix)(c) of the Order is not applicable to the Company.
- (D) The Company has not utilized funds raised on short term basis for any long-term purpose.
- (E) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, 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.
- (F) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, clause 3(ix)(f) of the Order is not applicable to the Company.
- X (A) 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 not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
- (B) During the year, the Company has made private placement of convertible warrants on preferential basis. According to the information and explanations given to us, we report that the company has complied with the requirements of Section 42 and Section 62 of the Companies Act, 2013 in respect of preferential allotment or private placement of shares, or convertible warrants, debentures (fully, partially or

optionally convertible) and has utilised such funds for the purposes for which they were raised.

- XI (A) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (B) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

According to the information and explanations given to us, The Company has not received any whistle blower complaint during the year.

- XII According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- XIII In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- XIV (A) The Company has an internal audit system commensurate with the size and nature of its business.
- (B) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- XV In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- XVI (A) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.
- (B) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.
- (C) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c)

of the Order is not applicable to the Company.

- (D) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable to the Company.
- XVII According to the information and explanations given to us and the records of the Company examined by us, the Company has not incurred any cash losses in the current financial year. The Company has incurred a cash loss of ₹ 800.34 lakhs in the immediately preceding financial year.
- XVIII There has been no resignation of the statutory auditors during the year.
- XIX According to the information and explanations given to us by the management and the records of the Company examined by us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities and other information accompanying the financial statements, there is no material uncertainty as to the company's inability to meet its liabilities existing at the balance sheet date 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.
- XX (A) The Company was not required to spend any amount during the year for Corporate Social Responsibility under Section 135(5) and 135(6) of the Act. Accordingly, there is no amount unspent as at March 31, 2025 which is related to FY 2024-25.
- (B) An amount of Rs. 96.71/- lakhs (relevant to FY 2023-24) is available in the unspent CSR towards going project as on March 31, 2025.
- XXI The Company has no subsidiary and no requirement of consolidation hence report on clause 3(xxi) of the Order is not applicable to the Company.

**For BKG & Associates**  
Chartered Accountants  
**Firm Registration No: 114852W**

**CA G.L. Gupta**  
Partner

**Membership No. : 034914**  
**UDIN : 25034914BMULEP7144**

Place : Mumbai  
Date : May 26, 2025

# Annexure A to the Independent Auditors' Report

of even date to the Members of VL E-GOVERNANCE & IT SOLUTIONS LIMITED on the Ind AS Financial statement for the year ended March 31, 2025

## Independent Auditor's 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 Ind As financial Statements of VL E-Governance & IT Solutions Limited ("The Company") as at and for the year ended on March 31, 2025, we have audited the internal financial Controls over financial reporting (IFCoFR) of the Company as of 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 the 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 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.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting (IFCoFR) based on our audit. We conducted our audit in accordance with the Standards on auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and Guidance Note issued by 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 IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 Company's IFCoFR.

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's IFCoFR 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 the Generally Accepted Accounting Principles. A company's IFCoFR includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transaction and dispositions of the assets of the company; (ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the 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 (iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or dispositions 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 IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, 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 issued by the ICAI.

**For BKG & Associates**  
Chartered Accountants  
Firm Registration No: 114852W

**CA G.L. Gupta**  
Partner

Place : Mumbai  
Date : May 26, 2025

**Membership No. : 034914**  
**UDIN : 25034914BMULEP7144**

# Balance Sheet

as at March 31, 2025

|   |          | (₹ in Lakhs)            |                         |
|---|----------|-------------------------|-------------------------|
| Particulars   | Note No. | As at<br>March 31, 2025 | As at<br>March 31, 2025 |
| <b>I ASSETS</b>   |          |                         |                         |
| <b>1 Non - Current Assets</b>   |          |                         |                         |
| a) Property, Plant & Equipment  | 4        | 234.79                  | 0.28                    |
| b) Financial Assets   |          |                         |                         |
| i) Loan   | 5        | -                       | 3,013.23                |
| ii) Other Financial Assets  | 6        | 3.25                    | 3.25                    |
| c) Deferred Tax Assets (Net)  | 7        | -                       | 0.15                    |
| <b>Total Non-Current Assets</b>   |          | <b>238.04</b>           | <b>3,016.91</b>         |
| <b>2 Current Assets</b>   |          |                         |                         |
| a) Financial Assets   |          |                         |                         |
| i) Trade Receivables  | 8        | -                       | 115,911.54              |
| ii) Cash and cash equivalents   | 9        | 246.42                  | 5.35                    |
| iii) Bank Balances other than (b) above   | 10       | 4,301.47                | 1.47                    |
| iv) Other Current Financial Assets  | 11       | 5.24                    | 132,756.80              |
| b) Other Current Assets   | 12       | 57.14                   | 22.42                   |
| <b>Total Current Assets</b>   |          | <b>4,610.28</b>         | <b>248,697.58</b>       |
| <b>TOTAL ASSETS</b>   |          | <b>4,848.32</b>         | <b>251,714.49</b>       |
| <b>II EQUITY &amp; LIABILITIES</b>  |          |                         |                         |
| <b>1 Equity</b>   |          |                         |                         |
| a) Equity Share Capital   | 13       | 10,845.13               | 10,595.13               |
| b) Other Equity   | 14       | (6,275.48)              | 234,246.71              |
| <b>Total Equity</b>   |          | <b>4,569.66</b>         | <b>244,841.85</b>       |
| <b>2 LIABILITIES</b>  |          |                         |                         |
| <b>i Non - Current Liabilities</b>  |          |                         |                         |
| Deferred Tax Liabilities (Net)  | 7        | 1.87                    | -                       |
| <b>Total Non - Current Liabilities</b>  |          | <b>1.87</b>             | <b>-</b>                |
| <b>ii Current Liabilities</b>   |          |                         |                         |
| a) Financial liabilities  |          |                         |                         |
| i) Borrowings   | 15       | -                       | 5,108.86                |
| ii) Trade Payables  |          |                         |                         |
| - dues of micro enterprises and small enterprises                               | 16       | -                       | -                       |
| - dues of creditors other than micro-enterprises and small enterprises          |          | 7.03                    | 1,516.83                |
| b) Other Current Liabilities  | 17       | 129.95                  | 100.58                  |
| c) Provisions   | 18       | 10.06                   | 6.78                    |
| d) Current Tax Liabilities  | 19       | 129.74                  | 139.59                  |
| <b>Total Current Liabilities</b>  |          | <b>276.79</b>           | <b>6,872.64</b>         |
| <b>Total Liabilities</b>  |          | <b>278.66</b>           | <b>6,872.64</b>         |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>   |          | <b>4,848.32</b>         | <b>251,714.49</b>       |
| <b>Significant Accounting Policies</b>  | 1-3      |                         |                         |
| <b>The accompanying notes are an integral part of the Financial Statements.</b> | 4-40     |                         |                         |

As per our report of even date attached

For BKG & Associates  
Chartered Accountants  
Firm's Registration No. : 114852W

G.L Gupta  
Partner  
Membership No.: 034914

Place : Mumbai  
Date : May 26, 2025

For and on behalf of the Board of Directors  
VL E-Governance & IT Solutions Limited  
CIN : L74110MH2016PLC274618

Sanjay Nandwana  
Managing Director  
DIN : 03565954

Pradeep Somani  
Chief Financial Officer  
Place : Mumbai  
Date : May 26, 2025

Nishikant Hayatnagarkar  
Chairman and Director  
DIN: 00062638

Nilesh Champalal Wadode  
Company Secretary



# Statement of Profit and Loss

for the year ended March 31, 2025

|   |          | (₹ in lakhs)                           |  |
|---|----------|--|--|
| Particulars   | Note No. | For the period ended<br>March 31, 2025 | For the period ended<br>March 31, 2024 |
| <b>I Income</b>   |          |  |  |
| Revenue from Operations   | 20       | 3,068.86                               | 2,201.10                               |
| Other Income  | 21       | 169.93                                 | 44.15                                  |
| <b>Total Income</b>   |          | <b>3,238.79</b>                        | <b>2,245.25</b>                        |
| <b>II Expenses</b>  |          |  |  |
| Cost of Material Consumed   |          |  | -                                      |
| Purchase of Stock-in-Trade  | 22       | 2,568.65                               | 2,198.04                               |
| Operating Expenses  |          | -                                      | -                                      |
| Change in Inventories   |          | -                                      | -                                      |
| Employee Benefits Expenses  | 23       | 275.24                                 | 245.81                                 |
| Finance Cost  |          |  | -                                      |
| Depreciation  | 24       | 3.84                                   | 0.09                                   |
| Other Expenses  | 25       | 251.01                                 | 564.32                                 |
| <b>Total Expenses</b>   |          | <b>3,098.74</b>                        | <b>3,008.25</b>                        |
| <b>III Profit before exceptional and extraordinary items and tax</b>            |          | <b>140.05</b>                          | <b>(763.00)</b>                        |
| Exceptional items   | 26       | 251,841.28                             | 16,230.15                              |
| <b>IV Profit/ (Loss) before tax</b>   |          | <b>251,701.23)</b>                     | <b>(16,993.15)</b>                     |
| <b>V Tax Expense:</b>   |          |  |  |
| (a) Current Tax   |          | -                                      | -                                      |
| (b) Deferred Tax  |          | 2.02 2.02                              | 0.06 0.06                              |
| <b>VI Profit/ (Loss) for the year</b>   |          | <b>(251,703.25)</b>                    | <b>(16,993.21)</b>                     |
| <b>VII Other Comprehensive Income</b>   |          |  |  |
| Items that will be reclassified subsequently to profit or loss                  |          | -                                      | -                                      |
| Items that will not be reclassified subsequently to profit or loss              |          | - -                                    | - -                                    |
| <b>VIII Total Comprehensive Income for the year</b>                             |          | <b>(251,703.25)</b>                    | <b>(16,993.21)</b>                     |
| <b>IX No. of equity shares for computing EPS (in Lakhs)</b>                     |          |  |  |
| (1) Basic   |          | 1,064.65                               | 1,059.51                               |
| (2) Diluted   |          | 1,150.11                               | 1,059.51                               |
| <b>X Earnings Per Equity Share (Face Value ₹ 10/- Per Share):</b>               | 27       |  |  |
| (1) Basic (₹)   |          | (236.42)                               | (16.04)                                |
| (2) Diluted (₹)   |          | (218.85)                               | (16.04)                                |
| <b>Significant Accounting Policies</b>  | 1-3      |  |  |
| <b>The accompanying notes are an integral part of the Financial Statements.</b> | 4-40     |  |  |

As per our report of even date attached

**For BKG & Associates**  
Chartered Accountants  
Firm's Registration No. : 114852W

**G.L Gupta**  
Partner  
Membership No.: 034914

Place : Mumbai  
Date : May 26, 2025

**For and on behalf of the Board of Directors**  
**VL E-Governance & IT Solutions Limited**  
CIN : L74110MH2016PLC274618

**Sanjay Nandwani**  
Managing Director  
DIN : 03565954

**Pradeep Somani**  
Chief Financial Officer  
Place : Mumbai  
Date : May 26, 2025

**Nishikant Hayatnagarkar**  
Chairman and Director  
DIN: 00062638

**Nilesh Champalal Wadode**  
Company Secretary

# Statement of Cash flows

for the year ended March 31, 2025

| Particulars  | (₹ in lakhs)                        |                                     |
|--|-------------------------------------|-------------------------------------|
|  | For the period ended March 31, 2025 | For the period ended March 31, 2024 |
| <b>Cash flow from operating activities</b>                                 |                                     |                                     |
| Profit before tax and Exceptional Item from continuing operations          | 140.05                              | (763.00)                            |
| Non-cash adjustment to reconcile the profit before tax to net cash flows   |                                     |                                     |
| - Allowance for credit losses shown as Exceptional Items                   | (251,841.28)                        | (37.42)                             |
| - Interest Income  | -                                   | -                                   |
| - Foreign Exchange Gain  | (79.75)                             | (43.12)                             |
| - Writte down of Contractual assets shown as Exceptional Items             | -                                   | (16,230.15)                         |
| Depreciation of property, plant and equipment                              | 3.84                                | 0.09                                |
| <b>Operating profit before working capital changes</b>                     | <b>(251,777.13)</b>                 | <b>(17,073.61)</b>                  |
| <b>Movements in assets and liabilities :</b>                               |                                     |                                     |
| - Increase/(Decrease) in Trade payables                                    | (1,509.80)                          | (947.47)                            |
| - Increase/(Decrease) in Other current liabilities                         | 29.38                               | 99.89                               |
| - Increase/(Decrease) in Provisions  | 3.28                                | 6.78                                |
| - Increase/(Decrease) in Other payables                                    | (9.85)                              | (84.74)                             |
| - (Increase)/Decrease in Trade Receivables                                 | 115,911.54                          | (297.61)                            |
| - (Increase)/Decrease in Other Non-Current financial assets                | 3,013.23                            | (46.12)                             |
| - (Increase)/Decrease in Other Current financial assets                    | 132,751.55                          | 2,268.49                            |
| - (Increase)/Decrease in Bank Balances other than Cash and Cash equivalent | (4,300.00)                          | -                                   |
| - (Increase)/Decrease in Other current assets                              | (34.72)                             | 16,294.82                           |
| Cash generated from /(used in) operations                                  | (5,922.52)                          | 220.42                              |
| Income taxes paid (net of refunds)   | -                                   | -                                   |
| <b>Net cash flow used in operating activities (A)</b>                      | <b>(5,922.52)</b>                   | <b>220.42</b>                       |
| <b>Cash flows from investing activities</b>                                |                                     |                                     |
| Interest received  | -                                   | -                                   |
| Purchase of Assets   | (238.34)                            | (0.37)                              |
| Loan granted to Group company (Foreign Exchange Gain)                      | 79.75                               | 43.12                               |
| <b>Net cash flow used in investing activities (B)</b>                      | <b>(158.60)</b>                     | <b>42.75</b>                        |
| <b>Cash flows from financing activities</b>                                |                                     |                                     |
| Proceeds from Prefrential issue of warrants converted into Equity          | 1,875.00                            | -                                   |
| Application money received against share warrants                          | 9,556.05                            | -                                   |
| Repayment of borrowings  | (5,108.86)                          | (258.63)                            |
| <b>Net cash flow from financing activities (C)</b>                         | <b>6,322.19</b>                     | <b>(258.63)</b>                     |
| <b>Net increase in cash and cash equivalents (A + B + C)</b>               | <b>241.07</b>                       | <b>4.55</b>                         |
| Cash and cash equivalents at the beginning of the period                   | 5.35                                | 0.80                                |
| <b>Cash and cash equivalents at the end of the period</b>                  | <b>246.42</b>                       | <b>5.35</b>                         |
| Significant Accounting Policies  |                                     |                                     |
| The accompanying notes are an integral part of the Financial Statements.   |                                     |                                     |

Note : The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

As per our report of even date attached

**For BKG & Associates**  
Chartered Accountants  
Firm's Registration No. : 114852W

**G.L Gupta**  
Partner  
Membership No.: 034914

Place : Mumbai  
Date : May 26, 2025

**For and on behalf of the Board of Directors**  
**VL E-Governance & IT Solutions Limited**  
CIN : L74110MH2016PLC274618

**Sanjay Nandwana**  
Managing Director  
DIN : 03565954

**Pradeep Somani**  
Chief Financial Officer  
Place : Mumbai  
Date : May 26, 2025

**Nishikant Hayatnagarkar**  
Chairman and Director  
DIN: 00062638

**Nilesh Champalal Wadode**  
Company Secretary

# Statement of Changes in Equity (SOCIE)

for the year ended March 31, 2025

## A. Equity Share Capital

(₹ in lakhs)

| Particulars  | Amount           |
|--|------------------|
| <b>As at April 01, 2023</b>                                | 10,595.13        |
| Changes in Equity Share Capital due to prior period errors | -                |
| Shares pending allotment pursuant to the scheme            | -                |
| Exercise of Options  | -                |
| Changes in equity share capital during the current year    | -                |
| Cancellation of shares pursuant to the scheme              | -                |
| <b>As at March 31, 2024</b>                                | 10,595.13        |
| Changes in Equity Share Capital due to prior period errors | -                |
| Shares pending allotment pursuant to the scheme            | -                |
| Exercise of Options  | -                |
| Changes in equity share capital during the current year    | 250.00           |
| Cancellation of shares pursuant to the scheme              | -                |
| <b>As at March 31, 2025</b>                                | <b>10,845.13</b> |

## B. Other Equity

(₹ in lakhs)

| Particulars                         | Reserves and Surplus       |                  |                  |                                     |                     | Money received against share warrants | Total Equity attributable to equity shareholders of the Company |
|-------------------------------------|----------------------------|------------------|------------------|-------------------------------------|---------------------|---------------------------------------|---|
|                                     | Securities Premium Reserve | Capital Reserve  | General Reserve  | Profit & Loss Appropriation Account | Retained Earnings   |                                       |   |
| <b>As at April 01, 2023</b>         | -                          | 49,762.68        | 17,455.33        | 173,475.60                          | 10,546.32           | -                                     | 251,239.92  |
| Profit(Loss) for the year           | -                          | -                | -                | -                                   | (16,993.21)         | -                                     | (16,993.21)   |
| Other comprehensive income          | -                          | -                | -                | -                                   | -                   | -                                     | -   |
| Issue of Securities during the year | -                          | -                | -                | -                                   | -                   | -                                     | -   |
| <b>As at March 31, 2024</b>         | -                          | 49,762.68        | 17,455.33        | 173,475.60                          | (6,446.89)          | -                                     | 234,246.71  |
| Profit(Loss) for the year           | -                          | -                | -                | -                                   | (251,703.25)        | -                                     | (251,703.25)  |
| Other comprehensive income          | -                          | -                | -                | -                                   | -                   | -                                     | -   |
| Issue of Securities during the year | 1,625.00                   | -                | -                | -                                   | -                   | 9,556.05                              | 11,181.05   |
| <b>As at March 31, 2025</b>         | <b>1,625.00</b>            | <b>49,762.68</b> | <b>17,455.33</b> | <b>173,475.60</b>                   | <b>(258,150.14)</b> | <b>9,556.05</b>                       | <b>(6,275.48)</b>   |

As per our report of even date attached

**For BKG & Associates**  
Chartered Accountants  
Firm's Registration No. : 114852W

**G.L Gupta**  
Partner  
Membership No.: 034914

Place : Mumbai  
Date : May 26, 2025

**For and on behalf of the Board of Directors**  
VL E-Governance & IT Solutions Limited  
CIN : L74110MH2016PLC274618

**Sanjay Nandwana**  
Managing Director  
DIN : 03565954

**Pradeep Somani**  
Chief Financial Officer  
Place : Mumbai  
Date : May 26, 2025

**Nishikant Hayatnagarkar**  
Chairman and Director  
DIN: 00062638

**Nilesh Champalal Wadode**  
Company Secretary

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

## NOTE : 1

### COMPANY OVERVIEW

#### 1.1 Corporate Information

VL E-Governance & IT Solutions Limited (formerly known as Vakrangee Logistics Private Limited) (hereinafter referred to as "the Company") is a public limited company incorporated under the Companies Act, 2013, is listed on the Bombay Stock Exchange and National Stock Exchange.

The Company is engaged in the business of E-Governance functioning as a system integrator and end-to-end service provider for E-Governance projects with special competencies in handling massive, multi-state, and e-governance enrollment projects, data digitization, software and license. The business activities of the company include, E-Governance services, IT/ITES system integration services, B2B Trading business and IT/ITES equipment trading activities.

#### 1.2 Summary of Demerger

Pursuant to the Scheme of Arrangement (the 'Scheme'), duly sanctioned by The Honorable National Company Law Tribunal, Mumbai Bench, vide its Order dated May 19, 2023 ('Order') with effect from the Appointed Date, i.e. April 1, 2021, the E-Governance and IT/ITES business of Vakrangee Limited stands transferred to and vested in the Company as a going concern.

#### 1.3 Authorisation of financial statements

The financial statements were authorized for issue by the Company's Board of Directors on May 26, 2025.

### NOTE:2 BASIS OF PREPARATION & PRESENTATION AND MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

#### 2.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

##### 2.1.1 Basis of preparation (Statement of compliance)

These financial statements are prepared in accordance with Indian Accounting Standards (hereinafter referred to as "Ind AS") under the provisions of the Companies Act, 2013 (hereinafter referred to as 'the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company had adopted the Ind AS standards in

accordance with Ind AS 101 First time adoption of Indian Accounting Standards during the year ended March 31, 2017.

The accounting policies have been consistently applied by the Company unless otherwise stated or where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been prepared on historical cost basis except the following

- certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- assets held for sale - measured at fair value less cost to sell;
- defined benefit plans- plan assets measured at fair value; and
- share based payments

#### 2.1.2 Presentation of financial statements and Basis of measurement

The financial statements (including balance sheet, statement of profit and loss and the statement of changes in equity) are prepared and presented in the accordance with the format prescribed in Division II of Schedule III to the Companies Act, 2013, as amended from time to time. The statement of cash flows has been prepared using the indirect method. The disclosure requirements with respect to items in the balance sheet and statement of profit and loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

The amounts presented in the financial statements are in Indian Rupees ("₹") and have been rounded off to the nearest lakh, unless stated otherwise, as permitted by Schedule III to the Companies Act, 2013. Earnings per share and other per share data are also presented in Indian Rupees."

#### 2.1.3 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition related costs are generally recognised in statement of profit and loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the



# Notes to the financial statements

for the year ended March 31, 2025 (continued)

acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date

## 2.2 MATERIAL ACCOUNTING POLICY INFORMATION

### 2.2.1 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current /non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

#### A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non –current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents,

### 2.2.2 FOREIGN CURRENCIES

The company's financial statements are presented in Indian Rupees ("₹") (rounded off to Lakhs), which is also the company's functional currency.

#### a. Initial recognition

Foreign currency transactions are recorded in the functional currency (Indian Rupee) by applying to the

foreign currency amount, the exchange rate between the functional currency and the foreign currency on the date of the Transaction first qualifies for recognition.

#### b. Conversion and Balances

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting period. Exchange differences arising on the settlement of monetary items or on translating monetary items are recognized in the statement of profit or loss except:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered in order to hedge certain foreign currency risks
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

### 2.2.3 REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Company derives revenues primarily from E-Governance Services and B2B trading.

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

Ind AS 115 "Revenue from Contracts with Customers" provides a control- based revenue recognition model and provides a five-step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognize revenue when or as an entity satisfies performance obligations

## a. Revenue from sale of goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The Performance Obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms with customers for an amount that reflects the consideration which the Company expects to receive in exchange for those products.

## b. Revenue from Service

Revenue from contracts with customers is recognized when performance of the services as agreed with the customer has been completed, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The method of recognizing the revenues and costs depends on the nature of the services rendered. Revenue is recognized when no significant uncertainty exists as to its realization or collection.

The Company recognizes the income for providing E-Governance Services and B2B trading and last mile delivery upon providing services or delivery of shipment to end customers.

The amount recognized as revenue in its Statement of Profit and Loss are measured on the basis of the contracted price, after deduction of any trade discounts, such as price concessions, volume discounts, or any other price concessions as may be agreed with the customers at the time of sale. Revenues also excludes Goods and Services Tax (GST) or any other taxes collected from the Customers and net of returns and discounts.

## c. Other Operating revenue

The Company recognises income on recoveries of financial assets previously written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

## d. Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial Instruments.

## e. Contract liabilities

A contract liability is the obligation to perform the services as agreed with the customer for which the Company has received consideration (or an amount of consideration is due) from the customer. A contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

## f. Other Income

Other income is comprised primarily of interest income, dividend income, exchange gain/loss. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition. Dividend income is recognized when the right to receive payment is established.

## 2.2.4 BORROWING COST

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

## 2.2.5 EMPLOYEE BENEFITS

### a. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

the end of the reporting period and are measured at the undiscounted amounts of the benefits expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

## b. Other Long-term employee benefit obligations

The liabilities for compensated absences (annual leave) which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the service are treated and presented as non-current employee benefits obligations. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations. Remeasurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/ gains) are recognized in the Statement of Profit and Loss.

The obligations are presented as current in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

## c. Post- employment obligations

### Defined benefit plan - Gratuity Obligations

The Company provides for gratuity in accordance with the Payment of Gratuity Act, 1972. It is a defined benefit plan that offers lump sum payments to eligible employees based on salary and tenure upon retirement, death, or termination.

The gratuity liability is the present value of the defined benefit obligation, determined using the Projected Unit Credit Method, net of the fair value of plan assets. The obligation is discounted using market yields on government bonds with terms matching the liability. Net interest cost is recognised in profit or loss as part of employee benefit expenses.

Re-measurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income in the year in which they arise and are not subsequently reclassified to Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or

loss as past service cost.

## 2.2.6 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replaced part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent to recognition, property, plant and equipment (excluding freehold land) are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the company recognizes such parts as individual assets with specific useful lives and depreciation respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement cost only if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over the useful lives, using the straight- line method ("SLM"). Management believes based on a technical evaluation that the useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

| Description of Asset                | Life               |
|-------------------------------------|--------------------|
| Plant and Machinery                 | 8 Years - 15 Years |
| Buildings                           | 3 Years – 60 Years |
| Motor Vehicles                      | 8 Years – 10 Years |
| Office equipment                    | 5 Years            |
| Computers and data processing units | 3 Years- 6 Years   |

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

| Description of Asset                   | Life     |
|--|----------|
| Electrical Installations and Equipment | 10 Years |
| Office equipment                       | 5 Years  |

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sale proceeds and the carrying amount of the asset and is recognized in profit or loss.

## 2.2.7 INTANGIBLE ASSETS

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period

## 2.2.8 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### A. Financial Assets

#### a. Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. Trade receivables that do not contain a significant financing component are initially measured at transaction cost/value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through

profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### b. Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The subsequent measurement of a financial asset depends on the classification of the asset on the basis of business model for managing such assets and the contractual cash flow characteristics of such asset. These classifications are:

##### i. at amortized cost:

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. The losses arising from the impairment are recognized in the Statement of Profit and Loss.

##### ii. at Fair Value through Other Comprehensive Income (OCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest



# Notes to the financial statements

for the year ended March 31, 2025 (continued)

rate method. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment gains or losses and foreign exchange gains and losses in the statement of profit and loss. On derecognition of the asset, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit and loss.

### iii. at Fair Value through Profit or Loss (FVTPL)

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income if any, recognised in the statement of profit and loss

### iv. Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Dividends from such investments are recognized in profit or loss as other income. There is no recycling of the amounts from OCI to Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

Investment in subsidiaries is carried at cost in the financial statements.

### c. De-recognition

The Company de-recognizes a financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for

de-recognition.

When the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

### d. Impairment of financial assets

The Company recognises impairment loss applying the expected credit loss (ECL) model on the financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual right to receive cash or other financial asset and financial guarantee not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

12 months expected credit losses.

For trade receivables or any contractual right to receive cash or other financial assets that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company applies 'simplified approach' permitted by Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which considers historical credit loss experience and adjusted for forward-looking information.

## B. Financial liabilities and equity instruments

### a. Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### b. Financial Liabilities

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit and loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

#### i. Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

#### ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

### 1. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### 2. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Such amortization is included as finance costs in the statement of profit and loss.

### 3. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

#### c. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### 2.2.9 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### 2.2.10 Fair Value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 —Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 —Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 —Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

### 2.2.11 Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in the profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

## 2.2.12 Inventories

Inventories are valued at lower of cost on First-In-First-Out (FIFO) or net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory is determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## 2.2.13 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## 1.2.14 Taxation

### A. Current taxes

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively. Current income tax is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that

have been enacted or substantively enacted by the balance sheet date. The Company offsets, on a year to year basis, the current tax assets and liabilities, where it has a legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

### B. Deferred taxes

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax relating to items recognised outside the profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## 2.2.15 Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.



# Notes to the financial statements

for the year ended March 31, 2025 (continued)

## 2.2.16 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Payments in respect of such liabilities, if any are shown as advances.

## 1.2.17 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equities shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of equity shares that would have been outstanding assuming the conversion of all the dilutive potential equity.

## 1.2.18 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

## 1.2.19 Exceptional items

When items of income or expense are of such nature, size and incidence that their disclosure is necessary to explain the performance of the Company for the year, the company makes a disclosure of the nature and amount of such items separately under the head "exceptional items."

## Note 3 - Critical Accounting Judgements and Estimates

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets, liabilities, revenue, expenses, accompanying disclosures and

the disclosures of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results could differ from those estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

Application of accounting policies that require critical accounting estimates and the use of assumptions in the financial statements are as follows:

### 3.1 Going concern

The preparation of financial statements in accordance with Ind AS requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Among the critical judgements made by management is the assessment of the entity's ability to continue as a going concern.

Management has performed a detailed evaluation of the Company's ability to continue as a going concern, considering relevant factors such as the Company's financial position, cash flow projections, funding plans, operational performance, and other relevant information available as at the date of approval of the financial statements. Based on this assessment, the financial statements have been prepared on a going concern basis, as management has a reasonable expectation that the Company will be able to meet its obligations as they fall due for the foreseeable future.

In making this assessment, management has also considered possible future outcomes and scenarios, including the potential impact of economic uncertainties, and has concluded that there are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

### 3.2 Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

### 3.3 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### 3.4 Impairment of financial assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### 3.5 Expected Credit Loss of financial Instruments

The measurement of impairment losses under Ind AS 109 across all categories of financial assets in scope requires assumptions, in particular, in the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances

Trade receivables do not carry any interest and are stated at their nominal value as reduced by provision for impairment. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. Individual trade receivables are written off when management deems them not to be collectible.

It has been the company's policy to regularly review its model in the context of actual loss experience, macro economical factors and adjust when necessary. Financial Assets are written off when the company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This involves the Management's assessment of whether the borrower/ debtor etc. does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

### 3.6 Revenue from contracts with customers

The Company's contracts with customers include promises to provide the goods or services to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each period.

Estimates of rebates and discounts are sensitive to changes in circumstances and the Company's past experience regarding returns and rebate entitlements may not be representative of customer's actual returns and rebate entitlements in the future.

## RECENT ACCOUNTING PRONOUNCEMENTS

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The Ministry of Corporate Affairs vide notification dated 9 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2024: (i) Insurance contracts - Ind AS 117; and (ii) Lease Liability in Sale and Leaseback – Amendments to Ind AS 116.

The Company has reviewed the recent pronouncements and, upon evaluation, concluded that these amendments have had no impact on its Financial Statements or on any amounts recognised in prior periods, and are not expected to materially affect the current or future periods.

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

## Note 4 PROPERTY, PLANT and EQUIPMENT

(₹ in Lakhs)

| Particulars                        | Computers & End user Devices | Office Equipment | Motor Vehicles | Building      | Total         |
|------------------------------------|------------------------------|------------------|----------------|---------------|---------------|
| <b>Gross Block (Cost)</b>          |                              |                  |                |               |               |
| <b>At March 31, 2023</b>           | -                            | -                | -              | -             | -             |
| Additions                          | 0.37                         | -                | -              | -             | 0.37          |
| Disposals/transfer                 | -                            | -                | -              | -             | -             |
| <b>At March 31, 2024</b>           | <b>0.37</b>                  | -                | -              | -             | <b>0.37</b>   |
| Additions                          | -                            | 10.99            | 27.36          | 200.00        | 238.34        |
| Disposals/transfer                 | -                            | -                | -              | -             | -             |
| <b>At March 31, 2025</b>           | <b>0.37</b>                  | <b>10.99</b>     | <b>27.36</b>   | <b>200.00</b> | <b>238.71</b> |
| <b>Depreciation and Impairment</b> |                              |                  |                |               |               |
| <b>At March 31, 2023</b>           | -                            | -                | -              | -             | -             |
| Depreciation charged for the year  | 0.09                         | -                | -              | -             | 0.09          |
| Disposals/transfer                 | -                            | -                | -              | -             | -             |
| <b>At March 31, 2024</b>           | <b>0.09</b>                  | -                | -              | -             | <b>0.09</b>   |
| Depreciation charged for the year  | 0.12                         | 1.48             | 1.10           | 1.14          | 3.84          |
| Disposals/transfer                 | -                            | -                | -              | -             | -             |
| <b>At March 31, 2025</b>           | <b>0.20</b>                  | <b>1.48</b>      | <b>1.10</b>    | <b>1.14</b>   | <b>3.92</b>   |
| <b>NET BLOCK</b>                   |                              |                  |                |               |               |
| <b>At March 31, 2024</b>           | <b>0.28</b>                  | -                | -              | -             | <b>0.28</b>   |
| <b>At March 31, 2025</b>           | <b>0.17</b>                  | <b>9.51</b>      | <b>26.25</b>   | <b>198.86</b> | <b>234.79</b> |

## Note 5 LOANS (Non-Current)

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| (i) Loans Receivables considered good (Secured)                        | -                       | -                       |
| (ii) Loans Receivables considered good (Unsecured)                     |                         |                         |
| (a) Loan to Related Parties  | -                       | 3,013.23                |
| (iii) Loans Receivables which have significant increase in Credit Risk |                         |                         |
| (a) Loan to Related Parties  | 3,092.97                | -                       |
| (iv) Loans - credit impaired   | -                       | -                       |
|  | <b>3,092.97</b>         | <b>3,013.23</b>         |
| Less:- Allowance for expected credit loss                              | 3,092.97                | -                       |
| <b>TOTAL</b>   | <b>-</b>                | <b>3,013.23</b>         |

### Details of Loans to Related Parties

| Particulars  | March 31, 2025        |                  | March 31, 2024        |                  |
|--|-----------------------|------------------|-----------------------|------------------|
|  | Amount<br>outstanding | % of total Loans | Amount<br>outstanding | % of total Loans |
| Loan to the Company in which any director was a member | 3,092.97              | 100%             | 3,013.23              | 100%             |
| (specifying any terms or period of repayment)          |                       |                  |                       |                  |
| <b>TOTAL</b>   | <b>3,092.97</b>       | <b>100%</b>      | <b>3,013.23</b>       | <b>100%</b>      |

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

## Note 6 OTHER FINANCIAL ASSETS (Non-Current)

(₹ in Lakhs)

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| <b>Unsecured, considered good</b>                       |                         |                         |
| (i) Deposit with Government Authorities                 | 0.25                    | 0.25                    |
| (ii) Security Deposit                                   |                         |                         |
| (a) With related parties                                | -                       | -                       |
| (b) With Other than related parties (with Depositories) | 3.00                    | 3.00                    |
| <b>TOTAL</b>  | <b>3.25</b>             | <b>3.25</b>             |

## Note 7 DEFERRED TAX ASSETS/LIABILITIES (NET)

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| <b>Deferred Tax Assets:</b>  |                         |                         |
| Opening  | 0.15                    | 0.20                    |
| (i) On account of the difference in depreciation of PPE Recognised in PL       | -                       | (0.06)                  |
| (ii) Other   | -                       | -                       |
| <b>Gross Deferred Tax Assets ( A )</b>   | <b>0.15</b>             | <b>0.15</b>             |
| <b>Deferred Tax Liabilities:</b>   |                         |                         |
| Opening  | -                       | -                       |
| (i) On account of the difference in depreciation of PPE Recognised in PL       | 2.02                    | -                       |
| (ii) Other   | -                       | -                       |
| <b>Gross Deferred Tax Liability ( B )</b>                                      | <b>2.02</b>             | <b>-</b>                |
| <b>Net Deferred Tax Balance carried to Balance Sheet (Net Liability) (B-A)</b> | <b>1.87</b>             | <b>(0.15)</b>           |

The analysis of Deferred Tax Liabilities is as follows:

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| Deferred Tax Liabilities/(Assets) to be recovered after more than 12 months | 1.87                    | (0.15)                  |
| Deferred Tax Liabilities/(Assets) to be recovered within 12 months          | -                       | -                       |

- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.
- Management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.



# Notes to the financial statements

for the year ended March 31, 2025 (continued)

## Note 8 TRADE RECEIVABLES

(₹ in Lakhs)

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| (i) Trade Receivables Considered good - Secured                          | -                       | -                       |
| (ii) Trade Receivables Considered good - Unsecured                       | -                       | 116,270.22              |
| (iii) Trade Receivables - which have significant increase in Credit Risk | 116,776.90              | -                       |
| (iv) Trade Receivables - Credit impaired                                 | -                       | -                       |
|  | <b>116,776.90</b>       | <b>116,270.22</b>       |
| Less:- Allowance for expected credit loss                                | 116,776.90              | 358.68                  |
| <b>TOTAL</b>   | <b>-</b>                | <b>115911.54</b>        |

Ageing for Trade Receivables outstanding as at March 31, 2025 is as follows :-

| 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 |                    |
| <b>Undisputed Trade receivables -</b>            |  |                 |                 |                  |                   |                    |
| - considered good                                | -  | -               | -               | -                | -                 | -                  |
| - which have significant increase in credit risk | 737.81   | -               | 2,267.96        | 32,921.78        | 80,849.35         | 1,16,776.90        |
| - credit impaired                                | -  | -               | -               | -                | -                 | -                  |
| <b>Disputed Trade Receivables -</b>              |  |                 |                 |                  |                   |                    |
| - considered good                                | -  | -               | -               | -                | -                 | -                  |
| - which have significant increase in credit risk | -  | -               | -               | -                | -                 | -                  |
| - credit impaired                                | -  | -               | -               | -                | -                 | -                  |
| <b>Total Trade Receivables</b>                   | <b>737.81</b>  | <b>-</b>        | <b>2,267.96</b> | <b>32,921.78</b> | <b>80,849.35</b>  | <b>1,16,776.90</b> |
| Less: Allowance for credit loss                  |  |                 |                 |                  |                   | <b>1,16,776.90</b> |
| <b>Net Trade Receivables</b>                     |  |                 |                 |                  |                   | <b>-</b>           |

Ageing for Trade Receivables outstanding as at March 31, 2024 is as follows :-

| 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 |                   |
| <b>Undisputed Trade receivables -</b>            |  |                 |                  |              |                   |                   |
| - considered good                                | -  | 2,267.96        | 32,868.48        | 53.30        | 81,080.48         | 116,270.22        |
| - which have significant increase in credit risk | -  | -               | -                | -            | -                 | -                 |
| - credit impaired                                | -  | -               | -                | -            | -                 | -                 |
| <b>Disputed Trade Receivables -</b>              |  |                 |                  |              |                   |                   |
| - considered good                                | -  | -               | -                | -            | -                 | -                 |
| - which have significant increase in credit risk | -  | -               | -                | -            | -                 | -                 |
| - credit impaired                                | -  | -               | -                | -            | -                 | -                 |
| <b>Total Trade Receivables</b>                   | <b>-</b>   | <b>2,267.96</b> | <b>32,868.48</b> | <b>53.30</b> | <b>81,080.48</b>  | <b>116,270.22</b> |
| Less: Allowance for credit loss                  |  |                 |                  |              |                   | <b>358.68</b>     |
| <b>Net Trade Receivables</b>                     |  |                 |                  |              |                   | <b>115,911.54</b> |

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

## Note 9 CASH and CASH EQUIVALENTS

| Particulars               | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---------------------------|-------------------------|-------------------------|
| (i) Balances with Banks : | 246.42                  | 5.35                    |
| (ii) Cash-in-hand         | -                       | -                       |
| <b>TOTAL</b>              | <b>246.42</b>           | <b>5.35</b>             |

## Note 10 BANK BALANCES OTHER THAN ABOVE

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Bank Deposits with maturity period of more than 3 months but less than 12 months | 4,301.47                | 1.47                    |
| <b>TOTAL</b>   | <b>4,301.47</b>         | <b>1.47</b>             |

## Note 11 OTHER CURRENT FINANCIAL ASSETS

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| <b>Unsecured, Considered good</b>                           |                         |                         |
| - Security Deposits   | -                       | -                       |
| - Interest accrued but not due on deposit                   | 5.24                    | -                       |
| <b>Other Advances - Advances receivable from Vendors</b>    |                         |                         |
| - considered good (Unsecured)                               | -                       | -                       |
| - which have significant increase in Credit Risk            | 132,330.08              | 132,756.80              |
|   | <b>132,335.33</b>       | <b>132,756.80</b>       |
| Less:- Allowance for expected credit loss on Other Advances | 132,330.08              | -                       |
| <b>TOTAL</b>  | <b>5.24</b>             | <b>132,756.80</b>       |

## Note 12 OTHER CURRENT ASSETS

| Particulars                           | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---------------------------------------|-------------------------|-------------------------|
| <b>Unsecured, Considered good</b>     |                         |                         |
| - Advances to Vendors/suppliers       | 22.44                   | -                       |
| - Prepaid Expenses                    | -                       | 0.12                    |
| - Balances with statutory authorities | 23.37                   | 12.22                   |
| - Others Advances                     | 11.34                   | 10.09                   |
| <b>TOTAL</b>                          | <b>57.14</b>            | <b>22.42</b>            |

## Note 13 EQUITY SHARE CAPITAL

### (i) Share Capital :

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| <b>Authorised :</b>   |                         |                         |
| 20,00,00,000 (March 31, 2024 : 11,00,00,000) Equity Shares of ₹ 10/- each | 20,000.00               | 11,000.00               |
| <b>Issued, Subscribed and Paid-up :</b>                                   |                         |                         |
| 10,84,51,329 (March 31, 2024 : 10,59,51,329) Equity Shares of ₹ 10/- each | 10,845.13               | 10,595.13               |

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

## (ii) Details of reconciliation of the number of shares outstanding :

| Particulars  | As at March 31, 2025 |                  | As at March 31, 2024 |                  |
|--|----------------------|------------------|----------------------|------------------|
|  | No. of Shares        | Amount           | No. of Shares        | Amount           |
| <b>Equity Share Capital:</b>                                 |                      |                  |                      |                  |
| Shares outstanding at the beginning of the year              | 105,951,329          | 10,595.13        | 105,951,329          | 10,595.13        |
| Add: Shares issued during the year*                          | 2,500,000            | 250.00           | -                    | -                |
| Less: Decrease/Buy Back/Reduction/Adjustment during the year | -                    | -                | -                    | -                |
| <b>Outstanding at the end of the year</b>                    | <b>108,451,329</b>   | <b>10,845.13</b> | <b>105,951,329</b>   | <b>10,595.13</b> |

\* During the previous year, the Company had issued 25,00,000 new equity shares of face value ₹ 10 each at the price of ₹ 75 for total consideration of ₹ 18.75 crore through preferential allotment on January 16, 2025.

## (iii) Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity Share is entitled to one vote per share. New equity shares issued shall be ranked paripassu to the existing equity shares.

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 will be in proportion to the number of Equity shares held by the shareholders.

## (iv) Details of shareholders holding more than 5% shares in the Company\*

| Particulars                         | As at March 31, 2025 |        | As at March 31, 2024 |        |
|-------------------------------------|----------------------|--------|----------------------|--------|
|                                     | No. of Shares        | Amount | No. of Shares        | Amount |
| Vakrangee Holdings Private Limited  | 24,666,096           | 22.74% | 25,095,038           | 23.69% |
| Life Insurance Corporation of India | 6,586,464            | 6.07%  | 6,586,464            | 6.22%  |
| NJD Capital Private Limited         | 344,182              | 0.32%  | 6,109,968            | 5.77%  |

## (v) Disclosure of shareholding of Promoters\*

Shares held by promoters as at March 31, 2025:

| Name of the Promoter               | Number of shares held | % holding of Total shares | % Change during the year |
|------------------------------------|-----------------------|---------------------------|--------------------------|
| Vakrangee Holdings Private Limited | 24,666,096            | 22.74%                    | -0.94%                   |
| NJD Capital Private Limited        | 344,182               | 0.32%                     | -5.45%                   |
| Dinesh Birdhilal Nandwana          | 173,516               | 0.16%                     | -3.53%                   |
| Dinesh Nandwana HUF                | 19,600                | 0.02%                     | 0.00%                    |

Shares held by promoters as at March 31, 2024:

| Particulars                        | As at March 31, 2024 |        |       |
|------------------------------------|----------------------|--------|-------|
|                                    | No. of Shares        | Amount |       |
| Vakrangee Holdings Private Limited | 25,095,038           | 23.69% | 0.00% |
| NJD Capital Private Limited        | 6,109,968            | 5.77%  | 6.61% |
| Dinesh Nandwana                    | 3,910,709            | 3.69%  | 2.83% |
| Dinesh Nandwana HUF                | 19,600               | 0.02%  | 0.00% |

## (vii) Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

## (viii) The Company during the preceding 5 years:

- i) has not allotted shares pursuant to contracts without payment received in cash.
- ii) has not issued bonus shares
- iii) has not bought back any shares.

## Note 14 OTHER EQUITY

| Particulars                                | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| (i) Securities Premium Reserve             | 1,625.00                | -                       |
| (ii) Capital Reserve                       | 49,762.68               | 49,762.68               |
| (iii) General Reserve                      | 17,455.33               | 17,455.33               |
| (iv) Profit & Loss Appropriation Account   | 173,475.60              | 173,475.60              |
| (v) Retained Earnings                      | (258,150.14)            | (6,446.89)              |
| (vi) Money received against share warrants | 9,556.05 (6,275.48)     | - 234,246.71            |
| <b>TOTAL</b>                               | <b>(6,275.48)</b>       | <b>234,246.71</b>       |

### (i) Securities Premium Reserve

| Particulars                          | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------------------|-------------------------|-------------------------|
| Balance at the beginning of the year | -                       | -                       |
| Add: On share issued during the year | 1,625.00                | -                       |
| Balance at the end of the year       | 1,625.00                | -                       |

Securities Premium Reserve represents the amount received by the Company over and above the face value of its equity shares and is classified as a capital receipt. During the previous year, the Company issued 25,00,000 equity shares of face value ₹10 each at a issue price of ₹75 per share (including a premium of ₹65 per share), raising a total consideration of ₹18.75 crore. The issue was made through preferential allotment on January 16, 2025, resulting in a securities premium of ₹1,625.00 lakh.

### (ii) Capital Reserve

| Particulars                                  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Balance at the beginning of the year         | 49,762.68               | 49,762.68               |
| Add: Pursuant to the scheme/(any adjustment) | -                       | -                       |
| <b>Balance at the end of the year</b>        | <b>49,762.68</b>        | <b>49,762.68</b>        |

Capital Reserve is outcome of business combinations carried out during the earlier year and pursuant to scheme of demerger.

### (iii) General Reserve

| Particulars                                  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Balance at the beginning of the year         | 17,455.33               | 17,455.33               |
| Add: Transferred from Retained Earnings      | -                       | -                       |
| Add: Pursuant to the scheme/(any adjustment) | -                       | -                       |
| <b>Balance at the end of the year</b>        | <b>17,455.33</b>        | <b>17,455.33</b>        |

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, Items included in the general reserve will not be reclassified subsequently to statement of profit and loss.



# Notes to the financial statements

for the year ended March 31, 2025 (continued)

## (iv) Profit & Loss Appropriation Account

| Particulars                                  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Balance at the beginning of the year         | 173,475.60              | 173,475.60              |
| Add: Pursuant to the scheme/(any adjustment) | -                       | -                       |
| Less: Issue of equity shares                 | -                       | -                       |
| <b>Balance at the end of the year</b>        | <b>173,475.60</b>       | <b>173,475.60</b>       |

Profit & Loss Appropriation Reserve arose from business combinations and a demerger scheme executed in earlier years.

## (v) Retained Earnings

| Particulars                           | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---------------------------------------|-------------------------|-------------------------|
| Balance at the beginning of the year  | (6,446.89)              | 10,546.31               |
| Add: Profit for the year              | (251,703.25)            | (16,993.20)             |
| Add: Transferred to General Reserves  | -                       | -                       |
| <b>Balance at the end of the year</b> | <b>(258,150.14)</b>     | <b>(6,446.89)</b>       |

Retained Earnings are the profits(Loss) that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. This includes remeasurement of defined benefit plans (net of taxes) arising due to actuarial valuation of gratuity, that will not be routed through Statement of Profit and Loss subsequently

## (vi) Money received against share warrants

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| Balance at the beginning of the year                        | -                       | -                       |
| Add: : amount received against pending convertible warrants | 9,556.05                | -                       |
| <b>Balance at the end of the year</b>                       | <b>9,556.05</b>         | <b>-</b>                |

Money Received Against Share Warrants represents amounts received on warrants pending conversion into equity shares and is classified under Other Equity. During the year, the Company issued 5,34,65,600 convertible warrants at ₹75 each (issue Price). Of these, 25,00,000 were converted, while 25% of the issue price was received on the remaining 5,09,65,600 warrants. Accordingly, ₹9,556.05 lakh remains classified under this head as on the reporting date.

For movement in other equity during the year, refer Standalone Statement of Changes in Equity.

## Note 15 BORROWINGS

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Un-Secured Loans and Advances                      |                         |                         |
| - From Related Parties (Loans repayable on demand) | -                       | 5,108.86                |
| <b>TOTAL</b>                                       | <b>-</b>                | <b>5,108.86</b>         |

Note:- Un-Secured borrowing has been availed from the related party. (Refer Note: 30)

## Note 16 TRADE PAYABLES

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Trade Payables:  |                         |                         |
| - Dues of micro enterprises and small enterprises                      | -                       | -                       |
| - Dues of Creditors other than micro enterprises and small enterprises | 7.03                    | 1,516.83                |
| <b>TOTAL</b>   | <b>7.03</b>             | <b>1,516.83</b>         |

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

Note:- Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006) and Ageing analysis of the age of trade payable amounts that are past due as at the end of reporting year. Refer Footnote 16

## 1) Terms and Conditions of Trade Payables: -

- Trade payables are non-interest bearing and normally settled as per the respective terms.
- For terms and conditions with Related parties refer to note 30.

## 2) Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2nd October 2006, as amended on 1st June, 2020, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. .On the basis of the information and records available with the management, there are no outstanding dues as at March 31, 2025 to the MSME as defined in the Micro, Small and Medium Enterprises Development Act, 2006, except as stated below. This has been relied upon by the auditors.

### Footnote-16: Trade Payables

- Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Principal amount remaining unpaid to any supplier as at the year end   | -                       | -                       |
| Interest due thereon   | -                       | -                       |
| Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year                    | -                       | -                       |
| 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 period) but without adding the interest specified under the MSMED | -                       | -                       |
| Amount of interest accrued and remaining unpaid at the end of the accounting year  | -                       | -                       |

### Footnote-16: Trade Payables

- Ageing analysis of the age of trade payable amounts that are past due as at the end of reporting year :

#### Ageing for Trade Payables outstanding as at March 31, 2025 is as follows :-

| Particulars                                    | Outstanding for following periods from due date of payment |           |           |                      | Total       |
|--|--|-----------|-----------|----------------------|-------------|
|  | Less than 1<br>year  | 1-2 years | 2-3 years | More than 3<br>years |             |
| (i) Total Outstanding dues of MSME             | -  | -         | -         | -                    | -           |
| (ii) Total Outstanding dues of other than MSME | 7.03   | -         | -         | -                    | 7.03        |
| (iii) Disputed dues of MSME                    | -  | -         | -         | -                    | -           |
| (iv) Disputed dues of other than MSME          | -  | -         | -         | -                    | -           |
| <b>Total Trade Payables</b>                    | <b>7.03</b>  | <b>-</b>  | <b>-</b>  | <b>-</b>             | <b>7.03</b> |

#### Ageing for Trade Payables outstanding as at March 31, 2024 is as follows :-

| Particulars                                    | Outstanding for following periods from due date of<br>payment |               |           |                      | Total           |
|--|---|---------------|-----------|----------------------|-----------------|
|  | Less than 1<br>year   | 1-2 years     | 2-3 years | More than 3<br>years |                 |
| (i) Total Outstanding dues of MSME             | -   | -             | -         | -                    | -               |
| (ii) Total Outstanding dues of other than MSME | 804.85  | 711.98        | -         | -                    | 1,516.83        |
| (iii) Disputed dues of MSME                    | -   | -             | -         | -                    | -               |
| (iv) Disputed dues of other than MSME          | -   | -             | -         | -                    | -               |
| <b>Total Trade Payables</b>                    | <b>804.85</b>   | <b>711.98</b> | <b>-</b>  | <b>-</b>             | <b>1,516.83</b> |

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

## Note 17 OTHER CURRENT LIABILITIES

| Particulars                                      | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| a) Advances from Customers                       |                         |                         |
| - From Related Parties (Refer Note 30)           | 22.01                   | -                       |
| - Others   | 1.25                    | -                       |
| b) Statutory Dues - Withholding taxes and others | 6.65                    | 2.13                    |
| c) Payable towards CSR Expenses                  | 96.71                   | 96.71                   |
| d) Other Payables                                |                         |                         |
| - Audit Fees Payable                             | 0.86                    | 1.29                    |
| - Others   | 2.47                    | 0.45                    |
| <b>TOTAL</b>                                     | <b>129.95</b>           | <b>100.58</b>           |

## Note 18 PROVISIONS

| Particulars                             | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| <b>Provision for employee benefits:</b> |                         |                         |
| - Employee Dues                         | 10.06                   | 6.78                    |
| <b>TOTAL</b>                            | <b>10.06</b>            | <b>6.78</b>             |

## Note 19 CURRENT TAX LIABILITIES (Net)

| Particulars                    | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------------|-------------------------|-------------------------|
| Provision for Income Tax (Net) | 129.74                  | 139.59                  |
| <b>TOTAL</b>                   | <b>129.74</b>           | <b>139.59</b>           |

## Note 20 REVENUE FROM OPERATIONS

| Particulars              | For the year ended<br>March 31, 2025 |                 | For the year ended<br>March 31, 2024 |                 |
|--------------------------|--------------------------------------|-----------------|--------------------------------------|-----------------|
| (a) Revenue from sale of |                                      |                 |                                      |                 |
| - Traded Goods           | 888.86                               |                 | 2,201.10                             |                 |
| - Services               | 2,180.01                             | 3,068.86        | -                                    | 2,201.10        |
| <b>TOTAL</b>             |                                      | <b>3,068.86</b> |                                      | <b>2,201.10</b> |

Note : The amount of revenues are exclusive of indirect taxes ( GST etc.)

## Note 21 OTHER INCOME

| Particulars   | For the year ended<br>March 31, 2025 |               | For the year ended<br>March 31, 2024 |              |
|---|--------------------------------------|---------------|--------------------------------------|--------------|
| (a) Interest Income on the financial assets at amortized cost |                                      |               |                                      |              |
| - Bank Deposits   | 90.18                                |               | 0.09                                 |              |
| (b) Other Non- Operating Income                               |                                      |               |                                      |              |
| - Gain on Foreign Exchange Fluctuation (net)                  | 79.75                                |               | 43.12                                |              |
| - Miscellaneous Income  | 0.00                                 | 169.93        | 0.94                                 | 44.15        |
| <b>TOTAL</b>  |                                      | <b>169.93</b> |                                      | <b>44.15</b> |

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

## Note 22 PURCHASE

| Particulars                  | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|------------------------------|--------------------------------------|--------------------------------------|
| Purchase of Goods & Services | 2,568.65                             | 2,198.04                             |
| <b>TOTAL</b>                 | <b>2,568.65</b>                      | <b>2,198.04</b>                      |

## Note 23 EMPLOYEE BENEFIT EXPENSES

| Particulars                   | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|-------------------------------|--------------------------------------|--------------------------------------|
| (i) Salaries, Wages and Bonus | 163.73                               | 245.81                               |
| (ii) Directors' Remuneration  | 111.43                               | -                                    |
| (ii) Staff Welfare            | 0.08                                 | 245.81                               |
| <b>TOTAL</b>                  | <b>275.24</b>                        | <b>245.81</b>                        |

## Note 24 DEPRECIATION and AMORTISATION EXPENSES

| Particulars                            | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| (i) Depreciation on PPE (Refer Note 4) | 3.84                                 | 0.09                                 |
| (ii) Amortisation of Intangible Assets | -                                    | -                                    |
| <b>TOTAL</b>                           | <b>3.84</b>                          | <b>0.09</b>                          |

## Note 25 OTHER EXPENSES

| Particulars   | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Annual Listing and Depository Fees                                    | 28.02                                | 8.59                                 |
| Registrar & Share Issue/Transfer Charges and Fees                     | 2.30                                 | 3.36                                 |
| <u>Legal &amp; Professional Fees - Other than payments to Auditor</u> |                                      |                                      |
| - Legal & Professional Fees   | 40.05                                | 130.41                               |
| - RoC Filing Stamp Duty and Franking Charges                          | 94.30                                | 90.64                                |
| <u>Listing related Expenses:-</u>                                     |                                      |                                      |
| - Listing Processing Charges  | -                                    | 46.36                                |
| - Depository Charges for CA & Others                                  | 0.17                                 | -                                    |
| - Stamp Duty and Other Charges  | 1.94                                 | 46.36                                |
| Director Sitting Fees   | 7.85                                 | -                                    |
| Bank Charges & Commission   | 0.16                                 | 0.01                                 |
| Advertisement Expenses  | 26.84                                | 5.21                                 |
| Business Promotion Expenses   | 44.74                                | 3.85                                 |
| Printing & Stationery Expenses  | 0.05                                 | 0.14                                 |
| Office & General Expenses   | -                                    | 27.49                                |
| Miscellaneous Expenses  | 1.18                                 | 187.96                               |
| Corporate Social Responsibility Expenditure (Refer Note 28)           | -                                    | 96.71                                |
| Travelling Expenses   | 2.16                                 | -                                    |



# Notes to the financial statements

for the year ended March 31, 2025 (continued)

| Particulars                                       | For the year ended<br>March 31, 2025 |               | For the year ended<br>March 31, 2024 |               |
|---|--------------------------------------|---------------|--------------------------------------|---------------|
| Provision of ECL (allowance for credit losses): - |                                      |               |                                      |               |
| - Opening Allowances                              | -                                    |               | (396.11)                             |               |
| - Less : Allowance of credit lossess              | -                                    |               | (37.42)                              |               |
| - Closing Allowances                              | -                                    | -             | (358.68)                             | (37.42)       |
| Payments to Auditors: -                           |                                      |               |                                      |               |
| - Audit fees (including limited review)           | 1.18                                 |               | 1.00                                 |               |
| - Certification Fee                               | 0.06                                 | 1.24          | -                                    | 1.00          |
| <b>TOTAL</b>                                      |                                      | <b>251.01</b> |                                      | <b>564.32</b> |

## Note 26 EXCEPTIONAL ITEMS

| Particulars   | For the year ended<br>March 31, 2025 |                   | For the year ended<br>March 31, 2024 |                  |
|---|--------------------------------------|-------------------|--------------------------------------|------------------|
| <b>Provision of ECL (allowance for credit losses):-</b> |                                      |                   |                                      |                  |
| - Opening Allowances                                    | (358.68)                             |                   |                                      |                  |
| - Less : Allowance of credit lossess*                   | 251,841.28                           |                   |                                      |                  |
| - Closing Allowances                                    | (252,199.96)                         | 251,841.28        |                                      | -                |
| Remeasurement of contractual assets                     |                                      | -                 |                                      | 16,230.15        |
| <b>TOTAL</b>  |                                      | <b>251,841.28</b> |                                      | <b>16,230.15</b> |

\*Note: - Exceptional Items for the period comprise a prudent provision made towards Expected Credit Losses (ECL) on the Company's financial assets, fully in line with the requirements of Ind AS 109 – Financial Instruments. This reflects our forward-looking approach to risk management and commitment to transparent financial reporting.

The management is fully committed to closely pursuing the recovery from the underlying assets, all the receipts from these assets will be earning accretive.

We have strong confidence in the quality of our assets and our credit-risk management system, which support our long-term financial strength and future growth.

## Note 27 EARNINGS PER EQUITY SHARES

| Particulars   | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>(a) Net profit/(Loss) after tax for the year attributable to equity shareholders for Basic EPS</b> | (251703.25)                          | (16,993.21)                          |
| Add/Less: Adjustment relating to potential equity shares  | -                                    | -                                    |
| Net profit/(Loss) after tax attributable to equity shareholders for Diluted EPS                       | <b>(251,703.25)</b>                  | <b>(16,993.21)</b>                   |
| <b>(b) Weighted average no. of equity shares (in Lakhs) outstanding during the year</b>               |                                      |                                      |
| For Basic EPS   | 1,064.65                             | 1,059.51                             |
| For Diluted EPS   | 1,150.11                             | 1,059.51                             |
| <b>(c) Face Value per Equity Share (₹)</b>  | 10                                   | 10                                   |
| Basic EPS (₹)   | (236.42)                             | (16.04)                              |
| Diluted EPS (₹)   | (218.85)                             | (16.04)                              |

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

| Particulars   | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>(d) Reconciliation between no. of shares (in Lakhs) used for calculating basic and diluted EPS</b> |                                      |                                      |
| No. of shares used for calculating Basic EPS  | 1,084.51                             | 1,059.51                             |
| Add: Potential equity shares  | 85.46                                | -                                    |
| <b>No. of shares used for calculating Diluted EPS</b>   | <b>1,169.97</b>                      | <b>1,059.51</b>                      |

## Note 28 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act.

| Particulars   | As at<br>March 31, 2025   | As at<br>March 31, 2024      |
|---|---|------------------------------|
| a) Gross Amount required to be spent by the company during the year | -   | 96.71                        |
| b) Amount of expenditure incurred on:                               |   |                              |
| (i) Construction / acquisition of any asset                         | -   | -                            |
| (ii) On purposes other than (i) above                               | -   | -                            |
| c) Shortfall at the end of the year                                 | -   | 96.71                        |
| d) Total of previous years' short fall                              | 96.71   | -                            |
| e) Reason for short fall  | Pertains to ongoing projects  | Pertains to ongoing projects |
| f) The nature of CSR activities undertaken by the Company           | Eradication of hunger and malnutrition, promoting education, healthcare |                              |

Note: As at March 31, 2025, the Company has ₹ 96.71 lakhs in unspent CSR account.

## Note 29 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| <b>(A) Contingent Liabilities</b>  |                         |                         |
| i) Claims against the Company not acknowledged as debts  | -                       | -                       |
| ii) Demand raised by Statutory/Regulatory Authorities  | -                       | -                       |
| <b>Total (A)</b>   | -                       | -                       |
| <b>(B) Commitments</b>   |                         |                         |
| (i) Estimated amount of contracts remaining to be executed on capital account not provided for | -                       | -                       |
| <b>Total (B)</b>   | -                       | -                       |
| <b>Total (A+B)</b>   | -                       | -                       |

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

## 30 RELATED PARTY DISCLOSURES:

### (i) Names of related parties and description of relationship

#### (a) Key Management Personnel

| Name   | Designation                            |
|--|--|
| Mr. Sanjay Nandwana  | Managing Director                      |
| Dr. Nishikant Hayatnagarkar (appointed w.e.f 04.12.2024)     | Chairman and Executive Director        |
| Mr. Hari Mohan (appointed w.e.f 04.12.2024)                  | Independent Directors                  |
| Mr. Chandra Kailash Vishwakarma (appointed w.e.f 10.12.2024) | Independent Directors                  |
| Mr. Anoop Kumar Agrawal (appointed w.e.f 10.12.2024)         | Independent Directors                  |
| Mrs. Tanu Surendra Shukla (appointed w.e.f. 08.06.2023)      | Independent Directors                  |
| Mr. Dinesh Nandwana (Deceased on 31.01.2025)                 | Chairman and Managing Director         |
| Mr. Amit Sabarwal (Ceased w.e.f 04.12.2024)                  | Non-Executive Director                 |
| Mr. Yogesh Kharate (Ceased w.e.f 11.12.2024)                 | Non-Executive Director                 |
| Mr. Sanjeev Bohra (Ceased w.e.f 04.12.2024)                  | Independent Directors                  |
| Mr. Vishal Chalia (Ceased w.e.f 11.12.2024)                  | Independent Directors                  |
| Mr. Pradeep Somani   | Chief Financial Officer                |
| Ms. Nilesh Champalal Wadode (appointed w.e.f 01.06.2024)     | Company Secretary & Compliance Officer |

#### (b) Relative of key management personnel and Name of the enterprises having same key management personnel and/ or their relatives as the reporting enterprises with whom the Company has entered into transactions during the year:

| Name                       | Relation        |
|----------------------------|-----------------|
| Vakrangee Limited          | Common Director |
| Vakrangee Finserve Limited | Common Director |
| Vakrangee e-Solutions Inc. | Common Director |

#### (c) Subsidiaries and Joint Ventures where control exists: Not Any

### (ii) Related Party Transactions

#### - In relation to (a)

| Nature of Transactions                          | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>Remuneration to Key Managerial Personnel</b> |                                      |                                      |
| Dinesh Nandwana                                 | 167.16                               | -                                    |
| Pradeep Somani                                  | 9.52                                 | 8.92                                 |
| Nilesh Champalal Wadode                         | 4.80                                 | -                                    |
| <b>Balance outstanding as on March 31:</b>      |                                      |                                      |
| <b>(Expenses and Salaries Payable)</b>          |                                      |                                      |
| Dinesh Nandwana                                 | -                                    | -                                    |
| Pradeep Somani                                  | 0.76                                 | 0.71                                 |
| Nilesh Champalal Wadode                         | 0.45                                 | -                                    |
| Keval Bharat Vikmani                            | -                                    | 0.60                                 |

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

## - In relation to (b)

| Nature of Transactions                                    | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>Sale of goods and services</b>                         |                                      |                                      |
| Vakrangee Limited   | 1,685.51                             | -                                    |
| <b>Loan Granted</b>                                       |                                      |                                      |
| Vakrangee e-Solutions Inc.                                | -                                    | -                                    |
| <b>Balance outstanding as on end of reporting period</b>  |                                      |                                      |
| Vakrangee Limited (Credit balance)                        | 22.01                                | 1,516.27                             |
| Vakrangee e-Solutions Inc. (Debit balance) (refer note 5) | -                                    | 3,013.23                             |
| Vakrangee Finserve Limited (Credit balance)               | -                                    | 5,108.86                             |

## Note 31 ALLOWANCE FOR EXPECTED CREDIT LOSSES (ECL) and ACCOUNTING ON GOING CONCERN BASIS :

During the year under review, the Company has recognised a significant allowance towards Expected Credit Losses (ECL) on its financial assets, in compliance with the requirements of Ind AS 109 – Financial Instruments. This provision has been presented under the head “Exceptional Items” in the Statement of Profit and Loss.

The recognition of ECL is part of the Company's forward-looking approach to credit risk assessment and prudent financial management. This proactive measure underscores the Company's commitment to maintaining the integrity of its financial statements through accurate and transparent reporting.

The significant and prudent allowance of Expected Credit Losses (ECL) during the year consists, Allowance of ECL on Trade Receivables of ₹ 1,16,418.22 Lakhs (₹ 37.42 Lakhs in the previous year); Allowance of ECL on Loans of ₹ 3,092.97 Lakhs (₹ Nil in the previous year) and Allowance of ECL on Advances of ₹ 1,32,330.08 (₹ Nil in the previous year Nil), which is provided in compliance with the requirements of Ind AS 109 – Financial Instruments

**The provision towards Expected Credit Losses (ECL) has led to a reduction in the Company's net worth for the period. Notwithstanding this impact, the Company continues to maintain a strong and resilient balance sheet, with a positive net worth of ₹4,569.66 lakhs and adequate liquidity. The core business operations remain fully operational and are generating healthy revenue streams, reflecting the Company's underlying strength and stability.**

In accordance with Ind AS 1 – Presentation of Financial Statements, management has reviewed cash flow forecasts, working capital requirements, budgets and key performance indicators. Based on this comprehensive assessment, there are no material uncertainties that would materially affect the Company's ability to continue as a going concern or to pursue its business objectives in the foreseeable future.

We have strong confidence in the quality of our assets and our credit-risk management system, which support our long-term financial strength and future growth. The management is fully committed to closely pursuing the recovery from the underlying assets all the receipts from these assets will be earning accretive.

## Note 32 EMPLOYEE BENEFIT OBLIGATIONS

### (i) Leave obligations

The leave obligations cover the Company's liability for earned leave.

The Company follows Ind-AS 19 to make provision of leave encashment as per Ind-AS 19. However, as on March 31, 2025, no leave encashment was pending for settlement thus the company does not made any provisions for leave encashment.

### (ii) Gratuity (post-employment benefits)

The Company provides for gratuity to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.



# Notes to the financial statements

for the year ended March 31, 2025 (continued)

However, as on March 31, 2025, no employee of the company has completed continuous service for a period of 5 years resulting to the company do not require to make any provision/contribution for gratuity.

## Note 33 SCHEME of ARRANGEMENT

The Board of Directors of Vakrangee Limited at their meeting held on November 12, 2021, considered and approved to restructure the business by way of a Scheme of Arrangement for Demerger ("Scheme") whereby the E-Governance & IT/ITES Business (Demerged Undertaking) of Vakrangee Limited ("Demerged Company") will be demerged into the Company ("Resulting Company") as a going concern basis. Pursuant to the Regulation 37 of the LODR, the Demerged Company has obtained No Objection Letter from the BSE and NSE vide their letter dated March 11, 2022 and subsequently, an application was made to the National Company Law Tribunal (NCLT) for further directions.

Pursuant to the Scheme, duly sanctioned by the National Company Law Tribunal, Mumbai Bench, vide its Order dated May 19, 2023 ('Order') with effect from the Appointed Date, i.e. April 1, 2021, the Demerged Undertaking stands transferred to and vested in the Company as a going concern. In accordance with Sections 230 to 232 of the Companies Act, 2013, the Company filed the NCLT Order with Ministry of Company Affairs (MCA) on May 26, 2023. Consequent to the filing, the scheme became effective from May 26, 2023.

The Scheme has been given effect to in these financial statements by transferring the carrying amount of assets and liabilities pertaining to the Demerged Undertaking with effect from the Appointed Date to the Company.

Details of Assets and Liabilities of the Demerged undertaking that are being transferred to the Company:

| Particulars                  | Amount            |
|------------------------------|-------------------|
| <b>Loans</b>                 | 2,657.46          |
| Advances                     | 59,595.00         |
| Trade Receivable             | 107,762.59        |
| Other Current Assets         | 86,641.99         |
| <b>Total Assets (A)</b>      | <b>256,657.05</b> |
| Trade Payable                | 589.87            |
| <b>Total Liabilities (B)</b> | <b>589.87</b>     |

## Note 34 SEGMENT REPORTING

As per Indian Accounting Standard (IndAS) 108 "Operating Segment" and considering the nature of the Company's business and operations, the Company's business falls within only one reportable operating segment viz. "E-Governance & IT/ITES Business(B2B)".

## Note 35 FINANCIAL INSTRUMENTS

### (i) Method and assumptions used to estimate the fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial as well as non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 : Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 : Inputs other than prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : Unobservable inputs for the asset or liability.

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

The carrying value and fair value by each classification as at March 31, 2025 were as follows:-

| Particulars                  | Amortised cost  | FVTPL    | FVOCI    | Carrying value  | Level 1         | Level 2  | Level 3      |
|------------------------------|-----------------|----------|----------|-----------------|-----------------|----------|--------------|
| <b>Financial Assets</b>      |                 |          |          |                 |                 |          |              |
| Long Term Loans              | -               | -        | -        | -               | -               | -        | -            |
| Trade Receivables            | -               | -        | -        | -               | -               | -        | -            |
| Cash & Cash equivalents      | 246.42          | -        | -        | 246.42          | 246.42          | -        | -            |
| Other Bank Balances          | 4,301.47        | -        | -        | 4,301.47        | 4,301.47        | -        | -            |
| Other Financial Assets       | 57.14           | -        | -        | 57.14           | -               | -        | 57.14        |
| <b>Total</b>                 | <b>4,605.03</b> | <b>-</b> | <b>-</b> | <b>4,605.03</b> | <b>4,547.89</b> | <b>-</b> | <b>57.14</b> |
| <b>Financial Liabilities</b> |                 |          |          |                 |                 |          |              |
| Borrowings                   | -               | -        | -        | -               | -               | -        | -            |
| Trade Payables               | 7.03            | -        | -        | 7.03            | -               | -        | 7.03         |
| <b>Total</b>                 | <b>7.03</b>     | <b>-</b> | <b>-</b> | <b>7.03</b>     | <b>-</b>        | <b>-</b> | <b>7.03</b>  |

The carrying value and fair value by each classification as at March 31, 2024 were as follows:-

| Particulars                  | Amortised cost    | FVTPL    | FVOCI    | Carrying value    | Level 1     | Level 2  | Level 3           |
|------------------------------|-------------------|----------|----------|-------------------|-------------|----------|-------------------|
| <b>Financial Assets</b>      |                   |          |          |                   |             |          |                   |
| Long Term Loans              | 3,013.23          | -        | -        | 3,013.23          | -           | -        | 3,013.23          |
| Trade Receivables            | 115,911.54        | -        | -        | 115,911.54        | -           | -        | 115,911.54        |
| Cash & Cash equivalents      | 5.35              | -        | -        | 5.35              | 5.35        | -        | -                 |
| Other Bank Balances          | 1.47              | -        | -        | 1.47              | 1.47        | -        | -                 |
| Other Financial Assets       | 132,756.80        | -        | -        | 132,756.80        | -           | -        | 132,756.80        |
| <b>Total</b>                 | <b>251,688.38</b> | <b>-</b> | <b>-</b> | <b>251,688.38</b> | <b>6.82</b> | <b>-</b> | <b>251,681.56</b> |
| <b>Financial Liabilities</b> |                   |          |          |                   |             |          |                   |
| Borrowings                   | 5,108.86          | -        | -        | 5,108.86          | -           | -        | 5,108.86          |
| Trade Payables               | 1,516.83          | -        | -        | 1,516.83          | -           | -        | 1,516.83          |
| <b>Total</b>                 | <b>6,625.69</b>   | <b>-</b> | <b>-</b> | <b>6,625.69</b>   | <b>-</b>    | <b>-</b> | <b>6,625.69</b>   |

## (ii) Financial Risk Management

The Board of Directors has overall responsibility for the establishment and overview of the company's risk management framework. The Board of Directors has established a risk management policy to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the company's activities. The Audit Committee oversees how management monitors compliances with the company's risk management policies and procedures, and reviews the risk management framework. The Audit Committee is assisted in its role by Internal Audit. Internal Audit covers review of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company's activities are exposed to various risk viz. Credit Risk, Liquidity Risk and Market Risk. In order to minimise any adverse effects on the financial performance of the Company, it uses various instruments and follows policies set up by the Board of Directors / Management of the Company

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

The below note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

| Exposure arising from  | Risk                           | Measurement                                | Management  |
|--|--------------------------------|--|---|
| Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost. | Credit Risk                    | Aging analysis Credit ratings              | Diversification of bank deposits, credit limits and letters of credit |
| Borrowings and other liabilities   | Liquidity Risk                 | Rolling cash flow forecasts                | Availability of committed credit lines and borrowing facilities       |
| Future commercial transactions. Recognised financial assets and liabilities not denominated in Indian Rupee (INR)            | Market Risk - foreign exchange | Cash flow forecasting Sensitivity analysis | Forwarded foreign currency exchange contracts/ currency options       |
| Long-Term borrowings at variable rates   | Market Risk - interest rate    | Sensitivity analysis                       | Interest rate swaps   |
| Investments in equity securities   | Market Risk - security prices  | Sensitivity analysis                       | Portfolio diversification   |

## a) Credit Risk :

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

As disclosed in Notes of financial statement, cash and cash equivalents balances generally represent short-term deposits with a less than 90-day maturity. Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit ratings assigned by credit rating agencies.

Trade receivables are typically unsecured and are derived from revenue earned from customers. The Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables and Loans & Advances. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2025 and March 31, 2024 is the carrying amounts as disclosed in Note 8 and Note 5.

## Exposure to credit risk

Financial asset for which loss allowance is measured using expected credit loss model

| Particulars                    | March 31, 2025  | March 31, 2024    |
|--------------------------------|-----------------|-------------------|
| <b>Financial assest:</b>       |                 |                   |
| Cash and cash equivalent       | 246.42          | 5.35              |
| Bank Balances other than above | 4,301.47        | 1.47              |
| Trade receivables              | -               | 115,911.54        |
| Loans                          | -               | 3,013.23          |
| Other financial assets         | 8.49            | 132,760.05        |
| <b>Total</b>                   | <b>4,556.38</b> | <b>251,691.63</b> |

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

| Movement in the expected credit loss allowance   | March 31, 2025    | March 31, 2024 |
|--|-------------------|----------------|
| Balance at beginning of the year   | 358.68            | 396.10         |
| Net movement in ECL allowance on trade receivables calculated at lifetime expected credit losses | 251,841.28        | (37.42)        |
| <b>Total</b>   | <b>252,199.96</b> | <b>358.68</b>  |

## b) Liquidity Risk :

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach for managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation, typically the company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations.

### Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities :

| As on March 31, 2025        | < 1 Year | 1 - 5 years | > 5 years | Total |
|-----------------------------|----------|-------------|-----------|-------|
| Borrowings                  | -        | -           | -         | -     |
| Other financial liabilities | -        | -           | -         | -     |
| Trade and other payables    | 7.03     | -           | -         | 7.03  |

| As on March 31, 2024        | < 1 Year | 1 - 5 years | > 5 years | Total    |
|-----------------------------|----------|-------------|-----------|----------|
| Borrowings                  | -        | 5,108.86    | -         | 5,108.86 |
| Other financial liabilities | -        | -           | -         | -        |
| Trade and other payables    | 1,516.83 | -           | -         | 1,516.83 |

## c) Market Risk :

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments.

### (i) Market Risk - Foreign Exchange

The Company does not operate internationally, and all of its business transactions, including sales, purchases, and borrowings, are conducted in Indian Rupees. As such, the Company is not exposed to foreign exchange risk arising from regular operations.

However, the Company is exposed to foreign exchange risk with respect to foreign currency loans extended to a related party. The interest receivable on these loans remains outstanding and is denominated in foreign currency. (refer note-5 and 30)

### ii) Market Risk - Interest Rate

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Company has interest rate risk exposure mainly from changes in rate of interest on deposit with bank. The interest rate are disclosed in the respective notes to the financial statements of the Company. The following table analyse the breakdown of the financial assets and liabilities by type of interest rate:



# Notes to the financial statements

for the year ended March 31, 2025 (continued)

| Particulars                            | March 31, 2025 | March 31, 2024 |
|--|----------------|----------------|
| <b>Financial assets</b>                |                |                |
| Interest bearing - Fixed interest rate |                |                |
| - Non current fixed deposit            | -              | -              |
| - Current fixed deposit                | 4,301.47       | 1.47           |
| <b>Financial Liabilities</b>           |                |                |
| Interest bearing - Borrowings          | -              | -              |

## Interest rate Sensitivity

The Company has not availed any interest bearing borrowings, and there is no credit exposure of the company thus the Company's profit before tax does not affected through the impact on change in any rate of borrowings.

## Note 36 STATUTORY INFORMATION

- There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- The Company has not entered into any transactions with struck off companies during the year.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entities ("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.  
  
Further, the Company has not received any funds from any person or entity, including foreign entities ("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.
- The Company has complied with the number of layers prescribed under clause (87) of the Section 2 of the Companies Act read with the Companies (Restrictions on Number of Layers) Rule, 2017.
- The Company is not declared wilful defaulter by bank or financial institutions or any lender during the financial year.
- The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.
- The Company has not availed or used the borrowings from banks and financial institutions.

## Note 37

As per the Ministry of Corporate Affairs (MCA) notification, proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the financial year commencing April 1, 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company has used one accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software. Further no instance of audit trail feature being tampered with was noted in respect of software.

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

## Note 38 RATIOS

The following are analytical ratios for the year ended March 31, 2025 and March 31, 2024

| Particulars                       | Numerator   | Denominator   | As at March 31, 2025 | As at March 31, 2024 | % Deviation | Reason for Variance (deviation of more than 25%)                                  |
|-----------------------------------|---|---|----------------------|----------------------|-------------|---|
| Current Ratio                     | Total Current assets  | Total Current liabilities   | 16.66                | 36.19                | (53.97)%    | Due to repayment to Trade Payables and ECL allowance on Financial Assets          |
| Debt-Equity Ratio                 | Debt consists of borrowings   | Total Equity  | -                    | 0.02                 | (100)%      | Variance due to Borrowings repaid during the year.                                |
| Debt Service Coverage Ratio       | Earning for Debt Service = Net Profit after taxes + Noncash operating expenses + Interest + Other non-cash adjustments Debt | Debt service = Interest payments + Principal repayments                     | -                    | -                    | -           | -   |
| Return on Equity (ROE)            | Profit after tax for the year less Preference dividend (if any)   | Average total equity  | (201.84)%            | (6.71)%              | 2909.04%    | Variance resulting from Loss incurred due to ECL provisioning on Financial Assets |
| Inventory Turnover Ratio          | Cost of Goods Sold  | Average Inventory   | -                    | -                    | -           | -   |
| Trade receivables turnover ratio  | Net Credit Sales  | Average Trade Receivable  | -                    | 0.02                 | (100)%      | Variance Due to receipt from receivables and ECL allowance thereon                |
| Trade payables turnover ratio     | Net Credit Purchases  | Average Trade Payable   | -                    | 1.10                 | (100)%      | Variance Due to repayment to Trade Payables                                       |
| Net capital turnover ratio        | Revenue   | Working Capital   | 0.71                 | 0.01                 | 7680.38%    | Variance due to increase in revenue and ECL allowance on financial Assets.        |
| Net profit ratio                  | Net Profit  | Net Sales   | (8201.84)%           | (772.03)%            | 962.37%     | Variance due to Loss reported for the year.                                       |
| Return on capital employed (ROCE) | Earning before interest and taxes   | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | (5505.84)%           | (6.80)%              | 80884.93%   | Variance due to Loss reported and repayment of Debt during the year               |
| Return on Investment (ROI)        | Income generated from investments   | Time weighted average investments   | -                    | -                    | -           | -   |

# Notes to the financial statements

for the year ended March 31, 2025 (continued)

## Note 39 EVENTS AFTER THE END OF THE REPORTING YEAR

No subsequent event has been observed which may require an adjustment to the statement of financial position.

## Note 40 PREVIOUS YEAR FIGURES

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. The previous year's figures have been regrouped / reclassified wherever necessary, to make them comparable.

As per our report of even date attached

**For BKG & Associates**  
**Chartered Accountants**  
**Firm's Registration No. : 114852W**

**G.L Gupta**  
Partner  
**Membership No.: 034914**

Place : Mumbai  
Date : May 26, 2025

**For and on behalf of the Board of Directors**  
**VL E-Governance & IT Solutions Limited**  
CIN : L74110MH2016PLC274618

**Sanjay Nandwana**  
Managing Director  
DIN : 03565954

**Pradeep Somani**  
Chief Financial Officer  
Place : Mumbai  
Date : May 26, 2025

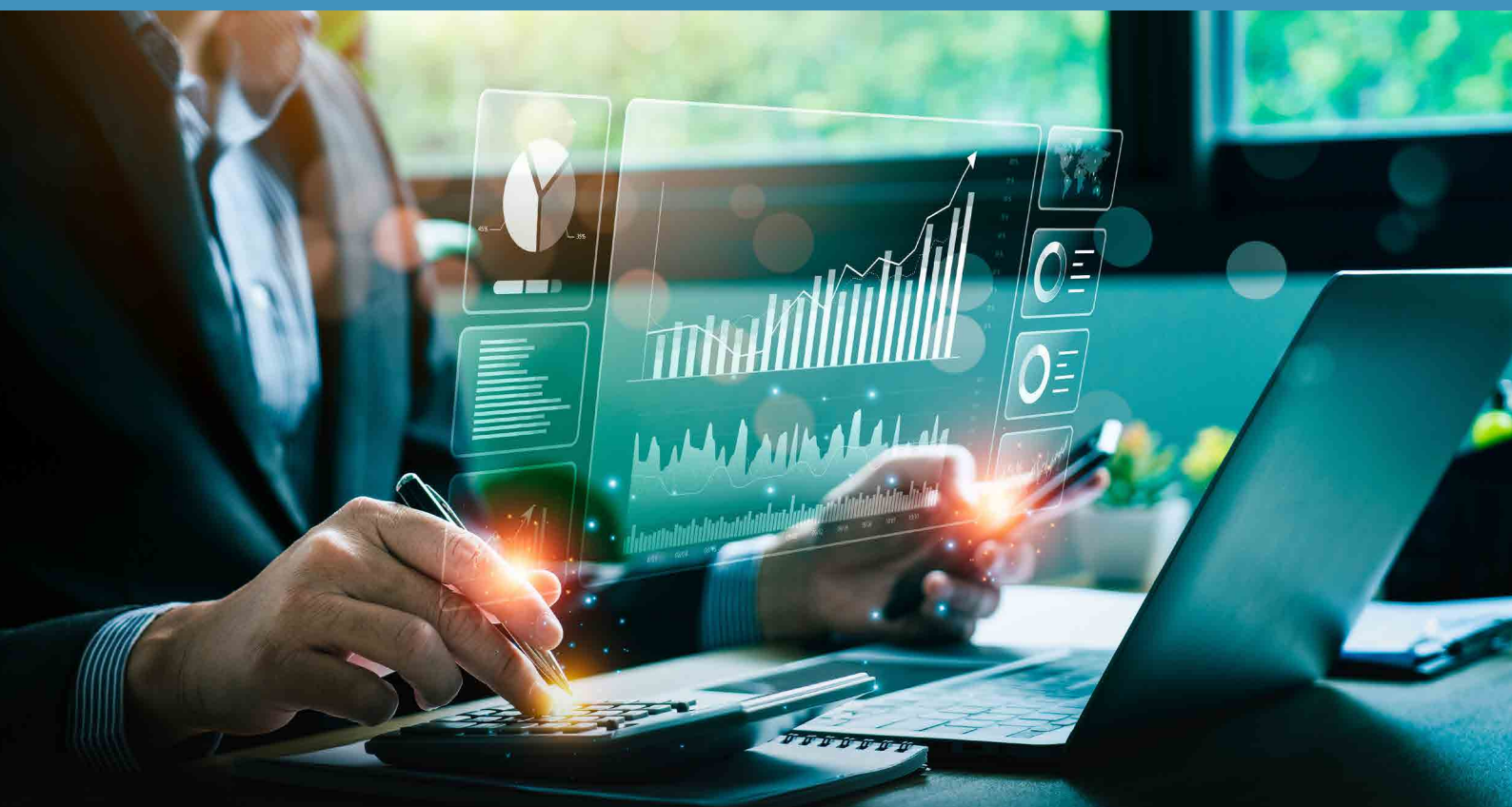
**Nishikant Hayatnagarkar**  
Chairman and Director  
DIN: 00062638

**Nilesh Champalal Wadode**  
Company Secretary

**NOTES:**





**Registered Office:**

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Website: [www.vlegovernance.in](http://www.vlegovernance.in)