VL E-Governance & IT Solutions Limited

Annual Report FY2025-26

VL e-Governance & IT Solutions Limited

Enduring Foundations. Emerging Possibilities.

A Legacy of Inclusion. A Vision that Continues.

In memory of our Founder, Chairman and Managing Director, Shri. Dinesh Nandwana Ji.

The story of VL E-Governance & IT Solutions Limited (VLEG) remains deeply shaped by the vision of Shri. Dinesh Nandwana Ji, our Founder, Chairman and Managing Director. His passing in January 2025 was a moment of profound loss for the entire VLEG family. Yet, the values he embedded in the Company continue to guide its direction: inclusion, trust, technology-led empowerment, entrepreneurship, and service to Bharat.

Mr. Nandwana embarked on his entrepreneurial journey with a fundamental belief that technology could be used as a force for public empowerment. What began as a modest consulting endeavour grew over three decades into a pioneering systems integration and e-governance powerhouse. His conviction was simple but powerful: citizens should have seamless, inclusive, and transparent access to vital public services, regardless of geography, income, or infrastructure.

His most defining contribution was demonstrating that large-scale, complex governance databases could be built and modernised on a national scale. Under his leadership, the company executed some of India's most ambitious Mission Mode Projects—successfully enrolling over 50 million citizens in the UIDAI Aadhaar initiative, computerising the Election Commission of India with over 100 million voter IDs, and digitising 145 million records for the National Population Register. His vision transcended borders, leading VLEG to successfully dematerialize 20 million land records for the Government of the Philippines, establishing a global benchmark for digital governance.

Shri. Nandwana possessed a rare ability to align commercial logic with national strategic purpose. He believed that a company's strength lay in its ability to adapt and venture into new technological frontiers. This philosophy paved the way for VLEG's transformation from a pure-play e-governance services firm into a diversified technology and high-tech infrastructure solutions provider.

His physical presence is deeply missed, but his spirit lives on in every digital public service delivered, every community empowered, and every critical technological frontier we conquer. As VLEG enters its next phase of evolution, the mission he championed remains unchanged: to use technology, trust, and entrepreneurship to empower societies, drive social equity, and pioneer sustainable solutions.

> **He saw potential where others saw distance, and opportunity where others saw complexity.**

Corporate Information

A clear view of the institution behind VLEG
Corporate identity, governance leadership and principal advisers as at the date of the FY2026 Annual Report.

Corporate identity

Item	Details
Company name	VL E-Governance & IT Solutions Limited (VLEG)
Corporate Identity Number	L74110MH2016PLC274618
Registered office	Vakrangee Corporate House, Plot No. 93, Road No. 16, M.I.D.C., Marol, Andheri East, Mumbai, Maharashtra 400093, India
Telephone	+91 22 67765100
Email	info@vlegovernance.in
Website	www.vlegovernance.in
Stock exchanges	BSE Limited (Scrip Code: 543958) and National Stock Exchange of India Limited (Symbol: VLEGOV)

Board of Directors

Director	Board role
Dr. Nishikant Kishanrao Hayatnagarkar	Chairman and 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

Executive	Designation
Mr. Sanjay Nandwana	Managing Director
Mr. Pradeep Ghanshyam Somani	Chief Financial Officer
Mr. Parth Solanki	Company Secretary and Compliance Officer

Statutory and service partners

Role	Organisation / details
Statutory Auditor	M/s B K G & Associates, Chartered Accountants, Mumbai
Bankers	Union Bank of India; HDFC Bank Limited
Registrar and Transfer Agent	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 400093; +91 22 62638200; vinod.y@bigshareonline.com; www.bigshareonline.com

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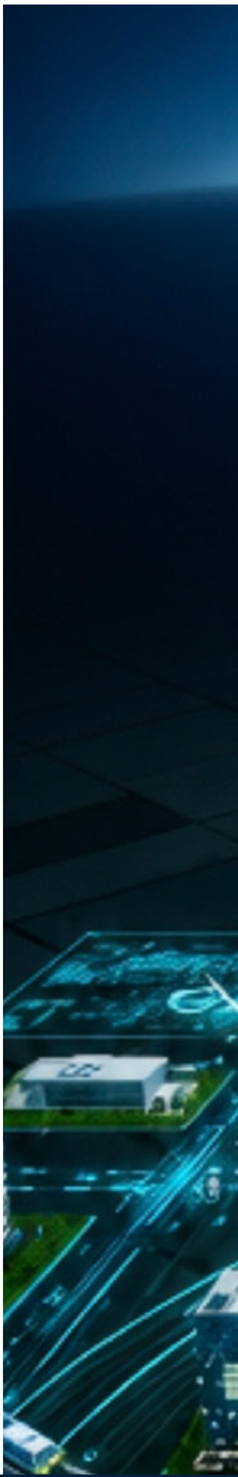
Enduring Foundations. Emerging Possibilities.



At VLEG, **"Enduring Foundations"** represents over three decades of citizen-centric execution. This legacy is anchored in the vision of our late founder, Shri Dinesh Nandwana Ji, which delivered population-scale digital programs - enrolling over 50 million citizens in Aadhaar and computerising over 100 million voter IDs. Today, this heritage is fortified by a robust, debt-free balance sheet and a rigorous operational and governance framework.

"Emerging Possibilities" defines our forward-looking pivot into high-margin technology adjacencies. We are translating our core capabilities into new horizons: coordinating smart industrial developments as the EPC partner for the landmark Sankalp Industrial Smart City, entering advanced military aviation electronics through a 40% stake in HAL-Edgewood Technologies (MoU signed), and planning participations in renewable solar energy and EV charging networks.

Scan QR Code to Download Annual Report 2025–26

To know more about us, please visit our website www.vlegovernance.in

We step into the future with disciplined choices, converting our rich history into sustainable, cutting-edge value.

VL e-Governance &
IT Solutions Limited

VLEG at a Glance

Built on execution experience. Repositioning with discipline.

VLEG combines more than three decades of public-programme experience with a disciplined approach to rebuilding its operating platform.

VLEG in brief

VL E-Governance & IT Solutions Limited is an e-governance and IT/ITES company with inherited experience spanning more than three decades of systems integration, data digitisation and 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 Computerization Project, where over 20 million land records were digitised. This experience came to VLEG when the E-governance and IT/ITES undertaking of Vakrangee Limited was transferred under a scheme of arrangement sanctioned by the National Company Law Tribunal. This legacy encompasses land records, electoral systems, identity enrolment, population data, corporate records, passport services and public-welfare delivery.

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.

FY2026 was a year of limited operating activity. VLEG used the period to preserve institutional capability, refresh leadership and internal processes, maintain financial flexibility and assess opportunities aligned with its experience. The company enters its next phase with a clear objective: to convert its credentials into carefully selected, commercially sound and executable mandates.

What defines VLEG

Strength	Relevance
Large-scale field execution	Experience in mobilising people, technology and service infrastructure across multiple states and diverse operating environments.
Systems integration	Capability across applications, data, hardware, connectivity, workflow design and managed operations.
Government-programme experience	Understanding of mission-mode projects, public-sector stakeholders, quality controls and time-bound delivery.
Data-intensive operations	Experience in high-volume capture, digitisation, validation, personalisation and records management.
International execution	The Philippines land-titling programme demonstrates the portability of VLEG's execution model.
Financial flexibility	A debt-free balance sheet on 31st March 2026 supports a measured approach to opportunity selection.

Our portfolio

VLEG's portfolio is anchored in digital services and e-governance, supported by experience in systems integration, data operations and citizen-facing programmes. The company is also exploring opportunities in technology-enabled infrastructure, renewable-energy implementation, EV-charging infrastructure and advanced technology. These adjacencies extend the company's technology-and-execution proposition and will be pursued through suitable technical and delivery partnerships.

Portfolio area	VLEG proposition
Digital services and e-governance	Systems integration, process digitisation, data operations, citizen services and multi-location programme execution.
Infrastructure and EPC	Technology-enabled project coordination, digital infrastructure and partner-led execution.
Renewable energy and EV charging	Project implementation, technology integration and operations support through consortium and partnership models.
Defence, aerospace and advanced technology	Participation through strategic collaboration, technology access and specialist partnerships.

The road ahead

VLEG's growth journey will be shaped by disciplined conversion: from market opportunity to qualified pipeline, from qualified pipeline to executable contracts, and from contracts to timely delivery and cash generation. Focused opportunity selection, partner diligence, working-capital discipline and contemporary technical capability will underpin this progression.

FY2026 at a glance

₹1,715.43 lakh
Revenue from operations

₹113.07 lakh
Loss after tax

₹4,456.61 lakh
Net worth

₹203.82 lakh
Cash and cash equivalents

Nil
Total debt

Our Board of Directors

Dr. Nishikant Kishanrao Hayatnagarkar
Chairman & Executive Director

Mr. Hayatnagarkar holds a Doctorate in Computer Science from IIT Bombay, Powai 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 Lab Asia and the Kanwal Rekhi School of Information Technology, IIT Bombay for the development of a Multilingual data input device – Marathi language Keyboard (Key–Lekh) and E-Lekh (tablet-based Marathi language Input).

Mr. Sanjay Nandwana
Managing Director

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

As Head of Technology & Innovation, he conceptualises and executes IT solutions in e-Governance, BFSI, Fintech, Digital Payments, Defence, Land Records Digitisation and Enterprise IT. His global experience spans multi-million-dollar programmes in the UK, the Philippines and other markets, covering cross-border operations, offshore delivery models and global client relationships. As Group CTO at Vakrangee Limited, he shaped the technology roadmap and corporate strategy, led enterprise-wide digital transformation and large-scale IT implementations, and introduced ESG-driven technology solutions. He led the digitisation of land records in the Philippines using advanced GIS and data science, and has worked on various e-Governance projects.

An entrepreneur and intrapreneur, he has founded and scaled businesses in ITES, e-Governance, Fintech, IT Consulting and Food Retail (QSR chains). He was recognised among India's 100 Most Innovative CIOs/CTOs in 2016 and received the India CISO Award in 2017.

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 became Chairman of the Ordnance Factory Board.

He was CEO of the ammunition unit at Pune and the Main Battle Tanks unit at Chennai, and held positions at BHEL Haridwar, Vehicle Factory Jabalpur, the Engine and Heavy Vehicles Factories at Avadi, Ammunition Factory Khadki, Ordnance Factories at Bolangir, Chanda and Dehu Road, and OFB New Delhi. During his tenure in the Ministries of Steel and Mines, he contributed to the modernisation of SAIL's steel plants.

He has served on Government delegations for international cooperation in defence technologies. Over a 39-year career with the OFB, he worked across the manufacture of armoured infantry vehicles, artillery, battle tanks, small arms and ammunition, with strengths in project management and corporate governance. He received the 'Ayudh Ratna' award for service at the Heavy Vehicles Factory (HVF).

Mr. 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.

Mr. 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.

Ms. 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 largescale 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.

Letter from the Chairman

Dr. Nishikant Kishanrao Hayatnagarkar
Executive Chairman

Dear Shareholders,

As we reflect on the financial year ended 31st March, 2026, VL E-Governance & IT Solutions Limited (VLEG) stands at a critical juncture of transformation, consolidation, and strategic re-alignment. While FY2026 was a subdued period in terms of immediate operating scale and financial acceleration, it was a year of profound reflection and structural preparation. We have spent this period deliberately refining our corporate governance framework, renewing our leadership team, and solidifying the organisational foundation required to ensure that our future growth is resilient, sustainable, and aligned with national priorities.

Honoring the Legacy of Shri. Dinesh Nandwana Ji

Our journey and strategic vision remain deeply shaped by the values embedded in this Company by our Founder, Chairman & Managing Director, Shri. Dinesh Nandwana Ji, whose passing in January 2025 was a moment of profound loss. Shri. Nandwana Ji embarked on this path in 1990 with a fundamental conviction that technology and entrepreneurship should serve as forces for public empowerment and social inclusion. Under his extraordinary leadership over three decades, the company developed into a systems integration and e-governance powerhouse. He successfully demonstrated our capability to modernise and execute large-scale, complex governance projects of national importance. This legacy is highlighted by landmark achievements: successfully enrolling more than 50 million citizens in the UIDAI Aadhaar initiative, computerising the Election Commission of India with over 100 million voter identification cards, and digitising 145 million records for the National Population Register. Globally, his vision was realized through the dematerialization of 20 million land records for the Government of the Philippines, setting an international standard for land-titling computerization.

Shri. Nandwana Ji possessed a rare and brilliant ability to align commercial viability with national strategic purpose, constantly urging us to adapt and venture into new technological frontiers. As VLEG transitions in FY2026 from a service-led provider into a high-growth, diversified technology platform, his foundational principles of trust, zero-debt financial discipline, and societal empowerment remain our North Star. We do not seek to recreate the past, but rather to make the vast execution history and institutional memory he built fully relevant to the opportunities of the future.

Navigating Our Strategic Pivot and Diversification

The board is steering VLEG's expansion into adjacent high-margin and technology-intensive sectors where our heritage of large-scale project coordination and technology integration can provide substantial differentiation. In doing so, we are following a highly disciplined, partnership-led approach that ensures we do not over-leverage our balance sheet or stretch our organisational limits. Our expansion is anchored around key structural drivers:

- **Smart Industrial and Urban Infrastructure:** Through our strategic association as EPC Partner with Ekansh Concepts Limited for the landmark Sankalp Industrial Smart City Project, we have positioned ourselves to manage large-scale, technology-enabled industrial infrastructure. Phase I of this massive development spans 494 acres with an EPC value of ₹800 crore, situated at the strategic junction of the Mumbai–Nagpur Samruddhi Mahamarg and the Delhi–Mumbai Expressway. This project allows us to integrate our digital systems and command-and-control governance expertise with physical infrastructure delivery, including rooftop solar systems, captive and open-access power grids, and state-of-the-art data centers.
- **High-Technology and Defense Systems:** Marking a pivotal entry into advanced technology markets, 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). HETL is a recognized frontrunner in military aviation electronics, famed for developing and patenting the Open System Architecture Mission Computer (OSAMC) (Patent No. 302177). This collaboration directly aligns VLEG with India's national mandate for indigenous defence production and technological self-reliance, giving us access to highly sophisticated intellectual property in aviation, satellite, and defence applications.
- **Sustainable Development Frontiers:** Our vision incorporates active evaluation and participation in renewable energy solar power projects and EV-charging station operator networks (CPO) under the Government's national programs, leveraging partnership models to address the systems powering a lower-carbon economy.

Upholding Unwavering Governance, Compliance, and Ethical Leadership

At VLEG, we believe that robust corporate governance is not separate from strategic growth—it is the very foundation that makes growth sustainable. In FY2026, we rebuilt our leadership team, welcoming a refreshed Board and management capable of navigating complex multidisciplinary business activities. We maintain a zero-tolerance policy for ethical lapses. Our statutory audits, conducted by M/s B K G & Associates, and our secretarial compliance audits, conducted by Ms. Kalpana Srinivasan, were returned with completely unmodified opinions.

We have adhered rigidly to the Secretarial Standards (SS-1 and SS-2) and have implemented robust compliance policies. These include an active and secure Vigil Mechanism and Whistleblower Policy with direct, unhindered access to the Chairman of the Audit Committee. Furthermore, we are fully committed to creating an inclusive, safe, and supportive workplace, complying strictly with the Sexual Harassment of Women at Workplace Act (retaining a NIL complaint record) and the Maternity Benefit Act, 1961, which provides comprehensive post-maternity flexible support for our female workforce.

Looking Ahead with Humility and Strategic Resolve

As we step into VLEG's next phase, we do so with humility regarding the modest numbers of the past year, but with absolute confidence in the enduring value of our accumulated credentials. Our debt-free balance sheet provides us with the financial room to act, but we will protect this liquidity with fierce capital prudence. We have the courage to decline low-margin or highly speculative opportunities that do not meet our rigorous risk standards. Our objective is to generate real, long-term stakeholder value by translating our proven, historical credentials into competitive, executable, and highly profitable present-day contracts.

I express my deepest gratitude to our shareholders for their enduring patience, and to our partners, vendors, and dedicated employees who continue to support VLEG as we build a highly focused, capable, and execution-led organisation.

Sincerely,

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

Letter from the Managing Director

Sanjay Nandwana
Managing Director

Dear Shareholders,

While Dr. Hayatnagarkar has outlined VLEG's strategic compass and vision, my responsibility is to share the operational realities, execution frameworks, and meticulous risk controls that will govern VLEG's day-to-day journey as we reactivate our platform. Operational momentum is built through clear, measurable stages. We are shifting from a narrative of pure potential to one of disciplined, commercially viable contract delivery and cash conversion.

FY2026 Operational and Financial Review

As candidly recognized, FY2026 was a subdued operating year. Our financial results reflect limited project activity as we transitioned out of old operational frameworks and prepared our platform. The financial performance is summarized below:

★ **Revenue from Operations:** ₹1,715.43 lakh in FY2026, compared to ₹3,068.86 lakh in FY2025.

★ **Total Income:** ₹1,766.01 lakh in FY2026, compared to ₹3,238.79 lakh in FY2025.

★ **Operating EBITDA:** Standing at a loss of ₹96.66 lakh, compared to an operating profit of ₹143.89 lakh in FY2025.

★ **Loss After Tax:** ₹113.07 lakh in FY2026, which represents a massive and positive reduction in bottom-line loss compared to a loss after tax of ₹2,51,703.25 lakh in FY2025.

★ **Balance Sheet Resilience:** VLEG remains entirely debt-free with zero borrowings as of 31st March, 2026. Our Net Worth stands robustly at ₹4,456.61 lakh, and our cash and cash equivalents increased to ₹203.82 lakh (from ₹149.60 lakh in the previous year), providing us with a strong foundation of financial flexibility.

Enforcing Execution Discipline through Capital and Risk Gates

To ensure we do not expose the Company to delayed payments, cost overruns, or unsustainable guarantee requirements as we scale up, we have designed and implemented an unyielding Stage-Gate Opportunity Filter. No project, partnership, or contract will advance to commitment unless it passes through our seven decision-making gates:

1. **Strategic Fit:** Aligns directly with VLEG's core execution credentials and establishes a defensible, high-value delivery role.

2. **Technical & Financial Eligibility:** Proven capacity to qualify, either independently or through a tightly managed consortium.

3. **Partner & Consortium Quality:** Meticulous technical and financial diligence, establishing back-to-back liabilities, clear IP, and strict data security protocols.

4. **Commercial Viability:** Ensures healthy operating margins after accounting for contingencies, funding costs, taxes, and performance guarantees.

5. **Cash Flow & Capital Safeguards:** Project mobilization and working-capital requirements must remain strictly within VLEG's self-funded liquidity limits.

6. **Last-Mile Readiness:** Ensuring that leadership, trained field teams, cyber controls, and local vendors are in place before site mobilization begins.

7. **Board Approval:** Complete board review, with particular emphasis on disclosure compliance and related-party transaction tracking.

Operational Progress Across Our Four Portfolios

As we execute our Three-Horizon growth roadmap—stabilizing the platform in Horizon 1, winning bankable contracts in Horizon 2, and scaling repeatably in Horizon 3—our activities are strictly organized across four distinct, high-potential verticals:

1. **Digital Services and E-Governance (Our Established Core):** We are leveraging our more than three decades of field execution heritage to actively bid for nationwide, large-scale digital public programs. We are re-establishing our qualified pipeline within land record digitalization, including the 14-digit Unique Land Parcel Identification Number (ULPIN / Bhu-Aadhaar) initiative, Aadhaar Integration with Land Records, and the National Geospatial Knowledge-Based Land Survey of Urban Habitations (NAKSHA) pilot. We are refreshing our database systems, identity capture, and record-digitization workflows to support cloud-ready API integrations.

2. **Infrastructure and EPC Solutions:** Our landmark EPC partnership for the Sankalp Industrial Smart City Project provides an exceptional, stage-gated avenue for high-tech industrial park coordination. Our role focuses on integrating the project's digital command-and-control systems, smart utilities, and communications infrastructure, while actual civil construction is sub-contracted to qualified, licensed partners. With Phase I covering 494 acres and holding an EPC contract value of ₹800 crore, 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.

3. **Renewable Energy and EV-Charging:** VLEG is exploring opportunity for entering this rapidly expanding market through consortiums and technical partnerships. In solar energy, we are deploying remote digital-monitoring dashboards to track power yields for rooftop, captive, and open-access networks. For electric mobility, we are actively planning to participate as a PM e-Drive EV Charging Station Operator (CPO), carefully evaluating site control, sanctioned power loads, and payment architecture to ensure strong, site-specific station economics.

4. **Defense, Aerospace, and Advanced Technology:** 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.

Our Operational Commitment

As we reactivate our platforms, we are holding ourselves and our teams to a rigorous, output-based standard. Our success will be measured by tangible, auditable outcomes: pre-qualified bids, signed contracts, completed mobilization milestones, SLA uptime compliance, and cash conversion. We will communicate our progress through secured contracts and realized revenue—never through speculative announcements.

VLEG has the institutional memory, the technical lineage, and the financial depth to build a resilient, highly profitable future. We are ready to execute our roadmap with absolute focus, operational discipline, and accountability.

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 Identity and Strategic Foundation

A technology-and-execution company with public-purpose roots

VLEG's identity is grounded in digital governance, high-volume programme execution and the responsible extension of these capabilities into adjacent sectors.

Our identity

VLEG is a technology, systems-integration and project-execution company whose institutional experience has been built through large public programmes. Its work has connected policy intent with field delivery by establishing operating infrastructure, configuring applications and workflows, digitising and validating data, training distributed teams, supporting citizens and maintaining systems across extended project cycles.

This combination of technology and execution is the company's strategic foundation. It differentiates VLEG from a conventional IT-services provider and enables it to coordinate complex programmes without becoming a capital-intensive infrastructure owner. The company's portfolio remains focused on opportunities where technology, data and multi-location delivery are integral to the solution.

Vision, mission and purpose

Vision

To be a respected peer in governance, EPC, infrastructure, advanced technology and IT, shaping digital and physical systems through inclusive, innovative and sustainable solutions.

Mission

To deliver citizen-focused digital services, improve institutional efficiency through technology, support indigenous high-technology systems and contribute to well-designed physical infrastructure through responsible execution.

Purpose

To empower societies and governments through digital, physical and high-technology solutions that improve transparency, enable inclusion and support long-term progress.

Principles guiding our next phase

Principle	How it shapes our conduct
Integrity	We communicate accurately and uphold our contractual, regulatory and data responsibilities.
Execution discipline	We select opportunities carefully, mobilise against clear controls and measure progress through delivery and cash milestones.
Citizen and client orientation	We design delivery around access, reliability, usability, transparency and service outcomes.
Technology relevance	We apply fit-for-purpose technology that creates a clear operating or user benefit.
Partnership accountability	We choose partners for technical and financial strength, define responsibilities clearly and retain oversight of critical dependencies.
Capital prudence	We align commitments with liquidity, risk-adjusted returns and organisational capacity.
Responsible growth	We integrate people, data, safety, resource use and community considerations into execution.

Core competencies

- ★ Programme and project management across multi-location assignments.
- ★ High-volume data capture, digitisation, validation and records conversion.
- ★ Application design, development, systems integration and managed operations.
- ★ Field-force mobilisation, training, quality assurance and citizen facilitation.
- ★ Technology and physical infrastructure deployment in distributed environments.
- ★ Government and institutional stakeholder coordination.
- ★ Business-process redesign for technology-enabled public services.

A focused strategic identity

VLEG's expansion will remain connected to its core identity. New areas will be pursued where the company has relevant credentials, a clearly defined role, access to the required technology and talent, and a risk allocation consistent with its financial and organisational capacity. This focus enables the company to broaden its opportunity set while preserving accountability and execution quality.

Our Services and Products Portfolio

A portfolio anchored in proven digital execution and selective adjacencies

VLEG's portfolio combines established digital-governance capabilities with selected technology and infrastructure adjacencies.

Portfolio overview

VLEG's portfolio is built around the ability to integrate technology, data and distributed execution. Digital services and e-governance form the core. Infrastructure (EPC), renewable energy, EV charging and advanced technology extend this proposition into sectors where programme coordination, technology integration and partnership-led delivery are central to successful execution.

The company's approach is to participate across the parts of the value chain where it can exercise meaningful control over solution design, delivery quality, commercial outcomes and stakeholder accountability.

Digital services and e-governance

VLEG's deepest experience lies in technology-enabled public programmes. The company has combined applications, IT infrastructure, data operations, field mobilisation, service centres and programme governance to support government institutions and citizens at scale.

Offering	VLEG capability
Government-process digitisation	Workflow analysis, record conversion, scanning, data entry, quality assurance and digital repositories.
Identity and citizen services	Enrolment operations, demographic and biometric capture, helpdesks and lifecycle support.
Land and registration systems	Land-deed digitisation, registrar-office infrastructure and web-enabled registration workflows.
Systems integration	Integration of applications, databases, devices, connectivity, data centres and operating processes.
Managed data services	High-volume, multi-location data capture, multilingual processing, validation and reporting.
Programme management and field execution	Recruitment, training, logistics, citizen facilitation, remote-site operations and management information systems.

Transforming complex public processes into accessible, technology-enabled services

Digital services and e-governance represent VLEG's most established area of experience. Over more than three decades, the Company has supported technology-enabled public programmes connecting government institutions, administrative processes and citizens across diverse geographies.

Successful e-governance requires more than software and IT infrastructure. It involves redesigning processes, digitising legacy information, integrating technologies, mobilising field teams, operating citizen-service touchpoints and maintaining the accuracy, security and availability of data.

VLEG's capability has developed at this intersection of technology, data and execution. The Company has combined applications, computing infrastructure, connectivity, devices, data operations, service centres, field mobilisation and programme governance to support large and operationally complex public programmes. Its experience spans land-record modernisation, electoral and identity-related assignments, citizen enrolment, population-data programmes, company and passport-related services, public-distribution initiatives and other mission-mode government projects.

Through this body of work, VLEG has developed a practical understanding of how public programmes move from policy intent to operating reality. Its capabilities extend from translating administrative requirements into executable workflows to establishing infrastructure, training delivery teams, capturing and validating information, facilitating citizen interaction and providing authorities with effective programme oversight.

Government-process digitisation

Government departments frequently operate with extensive physical records, legacy procedures and information distributed across offices and formats. Effective digitisation requires more than scanning documents. Records must be classified, indexed, verified, connected to the relevant administrative workflow and made available through secure, searchable repositories.

VLEG's capabilities include workflow analysis, document preparation, scanning, data entry, record conversion, indexing and quality assurance. The Company can support both the conversion of historical records and the creation of processes for capturing newly generated information.

Quality is maintained through completeness checks, format validation, exception management, supervisory review and audit trails. This creates a stronger information foundation for faster retrieval, improved record preservation, greater process visibility and more consistent service delivery.

Identity and citizen services

Identity-linked programmes require the coordinated management of technology, field infrastructure and citizen interaction. They may involve demographic and biometric capture, document verification, enrolment-centre operations, secure data transmission, helpdesks and lifecycle services.

VLEG's capabilities include establishing service locations, deploying trained personnel, managing devices and connectivity, capturing information, conducting preliminary validation and supporting data transfer to central systems. Field operations are supported through scheduling, logistics, site-readiness assessments, equipment management and performance reporting.

Our Services and Products Portfolio *Cont'd...*

Training, standard operating procedures, supervisory controls and escalation mechanisms help maintain consistency across distributed locations. Helpdesks and facilitation centres guide citizens through requirements, address routine queries and connect exception cases with the appropriate programme authority.

Land and registration systems

Land administration is among the most information-intensive areas of public governance. Modernisation requires the careful digitisation of historical records alongside dependable workflows for current registrations and subsequent updates.

VLEG has experience in land-deed digitisation, registrar-office infrastructure and web-enabled registration processes. Its capabilities encompass scanning, data extraction, indexing, validation and linking digital documents with relevant registration references. The Company can also support the applications, computing infrastructure, connectivity, devices and service counters required for technology-enabled registration.

Digital workflows can improve visibility across document submission, verification, data entry, approval, registration and record preservation. Management dashboards can provide authorities with information on transaction volumes, turnaround times, pending cases and exceptions.

Given the legal and economic importance of land records, VLEG's approach places particular emphasis on accuracy, traceability, authorised access and a clear relationship between digitised information and the underlying source record.

Systems integration

Public programmes typically bring together multiple applications, databases, devices, data centres, communication networks and administrative processes. Their effectiveness depends on these components operating as one coherent system.

VLEG can support requirements definition, interface coordination, deployment planning, application and database integration, device connectivity, infrastructure commissioning, testing and transition into operations. Its role may also include coordinating specialist technology partners responsible for individual elements of the solution.

For geographically distributed programmes, central architecture must work reliably in varied field environments. VLEG's combination of technology coordination and field execution enables it to address both dimensions—integrating the core system while ensuring that it functions effectively at the point of citizen or government use.

Managed data services

Large public programmes generate substantial volumes of information across documents, forms, digital applications, service counters and biometric devices. This information may need to be processed across multiple languages and locations while maintaining common standards of accuracy and completeness.

VLEG's managed data-services capabilities include high-volume data capture, multilingual processing, validation, reconciliation, exception handling and reporting. Standardised workflows govern how data is received, entered, checked, corrected, approved and transmitted.

Automated validation rules, maker-checker processes, supervisory review and exception queues support data quality. Management reports provide visibility into volumes, error rates, productivity, pendency and turnaround times. Role-based access, audit trails and controlled data movement help align operations with applicable security, privacy and contractual requirements.

Programme management and field execution

The effectiveness of a public technology programme is determined as much by execution in the field as by the quality of its central systems. Applications cannot deliver their intended outcomes unless sites are operational, personnel are trained, devices function reliably and citizens receive appropriate support.

VLEG's experience includes workforce recruitment, training, site mobilisation, logistics, equipment deployment, citizen facilitation, remote-location operations and management-information systems. These capabilities enable the Company to translate centrally designed programmes into functioning delivery networks.

Programme mobilisation begins with detailed planning across locations, staffing, infrastructure, equipment, connectivity and operating procedures. Once operations commence, supervisory structures and central dashboards monitor attendance, productivity, transaction quality, equipment availability and service levels.

By integrating field operations with technology and data management, VLEG connects central programme governance with activity at the last mile.

An integrated delivery proposition

Offering	VLEG capability
Government-process digitisation	Workflow analysis, scanning, record conversion, data entry, indexing, quality assurance, audit trails and searchable digital repositories.
Identity and citizen services	Enrolment operations, demographic and biometric capture, citizen facilitation, helpdesks, exception handling and lifecycle services.
Land and registration systems	Deed digitisation, record indexing, registrar-office infrastructure, web-enabled workflows and digital record preservation.
Systems integration	Integration of applications, databases, devices, connectivity, data centres and operating processes across central and field environments.
Managed data services	High-volume multilingual data capture, validation, reconciliation, quality control, exception management and reporting.
Programme management and field execution	Recruitment, training, logistics, citizen facilitation, remote-site operations and management information systems.

The strength of VLEG's proposition lies in the way these capabilities operate together. A public programme may require legacy records to be digitised, a workflow application to be deployed, local offices to be equipped, personnel to be trained and citizens to be supported. VLEG's experience enables it to manage these requirements as one operating system—from the central technology platform to the final point of service delivery.

Building relevance for the next generation of public programmes

The next phase of e-governance will increasingly be shaped by connected databases, interoperable platforms, mobile access, real-time monitoring, cybersecurity and data-led administration. Citizens will expect services to be easier to access, more transparent and less dependent on repeated physical interaction. Government institutions will require stronger visibility into information quality, service performance and programme outcomes.

VLEG's opportunity is to apply its execution heritage to this connected environment. The Company intends to focus on assignments where its combination of programme management, systems integration, data services and field execution can provide meaningful value.

Partnerships with application developers, infrastructure providers, device manufacturers, cybersecurity specialists and domain experts will complement VLEG's capabilities. Clearly defined responsibilities, service levels and performance controls will maintain accountability across the delivery ecosystem.

As VLEG rebuilds operating momentum, its priority is to convert accumulated knowledge into contemporary capability—helping create public systems that are dependable in operation, secure in their handling of information and accessible to the people they are intended to serve.

Infrastructure and EPC Solutions

Bringing together technology, specialist expertise and disciplined programme execution

India's continuing investment in industrial corridors, urban infrastructure, logistics networks and digitally enabled public assets is creating a new generation of infrastructure opportunities. These projects increasingly require more than conventional engineering and construction. They demand the integration of physical infrastructure with digital systems, real-time monitoring, data platforms, intelligent controls and coordinated delivery across multiple agencies and specialist partners.

VLEG is extending its experience in large-scale programme management and technology integration into this evolving infrastructure landscape. The Company's proposition is centred on its ability to bring together diverse capabilities—technology architecture, project coordination, digital infrastructure, stakeholder management and execution oversight—within a structured delivery framework.

This approach draws upon VLEG's experience of implementing complex, geographically distributed programmes involving multiple stakeholders, extensive field operations and technology-led service delivery. While infrastructure projects differ significantly from traditional e-governance assignments, many of the underlying execution disciplines remain relevant: defining work packages, coordinating delivery partners, monitoring progress, managing interfaces, maintaining documentation and ensuring that technology and physical infrastructure operate as an integrated system.

The Company has disclosed its association as EPC partner with Ekansh Concepts Limited to develop the Sankalp Industrial Smart City project. This association provides VLEG with a platform from which to build relevant experience in technology-enabled industrial and urban infrastructure. It also

offers the opportunity to apply the Company's programme-management capabilities in an environment where digital systems, infrastructure services and multi-agency coordination are central to effective project delivery.

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 project is intended to demonstrate our ability to coordinate large-scale EPC ventures, drawing on our financial position and project-management expertise.

VLEG's infrastructure portfolio is being developed across four broad areas:

Smart industrial and urban infrastructure

VLEG seeks to participate in projects that combine core physical infrastructure with digital monitoring, command-and-control platforms, access systems, surveillance, communication networks, utility management and citizen- or enterprise-facing services. In industrial developments, these capabilities can support more efficient administration, asset utilisation, security and service delivery. In urban environments, they can enable better coordination across infrastructure systems and public agencies.

Data and digital infrastructure

As infrastructure becomes more connected, the ability to capture, transmit, manage and secure data is becoming integral to project design. VLEG's role can extend across the integration of communication networks, computing infrastructure, data platforms, monitoring systems and operational dashboards. The objective is to help create infrastructure that is not only physically functional but also measurable, responsive and capable of being managed through reliable digital systems.

Logistics and enabling infrastructure

The expansion of manufacturing, e-commerce and organised distribution is increasing the requirement for modern warehousing, logistics parks and related enabling infrastructure. VLEG is evaluating opportunities in which technology integration, site coordination, project controls and partner-led execution can contribute to the development and operation of efficient logistics assets.

EPC programme management

VLEG's intended role is not limited to the execution of isolated construction activities. The Company aims to participate across the programme-management chain—from project structuring and partner coordination to technology integration, implementation oversight, documentation and progress monitoring. Specialist engineering and construction activities will be undertaken through qualified partners with the appropriate technical experience, equipment, licences and delivery capacity.

Projects will be structured around clearly defined scopes of work, responsibility matrices, delivery milestones and acceptance criteria. Particular emphasis will be placed on controlling the risks associated with bid and performance guarantees, mobilisation advances, subcontracting, schedule dependencies, quality assurance and working-capital deployment.

The Company recognises that infrastructure and EPC projects can create significant financial and execution exposure if commercial terms, partner responsibilities and cash-flow milestones are not aligned. Its participation will therefore be selective, with priority given to opportunities in which VLEG's programme-management and technology capabilities provide meaningful differentiation and the contractual framework supports disciplined execution.

Over time, VLEG intends to build a portfolio that combines infrastructure delivery with digital intelligence. The ambition is to contribute to assets that are better connected, more efficiently managed and capable of delivering measurable value throughout their operating lives.

Renewable Energy and EV-Charging Infrastructure

Participating in the systems that will power a lower-carbon and increasingly electric economy

India's energy transition is reshaping the country's infrastructure requirements. The expansion of renewable generation, decentralised energy systems and electric mobility is creating demand for new project-development capabilities, technology platforms and service networks. Solar infrastructure and electric-vehicle charging are becoming part of a broader ecosystem that connects energy generation, distribution, digital monitoring, asset management and end-user access.

VLEG is evaluating opportunities to participate in this transition through joint ventures, consortiums and technology partnerships. Its approach is centred on project coordination and systems integration, supported by partners possessing the specialised engineering, electrical, construction and operational capabilities required for each assignment.

Solar-project implementation

Solar projects require the coordinated management of site conditions, engineering design, equipment sourcing, connectivity, civil and electrical works, testing, commissioning and ongoing performance monitoring. VLEG's potential role can encompass project coordination, partner management, digital integration and implementation oversight across these stages.

The Company is evaluating opportunities in utility-scale, captive, rooftop and distributed solar solutions, subject to the commercial and technical characteristics of each project. Its contribution can include coordinating specialist contractors, integrating monitoring and control platforms, supporting site-level implementation, tracking delivery milestones and enabling data-led supervision of operating performance.

Digital monitoring is particularly relevant to renewable-energy assets. Generation data, equipment performance, outages, maintenance requirements and energy yield must be visible and measurable throughout the operating life of the project. VLEG's technology-integration capabilities can support the deployment of dashboards, remote-monitoring systems and data interfaces that help asset owners monitor performance and respond more effectively to operational issues.

Participation in solar projects will be based on a thorough assessment of land and site readiness, solar resource, grid or captive connectivity, power-evacuation arrangements, equipment specifications, counterparty quality, contractual cash flows and long-term maintenance responsibilities. The Company will seek opportunities in which technical risks are appropriately allocated and project economics are supported by credible demand, payment visibility and operating arrangements.

EV-charging infrastructure

The growth of electric mobility will require a dependable, accessible and intelligently managed charging network. Charging infrastructure is not simply an equipment-installation activity. It brings together site access, power availability, electrical upgrades, charging hardware, payment systems, software platforms, user interfaces, maintenance support and utilisation management.

VLEG is evaluating participation in public, commercial, institutional and fleet-oriented charging infrastructure. Its potential contribution spans site-level coordination, technology integration, deployment management, charger-management systems, payment and user interfaces, remote monitoring and operations support.

Different charging applications require different operating models. Public charging locations depend on accessibility, visibility, power capacity and customer utilisation. Fleet and depot charging require closer alignment with vehicle schedules, route planning and energy demand. Institutional and commercial installations must integrate with the host facility's electrical systems and operating requirements. VLEG's approach will therefore be tailored to the economics and technical architecture of each use case.

Each opportunity will be assessed against a defined set of considerations: site suitability, sanctioned load and power availability, charger configuration, expected utilisation, tariff structure, interoperability, payment architecture, maintenance obligations, software reliability and partner capability. The Company will also consider the pace of vehicle adoption and the relationship between infrastructure investment and achievable utilisation.

VLEG intends to build its presence in renewable energy and EV charging progressively. Technology partnerships and consortium structures will provide access to specialist expertise, while disciplined project selection will help control capital exposure. The objective is to participate in projects where VLEG can add value through coordination, integration and execution oversight—while contributing to infrastructure that supports cleaner energy and mobility.

Defence, Aerospace and Advanced Technology

Building a pathway into strategically important, technology-intensive markets

India's emphasis on defence indigenisation, domestic manufacturing and the substitution of imported technologies is creating opportunities across defence electronics, avionics, aerospace systems, embedded technologies and specialised engineering. These sectors are strategically important, technologically demanding and governed by exacting requirements for quality, security, reliability and programme continuity.

For VLEG, defence and aerospace represent a long-horizon opportunity. The sector offers the potential to extend the Company's technology-integration capabilities into advanced applications, but participation requires a level of technical depth, governance discipline and operating maturity significantly different from conventional information-technology services.

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 with 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.

The strategic relevance of this opportunity lies in the combination of technology access, domain capability and institutional relationships required to participate in the aerospace and defence ecosystem. Such programmes often involve long development and qualification cycles, specialised intellectual property, stringent testing and certification, secure supply chains and sustained engagement with customers and technology partners.

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.

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.

Mission-critical electronics and embedded systems

Modern defence and aerospace platforms depend upon electronics and embedded systems capable of functioning reliably in demanding operating environments. These systems integrate processors, sensors, communications, navigation, control software and human-machine interfaces into equipment that must meet rigorous standards of performance and dependability.

VLEG's opportunity is to develop a role at the intersection of hardware, software and systems integration. This can include support for embedded computing, mission-oriented applications, interface development, data processing, testing environments and the integration of specialist subsystems into larger technology platforms.

Success in these areas will depend upon access to qualified technologies, experienced engineering talent and clearly defined intellectual-property arrangements. It will also require disciplined configuration control, documentation, testing and lifecycle support.

Aeronautical and aerospace technologies

Aeronautical programmes demand high levels of engineering precision, traceability and programme governance. Product development, integration, qualification and deployment may extend over several years, with performance requirements continuing throughout the operating life of the platform.

Participation in this sector must therefore be built on enduring capability rather than transaction-led opportunity. VLEG's role will develop in line with completed commercial arrangements, access to technology, customer qualification and the operating resources available to the Company.

The Company will seek to work with credible technology providers, engineering organisations and institutional partners whose capabilities complement its own. Partnership structures will clearly define technical responsibilities, investment requirements, ownership of intellectual property, licensing rights, market access and lifecycle-support obligations.

A capability-led approach

Defence and aerospace markets reward reliability, confidentiality and sustained performance. Entry barriers are significant, and customer qualification is based on demonstrated technical capability, quality systems, security protocols and delivery history. VLEG will therefore build its participation progressively.

The principal capability requirements include:

- ★ Access to relevant and defensible technologies
- ★ Specialist engineering and programme-management talent
- ★ Clearly established intellectual-property and licensing rights
- ★ Secure information-management and cybersecurity systems
- ★ Robust design, testing, documentation and configuration controls
- ★ Compliance with applicable quality, certification and security requirements
- ★ Reliable specialist vendors and supply-chain partners
- ★ Long-term financial and programme-governance capacity

The Company also recognises that defence and aerospace programmes can involve extended development cycles before commercial scale is achieved. Investment decisions will therefore consider the timing of technology development, customer qualification, testing, orders and cash generation. Capital commitments will be aligned with defined technical and commercial milestones.

VLEG's ambition is to establish a credible position in selected areas of advanced technology where partnerships, domain expertise and systems-integration capabilities can be combined effectively. Progress will be shaped by the completion of proposed arrangements, the development of operating capabilities and the achievement of relevant customer and technical qualifications.

The opportunity is significant, but the path to participation must be deliberate. By placing technology access, intellectual property, engineering quality, security and programme governance at the centre of its approach, VLEG aims to build a durable presence in sectors that are important to India's strategic and technological self-reliance.

Three Decades of Project Experience

Credentials built through complex programmes at population scale

A consolidated record of VLEG's inherited project experience—presented as evidence of capability, not as standalone stories.

The experience base

VLEG's project history was built through the e-governance and IT/ITES undertaking formerly housed within Vakrangee Limited and transferred to VLEG under the demerger. Across these assignments, the recurring operating challenge was to connect centralised technology with widely distributed execution. The resulting capabilities include data conversion, identity and records management, systems integration, multi-location mobilisation, citizen-facing operations, training and quality assurance.

International and land-record experience

Programme	Reported scope and scale	Capabilities demonstrated
Philippines Land Titling Computerisation	Dematerialisation of 20 million land deeds for 168 Registrar of Deeds offices; two data-encoding centres in Manila NCR; technology support from India.	International programme management; high-volume title conversion; distributed registrar-office enablement; cross-border technology support.
Uttar Pradesh land records	Digitisation of land records across six districts.	Local-language records processing; land-domain familiarity; multi-district execution.

Electoral infrastructure

The company's first Election Commission computerisation order dates to 1993. Disclosed work evolved from district-level voter identification into broader electoral-data and citizen-facilitation assignments.

Three Decades of Project Experience *Cont'd...*

Programme	Capabilities demonstrated
Voter identification	over 100 million voter-identification cards generated.
Citizen interface	More than 1,00,000 citizen facilitation centres managed.
Geographic coverage	Major work across Uttar Pradesh, Rajasthan, Madhya Pradesh, Maharashtra, Gujarat, Haryana and Delhi.
Electoral-roll data	English, Hindi and Urdu data collection; periodic summary revision and election-related updates.
Field mobilisation	Recruitment, training, multilingual software and teams operating in remote and infrastructure-constrained locations.

Identity and population programmes

Programme	Reported scope and scale	Capabilities demonstrated
UIDAI Aadhaar enrolment services	More than 5 crore residents enrolled; around 4,000 enrolment centres; training of more than 4,000 people; demographic and biometric capture; in-house data centre and lifecycle portal.	High-volume enrolment; device/ software deployment; bilingual data capture; biometrics; workforce training; helpdesk and MIS.
National Population Register digitisation	145 million resident records; 27 zones and one Union Territory; operations across eight states using certified manpower.	Managed data-entry services; scanning-to-digitisation workflow; quality control; coordination with government agencies and other vendors.

Governance-modernisation programmes

Programme	Reported scope and scale	Capabilities demonstrated
MCA21	IT infrastructure at 22 Registrar of Companies sites; application design, development and maintenance; 6.5 lakh corporate records dematerialised; 2 million Director Identification Numbers processed.	Application and infrastructure management; corporate-record conversion; identity workflow support.
Passport Seva Kendra	Set-up of 77 Passport Seva Kendras, a data centre, disaster-recovery centre, call centre and centralised passport-issuance system; build-and-operate role for one year.	Business-process redesign; nationwide service infrastructure; central systems; call-centre and site operations.
Inspector General of Registration and Stamps	Site preparation for state offices and data centre; web-based application development/implementation; Nagpur-zone sub-registrar office operations.	Registration-domain workflows; site readiness; application deployment; office operations.

Public-welfare and distribution programmes

Programme	Reported scope and scale	Capabilities demonstrated
Smart-card-based Public Distribution System, Haryana	6 million UID-linked smart ration cards; around 9,300 smart-card POS terminals; software, networking, call centre, training, technical support and five-year operations and maintenance.	Integrated device, card, data, network and operating model; beneficiary authentication; long-duration field support.
Rashtriya Swasthya Bima Yojana	Participation in a cashless health-insurance scheme for below-poverty-line families; company material cited 479 selected districts and approximately 37 million enrolled families at programme level.	Beneficiary-facing process support; smart-card and data operations; welfare-scheme implementation context.

What our record demonstrates

Programme	Reported scope and scale	Capabilities demonstrated
Scale management	Millions of records, cards and enrolments; thousands of centres and devices.	Useful for nationwide or state-wide programmes with repeatable operating units.
Multi-location mobilisation	Distributed centres, remote sites, training and field supervision.	Relevant where execution—not software alone—determines programme success.
Data quality and controls	Capture, validation, de-duplication interfaces, certified manpower and QA.	Relevant to land, identity, registration and other authoritative-data programmes.
Systems integration	Applications, devices, data centres, connectivity, call centres and workflows.	Supports end-to-end bids with clearly defined solution ownership.
Citizen-service design	Facilitation centres, enrolment, helpdesks and service offices.	Relevant to accessible, assisted and multilingual public services.
Institutional coordination	Work with central/state bodies and partner ecosystems.	Important for governance programmes with multiple authorities and vendors.

Experience that strengthens future execution

Historical credentials are most valuable when translated into current bid evidence: completion certificates, customer references, quantified scope, applicable technical qualifications, available key personnel and a delivery methodology suited to today's technology and security requirements. VLEG maintains a controlled credentials repository so that each claim used in proposals or investor communication is current, attributable and verifiable.

Operating Environment and Market Opportunity

Large public programmes create opportunity—but qualification and execution decide value

The most relevant opportunities sit where digital records, field delivery, infrastructure and national capability-building intersect.

A selective opportunity lens

India's public digital infrastructure and physical infrastructure programmes remain substantial. For VLEG, however, market size is not the primary decision criterion. The more useful questions are whether a programme requires capabilities VLEG has previously demonstrated, whether eligibility and consortium structures are achievable, whether payment and working-capital terms are acceptable, and whether the company can mobilise current technical and delivery resources.

This lens points first to land and registration modernisation, broader digital-governance services and selected technology-enabled field programmes. Renewable energy, EV charging, smart infrastructure and defence technology may be relevant adjacencies, but they carry different licensing, capital, technical, safety and partner risks.

Digital governance: from computerisation to integrated services

The Ministry of Electronics and Information Technology describes India's digital-governance evolution as a progression from departmental computerisation towards citizen-centric, service-oriented and transparent governance. For solution providers, this raises the bar: opportunities increasingly require interoperable platforms, trusted data, user-centred delivery, cybersecurity, privacy, auditability and measurable service levels—not simply data entry or hardware deployment.

VLEG's historic strengths in assisted service, data operations and multi-location execution remain relevant, but must be refreshed for cloud architectures, API integration, contemporary security controls, digital identity rules and outcome-based contracting.

Land and registration modernisation

The Digital India Land Records Modernization Programme aims to support a modern, comprehensive and transparent land-record system. ULPIN, also described as Bhu-Aadhaar, assigns a 14-digit identifier to a land parcel using its geospatial coordinates and depends on detailed surveys and geo-referenced cadastral maps. NAKSHA is a one-year pilot under DILRMP focused on modernising urban land records across 157 urban local bodies in 27 states and three Union Territories, covering more than 4,484 square kilometres.

What our record demonstrates

Opportunity component	Relevance to VLEG	Capability focus
Legacy-record cleaning and validation	High-volume records experience and land-domain references.	Current GIS, data-governance and state-system integration capability.
Survey-to-record integration	Programme management and distributed field execution.	Survey technology, geospatial expertise, equipment and licensed partners.
Registration workflow modernisation	IGRS and land-titling experience.	Modern application architecture, cybersecurity and interoperability.
Citizen access and grievance support	Past facilitation-centre and multilingual delivery experience.	Current service design, SLA management and digital accessibility.

Expanding Horizons in Infrastructure Development & Renewable Energy EPC

Leveraging its deep systems-integration pedigree and project management expertise, VLEG has strategically expanded into large-scale Engineering, Procurement, and Construction (EPC) infrastructure development, positioning itself to capture high-margin, long-term annuity-like revenue streams. A major cornerstone of this expansion is VLEG's appointment as the exclusive EPC Partner for Phase I of the **Sankalp Industrial Smart City Project**, covering **494 acres at** the prime logistical intersection of the Mumbai–Nagpur Samruddhi Mahamarg and the Delhi–Mumbai Expressway. With an estimated EPC contract value of ₹**800 crore**, Phase I of this landmark project integrates state-of-the-art industrial, residential, and logistical infrastructure, including rooftop solar arrays, open-access and captive power models, advanced data-processing hubs, and large-scale warehousing. The project is uniquely structured for scalable expansion into Phase II (565 acres) and Phase III (901 acres), representing a multi-year growth runway.

Beyond this flagship smart city development, VLEG is aggressively evaluating and bidding for upcoming public-private partnership (PPP) opportunities in renewable energy and green mobility. The Company plans to leverage its zero-debt financial position to secure turnkey solar power installation contracts and establish public EV charging infrastructure as a Charging Station Operator (CPO) under the Indian Government's ₹10,900-crore PM-eDrive initiative. Driven by a reconstituted board of infrastructure, railways, and engineering veterans, VLEG is uniquely positioned to bridge physical asset creation with digital-first governance solutions, driving sustained value for shareholders.

EV-charging infrastructure

The PM E-DRIVE scheme has a total outlay of ₹10,900 crore, including ₹2,000 crore allocated to public EV-charging infrastructure. Government guidance provides for nodal agencies to aggregate demand and oversee implementation, with capital support varying by location and infrastructure category. This creates procurement opportunities, but station economics remain highly site-specific.

A viable VLEG role would need a defined business model—EPC, charge-point operator, technology integrator, operations partner or consortium participant. VLEG's evaluation covers land and site control, power availability, utilisation, interoperability, tariff and payment mechanisms, uptime, maintenance capability and technology obsolescence.

Renewable energy

India's renewable build-out continues at scale. MNRE reported cumulative renewable capacity excluding large hydro of 236.52 GW at 30 June 2026, including 162.15 GW of solar capacity. The opportunity is therefore real, but the solar EPC and project-development market is competitive and execution-intensive.

For VLEG, partnership-led entry is more credible than an immediate claim of end-to-end standalone capability. The company would need access to engineering, procurement, quality, project finance, performance guarantees, site and grid approvals, operations and maintenance, and disciplined receivables management.

Defence and aerospace

Government policy continues to support indigenous defence production, private-sector participation and technology development. Official reporting placed India's defence production at ₹1.78 lakh crore in FY2026 and defence exports at ₹38,424 crore. These figures show the scale of the ecosystem, not VLEG's addressable revenue.

Entry barriers are substantial: product qualification, security and industrial licensing, airworthiness, customer trials, long procurement cycles, intellectual-property rights, configuration control and quality assurance. VLEG describes this as a transaction- and capability-dependent strategic option until it has completed access to technology and established the necessary governance and operating systems.

Strategy and Growth Roadmap

VLEG's roadmap begins with its core capabilities and extends into adjacencies through disciplined, partnership-led execution.

Strategic premise

VLEG does not need a broad diversification narrative; it needs a conversion plan. The company's historic credentials create the strongest starting position in digital governance and large field programmes. The strategy will first rebuild contemporary capability around that core, then use partnerships to enter adjacent areas where VLEG has a defined and defensible role.

A disciplined roadmap is particularly important after a low-activity year. Organisational capacity, recent references, working capital and partner reliability must be rebuilt alongside the pipeline. Growth will be recognised only as opportunities pass through qualification, award, mobilisation, delivery and cash collection.

Strategic priorities

Priority	FY2027–FY2028 agenda	Evidence of progress
1. Re-establish the core	Build a focused pipeline in e-governance, land records, registration, data operations and technology-enabled field delivery.	Pre-qualified bids; consortium agreements; technically responsive submissions; contract awards.
2. Refresh execution capability	Rebuild bid, solution, programme, cyber, data and project-control capacity; maintain a verified credentials repository.	Named teams; approved delivery playbooks; current certifications; project governance systems.
3. Structure partnerships	Use partners where engineering, OEM, geospatial, construction, renewable or defence capability is required.	Diligenced partners; clear scopes; back-to-back obligations; IP/data/confidentiality protections.
4. Protect capital	Apply investment and bid gates based on cash flows, guarantees, downside exposure and return thresholds.	Board-approved cases; milestone-linked cash plans; exposure limits; collections dashboard.
5. Build adjacencies selectively	Advance infrastructure, renewable, EV or defence opportunities only after technical and commercial gates are met.	Completed transaction or signed contract; licence/qualification pathway; mobilised resources.


GOVERNANCE

Strategy and Growth Roadmap *Cont'd...*

Three-horizon roadmap

Horizon	Principal actions	Strategic outcome sought
Horizon 1: Stabilise and qualify	Confirm leadership accountabilities; refresh credentials; build opportunity filters; map current technical gaps; tighten risk and bid approvals.	A smaller, credible pipeline and an organisation ready to bid responsibly.
Horizon 2: Win and mobilise	Submit focused bids; close only bankable partner structures; secure initial awards; establish project-management offices and cash controls.	Proof that VLEG can convert credentials into current, executable contracts.
Horizon 3: Scale repeatably	Standardise delivery modules; deepen customer references; selectively commit capital; expand into adjacencies supported by completed capability access.	Repeatable execution, improved cash generation and a more balanced opportunity portfolio.

Opportunity discipline

Gate	Decision discipline
Strategic fit	A clear fit with VLEG's credentials and a defensible role in delivery.
Eligibility	Full technical and financial eligibility, independently or through a permitted consortium.
Partner quality	Contractual clarity across roles, liabilities, credentials, intellectual property, security and financial obligations.
Commercial viability	Adequate margins after contingencies, guarantees, financing, taxes and partner costs.
Cash and capital	Fundable mobilisation and working-capital requirements within the company's resilience limits.
Execution readiness	Leadership, people, systems, vendors, quality, safety and cyber controls in place before mobilisation.
Board approval	Board review the opportunity, related-party considerations and disclosure obligations.

Capital-allocation hierarchy

- ★ Statutory, governance, talent and technology readiness forms the first call on capital.
- ★ Bid and solution capability in the established core forms the second priority.
- ★ Awarded projects with visible milestone-based cash flows receive the next allocation.
- ★ Partnerships and transactions receive capital after diligence and risk-adjusted return review.
- ★ Liquidity is preserved for contingencies, with project economics remaining the basis for every commitment.

Measures of progress

Dimension	Measures
Pipeline quality	Qualified opportunities; bid/no-bid conversion; eligibility coverage; partner readiness.
Commercial conversion	Awards, executable order value, gross margin at award, guarantee exposure.
Execution	Mobilisation on time; milestone achievement; SLA compliance; change-order control.
Cash	Receivable days; milestone billing; collections; project cash conversion; contingent exposure.
Capability	Key hires; training; current certifications; reusable solution modules; cyber-control maturity.
Governance	Stage-gate compliance; partner reviews; incidents; audit actions closed.

Our Business Model

Orchestrating technology, data and field execution

VLEG converts institutional experience, technology and partner capability into project-based delivery for government and enterprise clients.

Business-model logic

VLEG's model is project-led. It identifies programmes where technology, data operations and distributed execution are required; qualifies directly or with partners; designs an integrated solution; mobilises people, systems and vendors; and earns revenue against contracted supplies, services, milestones or operations. The model can remain relatively asset-light when engineering, equipment or specialist technology is sourced through accountable partners, but it can still require significant guarantees and working capital.

Inputs

Input	Role in the model
Institutional experience	Past project references, domain knowledge and delivery lessons.
Leadership and specialist talent	Opportunity selection, solution design, programme controls, finance, compliance and stakeholder management.
Technology and data systems	Applications, integration, cybersecurity, data operations, reporting and service management.
Financial capacity	Bid security, guarantees, mobilisation, working capital and selective investment.
Partners and vendors	Engineering, OEM products, specialist technology, construction, field manpower and local delivery.
Governance and controls	Bid gates, contracting standards, audit, risk management, quality, data protection and ethics.

Core activities

Stage	Primary activities	Value protection
Originate and qualify	Track programmes, validate fit, assess eligibility and map stakeholders.	Avoid low-fit pursuits and unsupported market claims.
Design and partner	Develop solution architecture, delivery plan and consortium or vendor structure.	Allocate scope, IP, data, warranties and liabilities clearly.
Bid and contract	Price, model cash flows, approve guarantees and negotiate milestones.	Protect margin, payment security and change-control rights.

Stage	Primary activities	Value protection
Mobilise and deliver	Deploy teams, infrastructure, software, field operations and quality controls.	Use PMO, SLA, cyber, safety and vendor governance.
Operate and support	Maintain systems, helpdesks, service centres, devices and reports where contracted.	Measure uptime, service levels, incidents and user outcomes.
Bill and collect	Certify milestones, invoice, resolve deductions and manage receivables.	Convert accounting revenue into cash and release guarantees.

Customers and beneficiaries

Primary customers include central and state government departments, public agencies and—where relevant—private developers or enterprises. Citizens and end users are frequently the ultimate beneficiaries even when the contractual customer is an institution. Partners, vendors, employees, shareholders and regulators also shape the model's ability to operate.

Revenue mechanisms

- ★ One-time implementation or system-integration milestones.
- ★ Supply, trading or equipment revenue where VLEG is contractually responsible for delivery.
- ★ Data digitisation or transaction-linked service fees.
- ★ Operations, maintenance, helpdesk or managed-service fees.
- ★ EPC or project-management milestones in suitably structured infrastructure assignments.
- ★ Potential investment or technology-linked returns only after applicable transactions are completed.

Revenue quality depends on contract enforceability, milestone certification, counterparty credit, gross margin, working-capital intensity and the extent to which delivery risk is back-to-back with suppliers and partners.

Competitive differentiation

Differentiator	Why it matters	Execution enabler
Past population-scale programmes	Shows familiarity with complexity, volume and field delivery.	Current, verifiable references and relevant scope match.
Technology-plus-operations model	Addresses the full service chain rather than a single component.	Contemporary architecture, cyber controls and current team.
Government-domain familiarity	Supports stakeholder and process understanding.	Up-to-date regulatory, procurement and programme knowledge.
Partner-enabled breadth	Can extend the solution without owning every asset.	Strong diligence, contract alignment and retained oversight.
Financial flexibility	No reported borrowings at year-end.	Prudent use of liquidity and disciplined project economics.

Stakeholder outcomes

Stakeholder	Outcome the model is designed to deliver
Clients	Reliable implementation, accountable service levels, auditable data and lifecycle support.
Citizens / users	Accessible, efficient, secure and transparent services.
Employees	Purposeful work, capability development, safe and ethical operating conditions.
Partners / vendors	Clear scopes, fair dealing, predictable governance and timely settlement.
Shareholders	Risk-adjusted growth, cash conversion, transparent disclosure and capital discipline.
Regulators / society	Compliance, data responsibility, integrity and efficient resource use.

Managing Our Six Capitals

Managing the resources required for responsible reactivation.

VLEG is strengthening the financial, operational, knowledge, people, relationship and environmental resources required for its next phase.

Our six capitals

VLEG manages six interconnected resource groups that support its ability to operate, compete and execute responsibly. Given the limited operating activity in FY2026, the company focused on preserving these resources and strengthening them for future opportunities.

Capital	Core resource	FY2026 emphasis
Financial Capital	Equity, liquidity and capacity to support bids and projects.	Preserve flexibility; no borrowings at year-end.
Manufactured Capital	IT assets, project systems and deployable operating infrastructure.	Maintenance of fit-for-purpose infrastructure and clear ownership of project assets.
Intellectual Capital	Domain knowledge, project credentials, processes and technology know-how.	Protection and refresh of the historic capability base.
Human Capital	Leadership, employees and specialist delivery capability.	Leadership refresh and capability planning.
Social and relationship Capital	Government, partner, vendor, community and shareholder relationships.	Strengthen trust through accurate disclosure and disciplined engagement.
Natural Capital	Energy, materials and environmental effects of operations and projects.	Efficient office/IT use and environmental screening of future projects.

Financial capital

Financial capital provides the base from which VLEG can maintain readiness and selectively pursue work. At 31st March 2026, the company reported net worth of ₹4,456.61 lakh, cash and cash equivalents of ₹203.82 lakh and no borrowings. Revenue from operations was ₹1,715.43 lakh and the loss after tax was ₹113.07 lakh.

The principal issue is not leverage reduction but capital allocation. New public or EPC projects can require guarantees, mobilisation funding and extended receivable cycles. Priority will therefore be given to liquidity visibility, milestone-linked contracting, receivable discipline and clear exposure limits.

Manufactured capital

VLEG's manufactured capital currently comprises office and IT assets, project-delivery systems and the ability to assemble distributed infrastructure through vendors and partners. Property, plant and equipment was ₹234.95 lakh at year-end. Smart-city, renewable or defence assets form part of VLEG's manufactured capital only when they are owned, controlled or contractually deployed by the company.

VLEG is mapping the infrastructure available for current use, the systems requiring refresh and the assets that will remain partner-provided. Asset ownership will be guided by delivery need and project economics.

Intellectual capital

VLEG's most distinctive resource is its accumulated knowledge of large-scale public programmes: land and registration records, electoral databases, identity enrolment, population records, government workflows, citizen facilitation, data quality and multi-location operations. This knowledge is embodied in project records, solution designs, operating methods and experienced people.

The company is converting historic experience into a controlled credentials library, current architectures, reusable bid modules, contemporary cybersecurity and data-governance methods, and training aligned with new procurement and technology requirements. Intellectual property associated with HETL will form part of VLEG's resource base only in accordance with completed transaction rights.

Human capital

FY2026 included the formation of a new leadership team to align strategy, internal processes and the future roadmap. The Board combines technology, defence, aerospace, infrastructure and governance experience, while management includes the Managing Director, Chief Financial Officer and Company Secretary and Compliance Officer.

As activity rebuilds, workforce planning will follow the qualified pipeline. Priority capabilities include bid management, solution architecture, GIS and land systems, data engineering, cybersecurity, programme controls, commercial management, quality and partner oversight. Training, health and safety, inclusion, prevention of workplace harassment and ethical conduct are embedded as operating controls.

Social and relationship capital

VLEG's project history created relationships across government departments, citizens, technology providers, vendors and field partners. These relationships support market understanding and coordination, but future awards must arise through compliant procurement and current performance—not legacy familiarity.

The company's relationship priorities are transparent investor communication, fair vendor and partner treatment, accurate credentials, strong data stewardship and respectful citizen interaction. MoUs and proposed transactions are communicated with precision and transparency to protect trust.

Natural capital

VLEG's FY2026 operations were not energy intensive. The historical digitisation work illustrates how digital records can reduce physical handling and paper dependence, with environmental benefits assessed on the basis of measured and directly attributable outcomes.

Future EPC, renewable-energy and technology projects could create more material environmental interfaces. Bid and project gates will therefore assess energy and water use, waste and e-waste, construction impacts, permits, contractor practices, climate resilience and lifecycle obligations.

Capital	Next priority	Management focus
Financial	Project-level capital and cash gates.	Liquidity forecast, guarantee exposure, receivables dashboard.
Manufactured	Current asset and deployment-capability register.	Asset condition, capacity, ownership and partner dependencies.
Intellectual	Verified credentials and current solution library.	Completion evidence, reusable methods, IP-rights register.
Human	Pipeline-linked capability plan.	Critical roles, training, succession and safety metrics.
Social and relationship	Structured stakeholder and partner governance.	Engagement log, partner diligence, grievance and ethics data.
Natural	Environmental screening proportionate to project risk.	Energy/e-waste data and project environmental checklists.

FY2026 Review and Readiness Priorities

A subdued operating year, used to reset the platform

FY2026 was marked by limited activity, a leadership reset and a measured approach to rebuilding the opportunity pipeline.

The year in context

VLEG operated at a modest level in FY2026. Revenue from operations was ₹1,715.43 lakh compared with ₹3,068.86 lakh in FY2025, and the company reported a loss after tax of ₹113.07 lakh. The year was therefore less about operating scale and more about maintaining readiness for a selective return to project execution.

Management focused on strengthening leadership, aligning internal processes with the company's future direction and reviewing opportunities connected with VLEG's experience. E-governance and land-record modernisation remain the closest strategic fit, while technology-enabled infrastructure, renewable energy, EV charging and defence and aerospace provide longer-term avenues for partnership-led participation.

Financial overview

₹ lakh, unless stated	FY2026	FY2025
Revenue from operations	1,715.43	3,068.86
Total income	1,766.01	3,238.79
EBITDA	(96.66)	143.89
Loss before tax	(110.24)	(251,701.23)
Loss after tax	(113.07)	(251,703.25)
Net worth	4,456.61	4,569.66
Total debt	Nil	Nil
Cash and cash equivalents	203.82	149.60

The company remained debt free at year-end and retained positive net worth. The statutory auditor issued an unmodified opinion. Expected credit loss and inherited GST litigation were identified as key audit matters, reinforcing the importance of disciplined receivables management, documentation and compliance.

Building readiness

The company's immediate focus is to translate its historic credentials into a current and qualified opportunity pipeline. This involves refreshing technical and bid capabilities, strengthening programme and commercial controls, formalising partner diligence and aligning capital commitments with milestone-based cash flows.

Progress will be reflected in tangible outcomes: qualified bids, signed contracts, successful mobilisation, delivery milestones and collections. This evidence-led approach will allow VLEG to rebuild operating momentum without compromising financial flexibility or execution quality.

Outlook

VLEG's experience remains relevant to public-sector modernisation and technology-enabled infrastructure. The timing and value of new awards will depend on procurement cycles, qualification, partnership structures and project economics. The company will therefore pursue a focused set of opportunities, commit resources in stages and build performance through disciplined execution and cash conversion.

Responsible Business

Responsibility begins with how opportunities are selected and delivered

For VLEG, responsible business is founded on ethical conduct, trustworthy data, safe delivery, fair relationships and proportionate environmental care.

Our approach

VLEG's responsibility agenda reflects its actual risk profile. During the year, the immediate responsibilities were governance, statutory compliance, employee safeguards, financial reporting and efficient use of office and IT resources. As project activity grows, the agenda expands to data protection, cybersecurity, field-worker conditions, contractor safety, community interfaces, procurement integrity and project environmental impacts.

The company reports progress only where it has systems and evidence. Policies are an important foundation, but responsible performance is demonstrated through due diligence, training, incident management, audit actions, grievance resolution and transparent disclosure.

Ethics and governance

VLEG maintains a vigil mechanism and Whistleblower Policy through which employees and other stakeholders can report suspected violations, fraud or Code of Conduct concerns. Access to the Chairman of the Audit Committee is available, and the Corporate Governance Report states that no personnel were denied such access.

★ The Code of Conduct and anti-fraud expectations apply to employees, partners, vendors and field agencies.

★ Conflict-of-interest and related-party checks form part of opportunity and partner approval.

★ Procurement trails, delegation controls and maker-checker approvals support accountability.

★ Concerns, investigations, remediation and closure are tracked with confidentiality and non-retaliation safeguards.


TAX
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TAX

Data privacy and cybersecurity

E-governance projects can involve authoritative personal, demographic, biometric, land and welfare records. Data responsibility is therefore central to VLEG's licence to operate. Future project designs applies data minimisation, purpose limitation, role-based access, encryption, secure development, logging, vulnerability management, incident response, retention and deletion controls, and auditable partner obligations.

Legacy project experience is not by itself evidence of current cyber maturity. Before bidding for data-sensitive work, VLEG documents the applicable legal and customer requirements, assesses its current controls and obtains any certification or independent assurance required by the tender or risk profile.

People, inclusion and workplace safeguards

The Board Report confirms compliance with the Sexual Harassment of Women at Workplace Act and the Maternity Benefit Act. As the workforce expands, the company maintains an inclusive workplace, role-appropriate learning, fair employment practices and accessible grievance channels.

Area	Operating approach
Employment	Documented terms, lawful wages and benefits, working-time controls and non-discrimination.
Learning	Induction, code and cyber training; role-specific technical, safety and project training.
Inclusion	POSH governance, maternity benefits, respectful workplace expectations and accessible reporting.
Well-being	Health and safety risk assessment proportionate to office, travel, site and field work.
Contract workforce	Partner due diligence, contractual labour standards, attendance/payment records and grievance routes.

Health, safety and field execution

VLEG's historic programmes placed teams and citizen-service centres across diverse and sometimes difficult locations. Future infrastructure (EPC), renewable or EV projects could introduce electrical, construction, traffic, work-at-height and contractor risks. Every bid identifies applicable safety responsibilities, competency requirements, emergency plans, insurance and reporting expectations before price and mobilisation commitments are approved.

Responsible procurement and partnerships

- ★ Partner assessment covers technical competence, financial standing, litigation, sanctions, licences, safety performance and beneficial ownership.
- ★ •Contracts define scope, service levels, data, intellectual property, confidentiality, ethics, labour, safety, environment, audit and termination obligations.
- ★ VLEG retains practical control over delivery wherever it carries customer liability.
- ★ Partner performance is monitored and audit or incident actions are closed within agreed timelines.
- ★ Legitimate vendor dues are paid according to agreed terms, with disputes resolved through documented processes.

Environment and resource use

The company's FY2026 operations were not energy intensive. It reported measures to reduce energy consumption through efficient computers, IT assets and other equipment. A practical near-term agenda is to record electricity use, manage e-waste through authorised channels, reduce avoidable printing and include environmental criteria in equipment and vendor selection.

For infrastructure-linked projects, VLEG embeds environmental and social screening at the opportunity stage, covering permits, land and community interfaces, water and energy use, construction waste, hazardous materials, e-waste, climate resilience and restoration obligations.

Responsible-business focus areas

Theme	Measures tracked
Ethics	Training coverage; concerns received and resolved; material breaches.
Data and cyber	Control assessment; incidents; critical vulnerabilities closed; partner compliance.
People	Headcount, diversity, training hours, turnover and grievances.
Safety	Hours worked, training, incidents, near misses and corrective actions.
Supply chain	Critical vendors diligenced; audits/actions; payment performance.
Environment	Electricity, paper and e-waste; project screening and compliance actions.

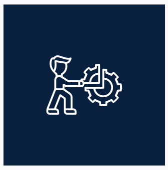
Risk Management

Protecting the company while it rebuilds operating momentum

Risk management shapes opportunity selection, contracting, capital commitment and project execution before exposure is created.

Risk Management Approach

VLEG's Board Report states that risk management is integrated with planning, execution and reporting. The Risk Management Committee is responsible for framing, implementing and monitoring the risk-management plan and for reviewing whether risks remain within acceptable limits. Internal-control systems are designed for the nature and scale of the business and are subject to statutory and internal audit testing.



For the next phase, risk management is applied at the point of decision. The company can create disproportionate exposure by signing a single large project, guarantee, consortium agreement or acquisition. Opportunity, contract and capital gates are therefore as important as project-level monitoring.

Governance and escalation

Level	Primary responsibility
Board of Directors	Approve strategy, risk appetite, material commitments and oversight of management.
Risk Management Committee	Review framework, principal risks, emerging exposures, mitigation and risk limits.
Audit Committee	Oversee financial reporting, internal controls, audit, related-party matters and whistleblower mechanism.
Management	Own risks, implement controls, escalate exceptions and provide complete, timely reporting.
Project / functional owners	Maintain risk registers, controls, evidence, incidents and corrective actions.
Internal and statutory assurance	Test controls and reporting; communicate findings and follow-up actions.

Risk Management *Cont'd...*

Principal risks and response

Risk	Why it matters now	Core mitigation
Dormancy and pipeline conversion	Historic credentials may not produce near-term awards; low scale can erode capability.	Focused pipeline; current eligibility mapping; critical-capability retention; cost discipline.
Bid and contract risk	Aggressive terms can create losses, guarantees or unlimited liability before mobilisation.	Formal bid/no-bid and contract approval; legal/commercial review; caps, milestones, change control and termination rights.
Project execution	Large multi-location or EPC scopes can exceed current organisational capacity.	Phased mobilisation; PMO; baseline plan; quality, safety and cyber controls; earned-milestone reporting.
Partner and consortium risk	VLEG may depend on others for technical capability, licences, assets or delivery.	Financial/technical diligence; clear workshare; back-to-back obligations; security, audit and step-in rights.
Working capital and guarantees	Government and EPC projects may require upfront funding and slow certification.	Project cash-flow cases; exposure limits; milestone billing; collection governance; guarantee register.
Receivables and credit loss	Recoverability involves judgement; ECL was a key audit matter.	Counterparty assessment; ageing and dispute tracking; evidence for milestones; conservative provisioning.
Technology and obsolescence	Legacy credentials may not meet cloud, API, GIS, AI or security requirements.	Architecture review; specialist hires/ partners; reusable current solutions; training and assurance.
Cybersecurity and data privacy	Public datasets can be sensitive and incidents can damage citizens, clients and eligibility.	Security-by-design; access controls; encryption; monitoring; incident response; partner and retention controls.
Regulatory and litigation	Public procurement, listing, tax, defence, environmental and labour obligations are complex; GST litigation is a key audit matter.	Compliance register; specialist review; documentation; provisioning/disclosure; timely remediation.
Transaction and investment	Proposed acquisitions or stakes can introduce valuation, IP, control and integration risk.	Independent diligence; conditions precedent; rights analysis; valuation/ downside case; post-close governance plan.
Reputation and disclosure	Overstating MoUs, target capabilities or market size can impair trust.	Evidence-based communication, legal and secretarial review, clear disclosure and prompt correction.
People and key-person risk	A small rebuilding organisation can depend heavily on a few leaders or specialists.	Succession and delegation; role documentation; retention; cross-training; hiring linked to awarded work.
Health, safety and environment	New field, electrical or construction activity may create unfamiliar exposure.	Bid-stage HSE assessment; competent partners; plans, training, audits, incident escalation and insurance.

Risk appetite principles

- VLEG progresses only opportunities with a defined strategic fit and evidence of eligibility.
- Partner credentials are used only with documented permission, diligence and enforceable delivery obligations.
- Material guarantees and working-capital commitments require an approved project cash-flow and downside case.
- Sensitive-data projects mobilise only after approval of security architecture, responsibilities and incident-response arrangements.
- Transaction-dependent capabilities are represented as owned only after legal completion and verification of rights.
- Project scale remains aligned with governance, people and control capacity.

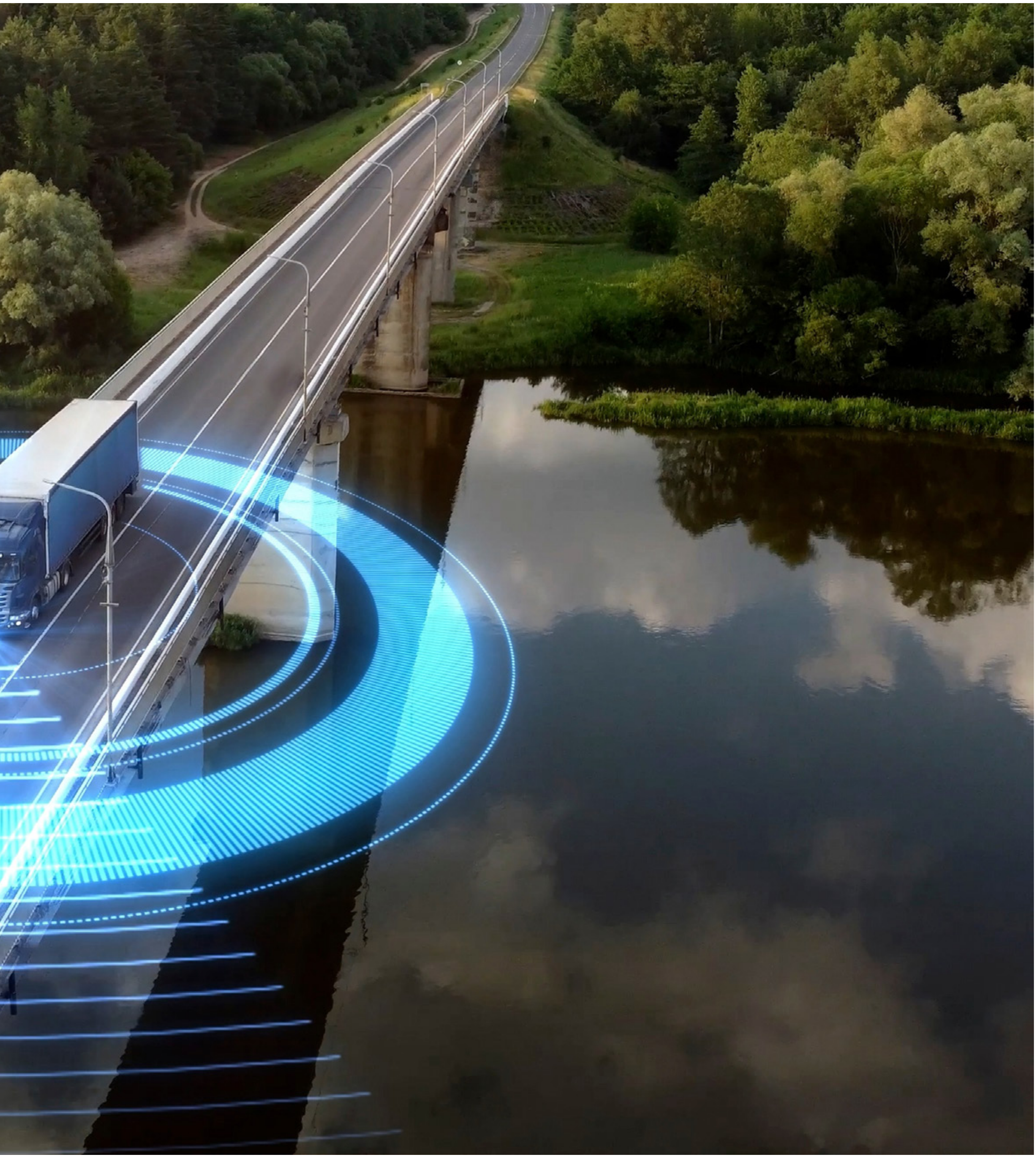
Risk monitoring

Indicator	Purpose
Qualified pipeline by stage	Separates addressable market, leads, bids, preferred bidder and executable awards.
Bid and guarantee exposure	Shows contingent commitments before revenue and cash arise.
Project milestone and margin trend	Identifies schedule, scope and cost deterioration early.
Receivables ageing and disputes	Focuses management on cash conversion and ECL evidence.
Partner exceptions	Tracks diligence gaps, SLA failures, audit findings and dependency concentration.
Cyber, privacy, safety and ethics incidents	Enables rapid escalation, containment and remediation.
Compliance and audit actions	Confirms ownership, due dates and closure of control gaps.
Liquidity and downside headroom	Tests the ability to withstand delays, claims or transaction costs.

FY2027 risk priorities

The immediate priorities are to formalise opportunity stage gates, maintain a single enterprise risk register, establish exposure limits for guarantees and partner dependence, refresh cybersecurity and data controls, and integrate risk reporting with the qualified pipeline and project cash-flow dashboard. Risk reporting remains aligned with the detailed statutory disclosures in the Management Discussion and Analysis.

Management Discussion & Analysis



Management Discussion & Analysis

Economic and Industry Environment

The global economy

The global economy entered a renewed period of disruption during the year under review. The conflict in the Middle East, which began at the end of February 2026, led to attacks on energy infrastructure and the near cessation of shipping through the Strait of Hormuz. This passageway had previously carried close to 35% of global seaborne crude oil trade. The interruption produced the largest oil supply loss on record in March 2026 and revived inflationary pressures that had been receding over the preceding two years.

Global growth is projected to slow to 2.5% in 2026 from 2.9% in 2025, the weakest rate since the COVID-19 pandemic. The deceleration is concentrated in advanced economies, in emerging markets dependent on imported energy, and in economies directly exposed to the conflict. Growth in advanced economies is forecast to ease to 1.5% from 1.8%, and growth in emerging market and developing economies to 3.6% from 4.4%. Activity is expected to firm over 2027–28 as energy supplies recover, monetary easing resumes and trade strengthens.

A disciplined reading of the year, the environment and the position.

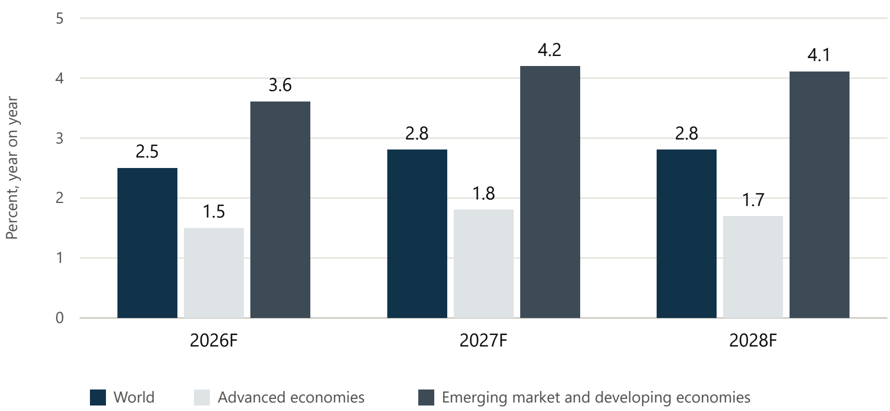
Commodity markets absorbed the most direct impact. The World Bank Group energy price index is projected to rise from 90.0 in 2025 to 119.6 in 2026, with Brent crude expected to average US$94 per barrel, up from US$69 in the preceding year, before moderating to US$76 per barrel in 2027. World trade volume growth is forecast to slow to 2.9% from 4.8%. Shortages extended to fertilisers and industrial chemical inputs, raising production costs across a wide range of activities.

Global headline inflation is projected to rise to 4% in 2026 before moderating to 3.1% in 2027, assuming energy supplies through the Strait of Hormuz resume from July 2026. Inflation in emerging market and developing economies is expected to average 5.1% in 2026, against 4.7% in the preceding year and the 4.1% anticipated before the conflict began.

Risks to the outlook are weighted to the downside. Renewed escalation of hostilities or more prolonged disruption to commodity flows could raise commodity prices further and trigger financial stress; should energy supply disruption prove more severe than assumed, global growth could fall to 1.3% in 2026. Persistent trade policy uncertainty and geopolitical strain present further material risks. Broader investment in and adoption of artificial intelligence remains the principal upside.

For a company whose customers are predominantly public institutions, fiscal capacity matters more than global demand. Higher energy costs, subsidy commitments and tighter financing conditions reduce the room governments have for discretionary programme expenditure, and procurement timetables lengthen accordingly.

Real GDP growth outlook, 2026 to 2028 (per cent, year on year)



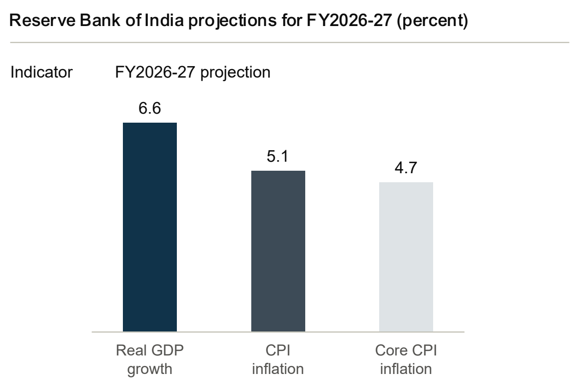
Source: World Bank, Global Economic Prospects, June 2026.

The Indian economy

India sustained its growth momentum through the year under review despite the deterioration in the external environment. According to the First Advance Estimates published by the National Statistics Office, real GDP is estimated to have grown by 7.4% in FY2025-26, with nominal GDP growth of 8%. The services sector remained the primary driver, expanding by 9.1%, while manufacturing and construction grew by 7% and agriculture by 3.1%.

Domestic demand supported this performance. Private final consumption expenditure is projected to have grown by 7%, accounting for 61.5% of GDP, the highest share since FY2011-12. Government final consumption expenditure rebounded to growth of 5.2% against 2.3% in the preceding year. Investment activity remained firm, with gross fixed capital formation rising by 7.8% and its share of GDP stable at approximately 30% for a third consecutive year. On the external account, the current account deficit narrowed to 0.8% of GDP in the first half of FY2025-26 from 1.3% a year earlier, and the economy recorded three sovereign rating upgrades during the year.

The Reserve Bank of India held the policy repo rate unchanged at 5.25% at its June 2026 meeting, retaining a neutral stance, with the standing deposit facility at 5.00% and the marginal standing facility and Bank Rate at 5.50%. Headline consumer price inflation stood at 3.4% in March 2026 and 3.5% in April, with core inflation unchanged at 3.7% through January to April and lower at 2.1 to 2.2% excluding precious metals. Input cost pressures were evident in a sharp increase in wholesale prices but had not at that stage passed through to retail inflation.



Source: Reserve Bank of India, Monetary Policy Statement, 2026-27, June 2026

Conditions after the year-end reflected the transmission of higher global energy costs. Retail fuel prices were raised cumulatively by 7.4% for petrol and 8.4% for diesel from May 2026, implying a direct impact of approximately 36 basis points on headline inflation before second-round effects. Retail inflation rose to 4.38% in June 2026 from 3.93% in May, remaining within the Reserve Bank's tolerance band of 2% to 6%, while wholesale price inflation increased to 9.87% from 9.68%. Producer prices are more sensitive to global commodity movements, which accounts for the divergence. Industrial activity nonetheless held up, with the revised Index of Core Industries recording growth of 5.0% year on year in June 2026, led by iron ore, electricity, cement and steel.

Public investment remains the most directly relevant feature of the fiscal position for a company serving government institutions. The Union Budget for FY2026-27 raised public capital expenditure to ₹12.22 lakh crore from the ₹11.2 lakh crore budgeted in the preceding year, with effective capital expenditure of the Union Government, including grants-in-aid to States for the creation of capital assets, estimated at ₹17.15 lakh crore, or 4.4% of GDP. The fiscal deficit is estimated at 4.3% of GDP for FY2026-27 against 4.4% in the revised estimates for FY2025-26, and central government debt is projected to ease to 55.6% of GDP from 56.1%.

These figures indicate that the funding base for technology-enabled public programmes continues to expand in absolute terms. However, fiscal consolidation constrains the rate of that expansion and higher subsidy commitments compete for the same resources. Demand for digital public infrastructure and records modernisation should therefore persist. Whether it converts into contracted work depends on procurement timing, eligibility and the terms on which mandates are awarded.

The global information technology industry

Gartner characterises 2026 as a year in which artificial intelligence has become a standing requirement of enterprise technology planning rather than a discretionary initiative. Its ten strategic technology trends for the year are grouped under three themes: the construction of secure and scalable platforms and infrastructure; the orchestration of specialised models, autonomous agents and physical systems into working applications; and the protection of security, trust and governance across all of them.

The third of these themes has the most direct bearing on how public-sector technology is procured and delivered. Pre-emptive cybersecurity moves defensive posture from response toward prevention. Digital provenance establishes the origin and integrity of software, data and machine-generated content, a requirement that applies with force to statutory records and title documents. Geopatriation involves relocating workloads to sovereign or regional cloud providers in response to geopolitical and regulatory pressure, a direction already consistent with the data residency conditions attaching to most government systems in India. Two further trends carry similar weight for regulated applications: domain-specific language models, which offer higher accuracy and easier compliance than general-purpose alternatives in specialised uses, and confidential computing, which protects data while it is being processed rather than only when stored or transmitted.

These directions are visible in how technology budgets are being allocated. Worldwide information technology spending is forecast to reach US$6.37 trillion in 2026, an increase of 14.2% over the US$5.58 trillion recorded in 2025. The rate of expansion accelerated from 10.7% growth in 2025, and Gartner revised its projection upward during the year to reflect greater confidence in the scale of the expansion.

Worldwide IT spending forecast by segment (US$ billion)

Segment	2025 spending	2026 spending	2026 growth (%)
Data centre systems	506	822	62.5
Devices	790	868	9.8
Software	1,271	1,468	15.5
IT services	1,492	1,570	5.3
Infrastructure as a service	222	287	29.3
Communications services	1,296	1,354	4.4
Overall IT	5,577	6,369	14.2

Source: Gartner, Inc., July 2026

The distribution of that growth matters more than its headline rate. Data centre systems and infrastructure as a service account for the largest share of incremental spending, reflecting investment in the compute capacity required to train and operate artificial intelligence models. Software spending is forecast to grow by 15.5%. Growth in IT services, at 5.3%, and in communications services, at 4.4%, is materially slower, and both trail the overall market. Gartner also cautions that the expansion is uneven, with technology budgets constrained by inflation, supply shortages, rising hardware and memory costs, competing demands from artificial intelligence funding programmes and shifting organisational priorities.

The Indian information technology and software industry

The question put to India's information technology sector during the year under review was whether it could survive artificial intelligence. From early February 2026, technology stocks fell sharply on concern that AI tools capable of automating legal, compliance and data processes would displace the labour-intensive model on which the industry was built. The Nifty IT index of the country's ten largest software companies declined by around 20% over the year to mid-March 2026.

The sector's reported performance did not follow the market's assessment. NASSCOM expects industry revenue to grow by 6.1% to US$315 billion in the financial year ended 31st March 2026, taking it past US$300 billion for the first time, and anticipates similar growth in the following year. The industry is expected to have added a net 135,000 jobs during the year, bringing total headcount to 5.95 million. Revenue attributable to artificial intelligence work at services firms is estimated at US$10 billion to US$12 billion. Srikanth Velamakanni, vice chairperson of NASSCOM, characterised the effect as follows: "AI is compressing traditional work but expanding other areas of work."

Analyst opinion remains divided on the medium term. Jefferies expects client engagements to shift structurally toward advisory and implementation work, with application managed services, which account for between 22% and 45% of revenues, facing significant price deflation; its adverse case assumes three percentage points of lower revenue growth over five years and flat revenue thereafter. JPMorgan Chase takes the contrary view that AI tools and IT services firms are more likely to form partnerships than to displace one another, since AI systems cannot match the degree of customisation enterprises require. HSBC argues that enterprise-grade software has been refined over decades to a standard of reliability that current AI systems cannot replicate, and that the private intellectual property involved is not available for training on public data. Infosys estimates that generative AI may displace 92 million roles while creating around 170 million new ones in data annotation and AI engineering.

Three changes are already visible regardless of which view proves correct. NASSCOM identifies 2025 as the point at which the industry moved from experimenting with AI to deploying it. Billing is shifting from hours worked toward outcome-based arrangements. Hiring has moderated, with net employee strength expected to rise by 2.3% in 2026. Separately, higher United States visa fees are estimated by Moody's Analytics to add between US$100 million and US$250 million to the operating costs of India's largest IT companies, equivalent to roughly 1% of their revenues. The sector accounts for approximately 80% of India's total services exports, which gives these shifts consequences beyond the industry itself.

Domestic technology spending presents a more settled picture. IT spending within India is forecast to reach US$176.3 billion in 2026, an increase of 10.6% over 2025, driven by investment in AI infrastructure and by data privacy and sovereign cloud requirements directing that capacity onshore.

India IT spending forecast by segment (US$ million)

Segment	2025 spending	2026 spending	2026 growth (%)
Data centre systems	7,788	9,385	20.5
Devices	60,443	66,442	9.9
Software	21,032	24,741	17.6
IT services	31,854	35,383	11.1
Communications services	38,348	40,414	5.4
Overall IT	159,465	176,365	10.6

Source: Gartner, Inc., November 2025. Figures measure IT spending by buyers within India, and are not comparable with industry revenue, which includes exports.

Where worldwide IT services spending is forecast to grow by 5.3%, the domestic figure is 11.1%, with double-digit growth expected to continue at an average of 12% to 14% over the following few years.

Mordor Intelligence, sizing the India IT services market on a different basis, values it at US$37.03 billion in 2025, growing to US$57.13 billion by 2030. Its analysis identifies government digital and smart-city programmes as a structural driver operating over a horizon beyond four years, and managed security services as the fastest-growing service type. Two of its findings bear directly on how work of the kind VLEG undertakes is awarded. Onshore delivery remains a requirement in government, defence and healthcare contracts calling for physical presence certifications. Compliance credentials in the form of ISO certification, SOC 2 attestation and sector-specific approvals have become a principal basis on which providers are distinguished when competing for regulated work.

For VLEG, the reading is that the domestic market is expanding considerably faster than the export-led industry, now under pressure from artificial intelligence, and that the parts growing quickest are tied to public-sector digitisation, data sovereignty and security. Access to that growth turns on qualification rather than on the size of the opportunity: certification, demonstrated onshore delivery capacity and the ability to retain scarce technical skills determine which providers are eligible to compete.

India's defence manufacturing sector

India's defence sector completed a twelve-year transition from importer to producer during the period under review. Indigenous production reached ₹1,78,000 crore in FY2025-26, a growth of 15.6% over the preceding year and an increase of 110% since FY2020-21. Defence public sector undertakings accounted for approximately 76% of that output and the private sector for 24%. Around 65% of defence equipment is now

produced domestically, against import dependence of 65% to 70% previously. Exports reached ₹38,424 crore in FY2025-26, supplied by 145 firms to more than 80 countries, against a target of ₹50,000 crore by 2029.

India's defence sector: scale and trajectory

Indicator	Base year	Latest
Defence budget	₹2.53 lakh crore (FY2013-14)	₹7.85 lakh crore (FY2026-27)
Capital expenditure	₹94,587.95 crore (FY2014-15)	₹2.19 lakh crore (FY2026-27)
Indigenous defence production	₹46,429 crore (FY2014-15)	₹1,78,000 crore (FY2025-26)
Defence exports	₹686 crore (FY2013-14)	₹38,424 crore (FY2025-26)
Defence industrial licences	258 (2015)	834 (March 2026)

Source: Press Information Bureau, Government of India, June 2026.

The industrial base supporting this comprises 16 defence public sector undertakings, around 500 licensed defence companies and close to 17,000 micro, small and medium enterprises. Procurement activity has followed: 193 contracts worth ₹2,09,050 crore were signed in FY2024-25, with contracts worth ₹1.82 lakh crore concluded in FY2025-26. Acceptances of Necessity granted by the Defence Acquisition Council during FY2026 are estimated at ₹3.3 lakh crore to ₹3.6 lakh crore, close to twice the annual capital outlay, and such approvals have historically converted into executable orders over two to four years.

Budgetary announcements for FY2026-27

The defence budget for FY2026-27 is set at ₹7.85 lakh crore, having risen from ₹2.53 lakh crore in FY2013-14. It represents approximately 15% of the Union Budget and around 2% of estimated GDP, an increase of roughly 15% over the budget estimates for the preceding year.

Three features of the allocation matter more than its size. Capital expenditure, the portion directed at acquiring and modernising military assets rather than sustaining existing ones, stands at ₹2.19 lakh crore, an increase of approximately 21.8% over the preceding year's budget estimates, raising capital spending to around 28% of total defence expenditure. Approximately 75% of the capital acquisition budget is reserved for procurement from domestic industry, which means higher allocations reach Indian suppliers rather than imports. Defence research and development allocation has increased to ₹29,100.25 crore in FY2026-27 from ₹13,716.14 crore in FY2014-15, a rise of over 112%, with 25% of the research budget opened to industry, startups and academia since FY2022-23.

The draft Defence Acquisition Procedure 2026 proposes simpler acquisition categories and indigenous content requirements of up to 60%. The Defence Procurement Manual 2025 streamlined revenue procurement of nearly ₹1 lakh crore through faster approvals and assured long-term orders.

Demand composition and participation

The composition of demand has shifted alongside its scale. Recent conflicts have shifted requirements away from standalone platforms toward integrated systems, with defence electronics, unmanned systems, precision munitions, and command, control, communications, computing, and intelligence networks now the principal areas of growth. Software and artificial intelligence feature as a distinct demand category tied to network-centric operations. This shift favours domestic suppliers, since electronics and systems integration offer greater scope for localisation than heavy platforms.

The two defence industrial corridors illustrate both the opportunity and the pace at which it converts. By April 2026, the Uttar Pradesh corridor had attracted investment commitments of ₹42,057 crore against grounded investment of ₹4,409 crore, and the Tamil Nadu corridor commitments of ₹32,699 crore against actual investment of ₹6,446 crore. Under the iDEX programme, 676 startups, MSMEs and innovators had been engaged by March 2026, with 551 design and development contracts signed.

The constraints on participation are equally documented. Execution involves long gestation periods, testing and certification requirements that can delay delivery, and working capital intensity that bears particularly on private participants. Partial dependence on imported subsystems remains a supply chain exposure. India is separately expected to spend approximately US$130 billion on fleet modernisation over five to seven years.

For VLEG, the fastest-growing categories of defence demand are electronics, software and systems integration rather than platform manufacture, and entry is governed by licensing, certification and demonstrated execution capacity. Corridor commitments set against investment grounded illustrate the distance between stated intent and delivered work.

Warehousing infrastructure in India

India's warehousing stock crossed 610 million square feet in 2025, with the eight Tier 1 cities holding 498 million square feet, or 82%, and fourteen emerging Tier 2+ cities the remaining 112 million square feet. Net absorption reached a record 67 million square feet, of which 55 million was in Tier 1 markets. Total stock is projected to reach 850 million square feet by 2030, an addition of 240 million square feet.

The composition of that stock has shifted toward higher specification. Grade A facilities now account for 53% of total stock, having grown at 20% compound annually since 2021, compared with 8% for Grade B, and institutionally backed assets represent 38% of Grade A stock. Grade A space accounted for around 80% of leasing volume during the year, indicating that occupiers are selecting for specification rather than availability.

Demand is split between storage at 74% and light manufacturing at 26%. Third-party logistics providers led storage absorption, followed by e-commerce, while light manufacturing demand came primarily from engineering and automotive suppliers. Tier 2+ markets gained ground during the year, with Lucknow and Kochi each crossing one million square feet of annual absorption as occupiers built more distributed supply chains.

The technology layer is where the sector is changing most quickly. Automation adoption is projected to rise from around 10% of warehouses in 2025 to close to 76% by 2030, with typical payback periods of two to three years. Automation imposes physical requirements that older facilities generally cannot meet, including clear heights above 10 to 12 metres, floor flatness to defined standards, wider column spacing and resilient power, data and network infrastructure. Transaction structures have diversified alongside, with built-to-suit leases and lease-to-own arrangements now sitting beside conventional ready-built leasing.

For VLEG, the observation is that warehousing has become a specification-led and capital-intensive asset class in which institutional developers set the standard, and that the growth is concentrated in facilities combining construction capability with warehouse management systems and automation. Participation requires either the capital to develop to that standard or a technology contribution that developers cannot supply themselves.

Company Overview and Business Verticals

VL e-Governance & IT Solutions Limited is a technology, systems-integration and project-execution company whose institutional experience has been built through large public programmes. Its work has connected policy intent with field delivery by establishing operating infrastructure, configuring applications and workflows, digitising and validating data, training distributed teams, supporting citizens and maintaining systems across extended project cycles.

The combination of technology capability and execution capability is the Company's foundation. It distinguishes VLEG from a conventional IT services provider and allows it to coordinate complex programmes without becoming a capital-intensive infrastructure owner. The portfolio remains directed at opportunities where technology, data and multi-location delivery are integral to the solution rather than incidental to it.

Core competencies

★ Programme and project management across multi-location assignments

★ High-volume data capture, digitisation, validation and records conversion

★ Application design, development, systems integration and managed operations

★ Field-force mobilisation, training, quality assurance and citizen facilitation

★ Technology and physical infrastructure deployment in distributed environments

★ Government and institutional stakeholder coordination

★ Business-process redesign for technology-enabled public services

1 Business verticals

Digital services and e-governance. The established core covers government-process digitisation, identity and citizen services, land and registration systems, systems integration, managed data services, and programme management with field execution. Land records and registration remain the area of deepest institutional experience, covering survey and record conversion, spatial data handling, registration workflow automation and the operating processes that sustain them after commissioning.

Infrastructure and EPC solutions.

Brings technology, specialist engineering partners and programme execution together across smart industrial and urban infrastructure, data and digital infrastructure, logistics and enabling infrastructure, and EPC programme management. VLEG's role is coordination and technology integration rather than construction self-performance.

The most significant pivot is in the infrastructure space.

VLEG, 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 anchor tenants, 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.

Renewable energy and EV-charging infrastructure.

Covers solar project implementation and EV-charging infrastructure. Participation depends on engineering and EPC partners for capabilities the Company does not hold internally.

Defence Aviation, Aerospace, and Satellite projects.

VLEG 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.

Opportunities and Threats

Opportunities

The domestic technology market is growing considerably faster than the global one. IT services spending within India is forecast to grow by 11.1% in 2026 against 5.3% worldwide, with double-digit growth expected to continue. The categories expanding quickest are those tied to public-sector digitisation, data sovereignty and security, which are the areas in which VLEG's institutional experience is most directly relevant.

Public capital expenditure continues to expand in absolute terms. The Union Budget for FY2026-27 raised public capital expenditure to ₹12.2 lakh crore, with effective capital expenditure of ₹17.15 lakh crore. Land records modernisation, registration systems and citizen service delivery remain funded programme areas.

Demand is shifting toward attributes the Company can supply. Digital provenance, sovereign data residency and pre-emptive security are becoming procurement requirements rather than differentiators. Records authenticity and controlled data handling are intrinsic to the work VLEG has performed.

Adjacent sectors are opening at the systems-integration end. In defence, the fastest-growing demand categories are electronics, software, and command-and-control networks rather than platform manufacture. In warehousing, growth is concentrated in facilities combining construction with warehouse management systems and automation. Both favour a technology contribution over capital ownership.

The balance sheet carries no debt. Total borrowings were Nil at 31st March, 2026 and throughout the year. This preserves the capacity to fund mobilisation and guarantees selectively without refinancing pressure.

Threats

Credentials do not confer eligibility. Technical and financial qualification criteria are assessed on current capability, recent references and certification. A period of low activity weakens all three, and historic completion evidence does not by itself satisfy a tender.

Competitive intensity. The India IT services market is characterised by moderate to high competition, with a small number of large providers holding substantial revenue share. In solar EPC and warehousing, institutional developers and established contractors set the price and specification standard.

Working capital and guarantee intensity. Government and EPC contracts commonly require mobilisation funding, performance guarantees and certification before payment. A single large award can absorb a disproportionate share of the Company's resources.

Technology obsolescence. Cloud architecture, API-led integration, geospatial systems, artificial intelligence and contemporary security requirements have moved beyond the technology base on which legacy credentials were earned.

Dependence on partners for capability not held internally. Engineering, OEM, geospatial, construction, renewable and defence capability is accessed through partners. Partner failure, withdrawal or underperformance transfers directly to VLEG where it carries customer liability.

Fiscal and procurement timing. Fiscal consolidation constrains the rate at which programme expenditure grows, and higher subsidy commitments compete for the same resources. Procurement timetables lengthen accordingly, and the interval between an approval and an executable order can extend across several years.

Scale. The Company's current revenue base is small relative to the contracts it aspires to execute. Organisational capacity, systems and controls must be rebuilt in step with the pipeline rather than after it.

Financial Performance

Results for the year

Statement of profit and loss, FY2026 against FY2025 (₹ in lakh)

Particulars	FY2026	FY2025	Change
Revenue from operations	1,715.43	3,068.86	(44.10)%
Other income	50.58	169.93	(70.24)%
Total income	1,766.01	3,238.79	(45.47)%
Purchase of stock in trade and other operating expenditure	1,615.43	2,568.65	(37.11)%
Employee benefits expense	134.22	275.24	(51.24)%
Finance costs	–	–	–
Depreciation and amortisation	13.57	3.84	253.39%
Other expenses	113.03	251.01	(54.97)%
Total expenses	1,876.25	3,098.74	(39.45)%
EBITDA	(96.66)	143.89	–
Profit before tax and exceptional items	(110.24)	140.05	–
Exceptional item	–	2,51,841.28	–

Particulars	FY2026	FY2025	Change
Profit before tax	(110.24)	(2,51,701.23)	—
Tax expense	2.83	2.02	40.10%
Loss for the year	(113.07)	(2,51,703.25)	—
Earnings per share, basic (₹)	(0.10)	(236.42)	—

Operational context

Revenue from operations declined by 44.10% to ₹1,715.43 lakh. FY2026 was a year in which the Company was re-establishing its qualification base rather than executing at scale. No new large programme was under execution during the year, and revenue arose entirely from the digital services and e-governance vertical.

Employee benefits expense fell by 51.24% and other expenses by 54.97%, reflecting the reduced scale of activity and cost discipline maintained through the year. Depreciation rose to ₹13.57 lakh from ₹3.84 lakh, reflecting a full year of charge on assets acquired during the preceding year. Finance costs were nil in both years.

EBITDA was negative at ₹(96.66) lakh against ₹143.89 lakh, and the loss before tax and exceptional items was ₹(110.24) lakh against a profit of ₹140.05 lakh. The Company therefore moved from marginal profitability at the pre-tax operating level to a modest operating loss.

The headline movement in loss after tax requires care in interpretation. The FY2025 comparative includes an exceptional item of ₹2,51,841.28 lakh, being a provision towards expected credit losses on financial assets recognised under Ind AS 109 in respect of balances inherited by the Company. No exceptional item arose in FY2026. Excluding that item, the FY2025 result was a profit after tax of ₹138.03 lakh, against a loss after tax of ₹113.07 lakh in FY2026. Comparisons of loss after tax between the two years are not meaningful unless the exceptional item is isolated.

Summary statement of assets and liabilities (₹ in lakh)

Particulars	31st March, 2026	31st March, 2025
Total non-current assets	4,238.20	238.04
Total current assets	481.62	4,610.28
Total assets	4,719.82	4,848.32
Equity share capital	10,845.13	10,845.13
Other equity	(6,388.52)	(6,275.48)
Total equity	4,456.61	4,569.66
Borrowings	—	—
Total liabilities	263.21	278.66

Source: Audited statement of assets and liabilities as of 31st March 2026.

Net worth stood at ₹4,456.61 lakh against ₹4,569.66 lakh, the reduction being the loss for the year. The Company had no borrowings at either date and incurred no finance costs during either year. Total liabilities of ₹263.21 lakh represent 5.58% of total assets.

The composition of assets changed during the year primarily due to the utilisation of ₹4,000.00 lakh from bank balances, other than cash and cash equivalents, in connection with the project. Accordingly, the amount was classified as a non-current financial asset under "Other Financial Assets". As a result, while the total assets remained substantially unchanged, the mix between current and non-current assets changed materially. The resulting impact on the current ratio is discussed in the following section.

Cash flows

Net cash generated from operating activities was ₹32.00 lakh against a net outflow of ₹6,109.52 lakh in FY2025. Investing activities generated ₹22.22 lakh against an outflow of ₹68.42 lakh. No cash was generated from or applied to financing activities during FY2026, against ₹6,322.19 lakh generated in FY2025. Cash and cash equivalents increased by ₹54.22 lakh to ₹203.82 lakh.

A year of limited execution is visible in the revenue and margin lines, while a debt-free balance sheet, stable net worth and an unchanged asset base leave the Company's financial position intact.

Key Financial Ratios and Return on Net Worth

Key financial ratios, FY2026 against FY2025

Ratio	FY2026	FY2025	Change	Rationale for change of 25% or more
Current ratio	1.86	16.66	(88.84)%	Reclassification of balances from current bank balances to non-current other financial assets
Debt-equity ratio	–	–	–	No borrowings in either year
Return on equity	(2.51)%	(201.84)%	198.72 pp	FY2025 reflects the exceptional provision for expected credit losses
Trade receivables turnover	1.72	–	100%	Receivables arose during FY2026 where the FY2025 closing balance was nil
Trade payables turnover	397.89	3.37	–	Substantial reduction in trade payable due to payment made during FY2026.
Net capital turnover	0.75	0.02	2919.75%	Reduction in working capital following the reclassification described above
Return on capital employed	(2.44) %	(201.84) %	199.40 pp	As for return on equity, there were no borrowings in either year
Inventory turnover	N.A.	N.A.	–	The Company holds no inventory.
Interest coverage ratio	N.A.	N.A.	–	No borrowings and no finance costs in either year
Operating profit margin	(6.43) %	4.56%	(10.99) pp	Reduced activity levels with a substantially fixed cost base
Net profit margin	(6.59) %	(8,201.87) %	(99.92)%	FY2025 reflects the exceptional provision; the FY2025 margin before that item was 4.50%

Return on net worth

Return on equity for FY2026 was (2.51) % against (201.84) % for FY2025, an improvement of 198.72 percentage points. The movement is attributable almost entirely to the absence of any exceptional item in FY2026. The FY2025 figure reflects the provision towards expected credit losses recognised in that year, which reduced net worth from a substantially higher opening position. The FY2026 return reflects the operating loss of ₹113.07 lakh measured against an average net worth of ₹4,513.14 lakh. It is therefore a measure of ordinary operating performance rather than of a one-off charge.

Risks, Concerns and Internal Control Systems

Risk governance

Level	Primary responsibility
Board of Directors	Approve strategy, risk appetite and material commitments; oversee management.
Risk Management Committee	Review the framework, principal risks, emerging exposures, mitigation and risk limits.
Audit Committee	Oversee financial reporting, internal controls, audit, related party matters and the whistleblower mechanism.
Management	Own risks, implement controls, escalate exceptions and report completely and promptly.
Project and functional owners	Maintain risk registers, controls, evidence, incidents and corrective actions.
Internal and statutory assurance	Test controls and reporting; communicate findings and follow-up actions.

Risk management is integrated with planning, execution and reporting. For a company at VLEG's current scale, the point of greatest exposure is the decision to commit rather than the management of work in progress. A single large project, guarantee, consortium agreement or acquisition can create disproportionate exposure. Opportunity, contract and capital gates therefore carry the same weight as project-level monitoring.

Principal risks and concerns

Principal risks, their significance and mitigation

Risk	Why it matters	Mitigation
Pipeline conversion	Historic credentials may not produce near-term awards, and prolonged low activity erodes capability.	Focused pipeline; current eligibility mapping; retention of critical capability; cost discipline
Bid and contract risk	Aggressive terms can create losses, guarantees or uncapped liability before mobilisation.	Formal bid and no-bid approval; legal and commercial review; liability caps, milestones, change control and termination rights
Project execution	Large multi-location or EPC scopes can exceed current organisational capacity.	Phased mobilisation; project management office; baseline planning; quality, safety and cyber controls; earned-milestone reporting
Partner and consortium dependency	The Company depends on others for technical capability, licences, assets and delivery.	Financial and technical diligence; defined workshare; back-to-back obligations; security, audit and step-in rights
Working capital and guarantees	Government and EPC contracts require upfront funding and involve slow certification.	Project cash-flow cases; exposure limits; milestone billing; collection governance; guarantee register
Technology obsolescence	Legacy credentials may not meet cloud, API, geospatial, artificial intelligence or security requirements.	Architecture review; specialist hiring and partnerships; reusable current solutions; training and assurance
Cybersecurity and data privacy	Public datasets are sensitive, and incidents damage citizens, clients and future eligibility.	Security by design; access controls; encryption; monitoring; incident response; partner and retention controls
Regulatory and compliance	Public procurement, listing, tax, defence, environmental and labour obligations are complex and change frequently.	Compliance register; specialist review; documentation; provisioning and disclosure; timely remediation

Risk appetite

The Company progresses only opportunities with a defined strategic fit and evidence of eligibility. Partner credentials are used only with documented permission, diligence and enforceable delivery obligations. Material guarantees and working capital commitments require an approved project cash flow and downside case. Projects involving sensitive data mobilise only after approval of security architecture, responsibilities and incident-response arrangements. Capability dependent on a proposed transaction is represented as owned only after legal completion and verification of rights. Project scale remains aligned with governance, people and control capacity.

Internal control systems and their adequacy

The Company maintains internal control systems designed to be commensurate with the nature, size and complexity of its business. These systems are directed at safeguarding assets, preventing and detecting fraud and error, ensuring the accuracy and completeness of accounting records, and supporting the timely preparation of reliable financial information.

The framework includes documented delegation of authority, maker and checker approvals, procurement trails, segregation of duties across initiation, approval and recording, periodic reconciliation of balances, and controls over access to financial systems.

During FY2026, the Company appointed K J Kabra & Associates, Chartered Accountants, Mumbai as Internal Auditor and Kalpana Srinivasan, Company Secretary, Navi Mumbai as Secretarial Auditor. M/s B K G & Associates, Chartered Accountants, Mumbai, continued as Statutory Auditor and have issued an unmodified opinion on the audited standalone financial results for the quarter and year ended 31st March 2026.

Internal audit observations, together with management responses and the status of remedial action, are placed before the Audit Committee. The Audit Committee reviews the adequacy of the internal control systems, the scope and findings of internal audit, and the effectiveness of the whistleblower mechanism. The Company maintains a vigil mechanism and Whistleblower Policy under which employees and other stakeholders may report suspected violations, fraud or breaches of the Code of Conduct, with access available to the Chairman of the Audit Committee and with confidentiality and non-retaliation safeguards.

The Board thinks that the internal control systems in place are adequate for the current scale of operations. As activity levels rise, the control framework will be extended to cover project accounting, milestone certification, subcontractor and partner management, site and field controls, and data security obligations attaching to specific contracts.

Human Resources

The Company maintained a lean human resource structure with 7 permanent employees as of 31 March 2026. Employee benefits expense declined significantly to ₹134.22 lakh in FY2026 from ₹275.24 lakh in FY2025, reflecting a reduction of approximately 51.2% during the year.

FY2026 included the formation of a new leadership team to align strategy, internal processes and the roadmap for the next phase. The Board brings diverse experience across technology, defence, aerospace, infrastructure and governance, while the management team comprises the Managing Director, Chief Financial Officer, and Company Secretary and Compliance Officer. Overall, the Company's human resource strategy reflects a lean workforce supported by strengthened leadership and governance capabilities, with an emphasis on organisational efficiency and strategic execution.

Capability planning

Workforce planning follows the qualified pipeline rather than preceding it. Hiring is linked to awarded work, which limits the risk of building a cost base ahead of revenue. The capabilities identified as priorities for the next phase are bid management, solution architecture, geographic information systems and land systems, data engineering, cybersecurity, programme controls, commercial management, quality assurance and partner oversight.

For an organisation of the Company's current size, dependence on a small number of leaders and specialists is itself a material exposure. The Company addresses this through succession planning and delegation, documentation of roles, cross-training and retention of individuals holding critical capability.

Workplace practices

Workplace practices and operating approach

Level	Primary responsibility
Employment	Documented terms, lawful wages and benefits, working-time controls and non-discrimination
Learning	Induction, code of conduct and cybersecurity training, with role-specific technical, safety and project training
Inclusion	Governance under the Sexual Harassment of Women at Workplace Act, maternity benefits and accessible reporting channels
Well-being	Health and safety risk assessment proportionate to office, travel, site and field work
Contract workforce	Partner due diligence, contractual labour standards, attendance and payment records, and grievance routes

The Company has complied with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Maternity Benefit Act, 1961. Industrial relations remained cordial throughout the year, and there were no material developments in human resources or industrial relations during FY2026.

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 standardsand 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.

Sustainability and Responsible Business

The Company's approach to responsible business reflects its actual risk profile rather than a generalised commitment. During a year of low activity, the immediate responsibilities were governance, statutory compliance, employee safeguards, financial reporting and efficient use of office and information technology resources. As project activity grows, the agenda extends to data protection, cybersecurity, field-worker conditions, contractor safety, community interfaces, procurement integrity and project environmental impacts.

The Company reports progress only where it has systems and evidence to support the claim. Policies provide a foundation, but responsible performance is demonstrated through due diligence, training, incident management, audit action, grievance resolution and transparent disclosure.

Ethics and governance. The Code of Conduct and anti-fraud expectations apply to employees, partners, vendors and field agencies. Conflict of interest and related-party checks form part of opportunity and partner approval. Procurement trails, delegation controls and maker-checker approvals support accountability. Concerns, investigations, remediation and closure are tracked with confidentiality and non-retaliation safeguards.

Data responsibility. E-governance work can involve authoritative personal, demographic, biometric, land and welfare records, which makes data responsibility central to the Company's licence to operate. Project design applies data minimisation, purpose limitation, role-based access, encryption, secure development, logging, vulnerability management, incident response, retention and deletion controls, and auditable partner obligations. Legacy project experience is not by itself evidence of current cybersecurity maturity. Before bidding for data-sensitive work, the Company documents the applicable legal and customer requirements, assesses its controls and obtains any certification or independent assurance the tender or risk profile requires.

Environment and resource use. Operations during FY2026 were not energy intensive. The Company used efficient computers, information technology assets and other equipment to reduce energy consumption. The near-term agenda is to record electricity use, manage electronic waste through authorised channels, reduce avoidable printing and include environmental criteria in equipment and vendor selection. Historical digitisation work illustrates how digital records reduce physical handling and paper dependence, with environmental benefits assessed based on measured and directly attributable outcomes. For infrastructure-linked projects, environmental and social screening is embedded at the opportunity stage, covering permits, land and community interfaces, water and energy use, construction waste, hazardous materials, electronic waste, climate resilience and restoration obligations.

Responsible procurement. Partner assessment covers technical competence, financial standing, litigation, sanctions, licences, safety performance and beneficial ownership. Contracts define scope, service levels, data, intellectual property, confidentiality, ethics, labour, safety, environment, audit and termination obligations. The Company retains practical control over delivery wherever it carries customer liability, and legitimate vendor dues are paid according to agreed terms.

Outlook and Cautionary Statement

Outlook

The Company does not require a broad diversification narrative. It requires a conversion plan. Historic credentials create the strongest starting position in digital governance and large field programmes, and the strategy is to rebuild contemporary capability around that core before using partnerships to enter adjacent areas where the Company has a defined and defensible role.

A disciplined roadmap matters particularly after a low-activity year. Organisational capacity, current references, working capital and partner reliability must be rebuilt alongside the pipeline. The Company therefore approaches the next phase in three stages: stabilise and qualify, by confirming leadership accountabilities, refreshing credentials, building opportunity filters and tightening risk and bid approvals; win and mobilise, by submitting focused bids, closing only bankable partner structures and establishing project management offices and cash controls; and scale repeatably, by standardising delivery, deepening references and committing capital selectively.

Capital is allocated in a defined order. Statutory, governance, talent and technology readiness have the first call. Bid and solution capability in the established core follows. Awarded projects with visible milestone-based cash flows receive the next allocation. Partnerships and transactions receive capital only after diligence and review of risk-adjusted returns. Liquidity is preserved for contingencies, and project economics remain the basis for every commitment.

Progress will be recognised as opportunities pass through qualification, award, mobilisation, delivery and cash collection. The Company does not treat a memorandum of understanding as a contract, an award as cash, or a stated intention as a capability. Growth will be reported when it has been earned in these terms, and the external environment described earlier in this report, in which demand for digital public infrastructure remains intact while the fiscal capacity to procure it is under near-term pressure, means that timing is likely to remain the principal variable.

Cautionary statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute forward-looking statements within the meaning of applicable securities laws and regulations. These statements are based on assumptions and expectations of future events that management believes to be reasonable as at the date of this report. Actual results could differ materially from those expressed or implied.

Important factors that could cause a difference include economic conditions in India and overseas, changes in government policy, taxation and public procurement practice, the timing and scale of government programme expenditure, the Company's ability to qualify for and secure contracts, the performance of partners and consortium members, availability of skilled personnel, technology change, litigation and other incidental factors. The Company undertakes no obligation to update or revise any forward-looking statement based on subsequent developments, information or events.


Statutory
Reports

Directors Report

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

Dear Shareholders,

Your directors are pleased to present the 10th Annual Report on the affairs of the Company together with the financial statement for the year ended 31st March, 2026.

1. PERFORMANCE OF THE COMPANY

The Company's performance is summarized below:

Financial Results

The Financial Performance of the Company for the year ended 31st March, 2026 is summarized below:

(₹ in lakhs)

Particulars	Year Ended 31st March, 2026	Year Ended 31st March, 2025
Total Income	**1,766.01**	**3,238.79**
Profit (Loss) before Interest, Depreciation, Exceptional items and Tax	(96.67)	143.89
Less- Depreciation	13.57	3.84
Interest Cost	-	-
Exceptional Items	-	2,51,841.28
Profit Before Taxes	(110.24)	(2,51,701.23)
Less – Current Tax	-	-
Less – Deferred tax	2.83	2.02
Profit After Taxes	(113.07)	(2,51,703.25)
Other Comprehensive Income/(Loss) net of tax	-	-
Total Comprehensive Income for the year	**(113.07)**	**(2,51,703.25)**
Earnings Per Share		
Basic	(0.10)	(236.42)
Diluted	(0.10)	(215.25)

Performance

The revenues from operations for the FY 2025-26 stands at ₹ 1,715.43 Lakhs as compared to ₹ 3,068.86 Lakhs in previous year. Profit/ Loss before interest, depreciation, taxation, exceptional item and amortization stood at a loss of ₹ 96.67/- Lakhs as compared to profit of ₹ 143.89 Lakhs in previous year. The Profit/ Loss after Tax for the year under review stood at a loss of ₹ 113.07/- lakhs as compared to loss of ₹ 2,51,703.25 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 in the year 2023-24, 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 18th March, 2016. Subsequently, the name of our company was changed to VL E-Governance & IT Solutions Limited w.e.f. 1st November, 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 2025-26 the company strengthened its 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 Digital India Land Records Modernization Programme (DILRMP), 'PM e-Drive EV Charging Station Operator (CPO)' and 'Solar Power Project' under company's vision to foray into renewable energy and infrastructure development, the Company is evaluating these areas and planning to participate in the same.

Outlook

The Company foresees a period of sustained growth and transformation, driven by its strategic initiatives and partnerships. During the year, the Company entered into a strategic understanding with Ekansh Concepts Limited, laying the foundation for its role as an EPC Partner in the Sankalp Industrial Smart City Project. This association positions VL E Governance for future expansion in industrial and smart city infrastructure.

This collaboration is expected to unlock multiple avenues of expansion:

- **Smart City Development:** The Sankalp Industrial Smart City Project provides a platform for the Company to participate in large scale infrastructure development, integrating governance expertise with project execution capabilities.

- **Diversified Revenue Streams:** Long term EPC contracts and industrial projects will reduce dependence on traditional e-governance assignments, ensuring a balanced portfolio of business opportunities.

- **Innovation & Technology Integration:** The partnership with Ekansh will enable adoption of advanced project management tools, digital compliance frameworks, and smart governance solutions, strengthening operational efficiency.

- **Stakeholder Value Creation:** By aligning with national priorities on industrial growth and smart infrastructure, the Company aims to deliver enhanced returns to shareholders while contributing to sustainable development.

Looking ahead, the Company remains committed to building a resilient business model anchored on innovation, compliance excellence, and strategic partnerships. The association with Ekansh is expected to be a cornerstone of future growth, enabling VL E-Governance to expand its footprint in industrial infrastructure while reinforcing its reputation as a trusted partner in governance and project execution.

3. DIVIDEND

Your Director's do not recommend a dividend on the equity shares for the Financial Year ended 31st March, 2026.

4. SHARE CAPITAL

i. Authorized Capital

During the year under review, there was no change in the authorised capital of the Company. Your Company has neither issued any shares with differential rights as to dividends, voting or otherwise nor issued any sweat equity shares during the year under review.

ii. Issue of equity shares with differential rights

Your Company does not have any equity shares with differential rights and hence no disclosures is required to be given under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014.

iii. Issue of sweat equity shares

During the year under review, your Company has not issued any sweat equity share and hence no disclosures is required to be given under Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014.

iv. Listing with the stock exchanges

Your Company's equity shares are listed on the BSE Limited ("BSE") (Scrip Code - 543958) and the National Stock Exchange of India Limited ("NSE") (Symbol - VLEGOV) (hereinafter collectively referred to as "Stock Exchanges").

5. REGISTERED OFFICE

There was no change in the Registered Office of the Company during the Financial Year under review. The present address of the Registered Office is as follows:

Vakrangee Corporate House, Plot No.93, Road No.16, M.I.D.C. Marol, Andheri East, Mumbai City, Mumbai, Maharashtra, India, 400093.

6. CORPORATE GOVERNANCE REPORT AND CERTIFICATE

The Corporate Governance Report and the certificate on Corporate Governance received from the Secretarial Auditor of the Company for the Financial Year 2025-26, forms a part of this Annual Report as required under Regulation 34 read with Schedule V(C) of the Listing Regulations.

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Discussion and Analysis Report of the Company for the Financial Year 2025-26 forms a part of this Annual Report as required under the Act, and Regulation 34(2)(e) read with Schedule V of the Listing Regulations.

8. Transfer to reserves

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

9. CHANGE IN NATURE OF BUSINESS ACTIVITIES

During the year under review, there has been no change in the nature of the business of the Company.

10. ALTERATION OF ARTICLES OF ASSOCIATION

There was no alteration of Articles of Association ("AOA") during the Financial Year 2025-26.

11. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The company does not have any subsidiary, associate and Joint Venture as on 31st March, 2026.

12. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this report.

13. BOARD OF DIRECTORS

A. Retire by rotation

In terms of Section 152 of the Companies Act, 2013, Mr. Sanjay Nandwana (DIN: 03565954) would retire by rotation at the forthcoming Annual General Meeting ("AGM") and being eligible for re-appointment has offered himself for re-appointment till the next Annual General Meeting. Your Director's have recommended his appointment for the approval of the shareholders, in the ensuing Annual General Meeting of your Company.

B. Number of Meetings of the Board

The Board met 4 (Four) times during the Financial Year 2025-26, the details of which are given in the Corporate Governance Report forming part of the Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Act and the Listing Regulations.

C. Board Evaluation

Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of the Board, its committees and the directors. In compliance with Sections 134, 178 and Para II, V and VIII of Schedule IV of the Act and Regulation 17 of Para A of Part D of Schedule II of the Listing Regulations, the Board of Directors, as per the process recommended by the Nomination and Remuneration Committee, has evaluated the effectiveness of the Board, its Committees and Directors. The evaluation process invited responses to a structured questionnaire, which was largely in line with the SEBI Guidance Note on Board Evaluation, for each aspect of the evaluation.

All the results were satisfactory.

D. Mode of evaluation

Board assessment is conducted through a structured questionnaire. All the Directors participated in the evaluation process. Further, a separate meeting of the Independent Directors was conducted to review the performance of the Board as a whole and that of Non-Independent Directors.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5th January, 2017.

The evaluation results were discussed at the meeting of Board of Directors, Committees and the Independent Directors meeting. The Directors were satisfied with the overall corporate governance standards, Board performance and effectiveness.

E. Declaration by Directors

The Independent Directors of the Company have submitted declaration of Independence, as required pursuant to Section 149(6) of the Act, and provisions of the Listing Regulations, stating that they have met the criteria of independence as provided therein.

The Board is of the opinion that all the Independent Directors possess integrity, have relevant expertise, experience and fulfil the conditions specified under the Act, and the Listing Regulations.

All the Directors of the Company have confirmed that they are not disqualified to act as Director in terms of Section 164 of the Act.

The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same.

F. Familiarization Programme for Independent Directors

The familiarization programme is to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes and about the overall functioning and performance of the Company.

The Independent Directors have complete access to the information within the Company. As a part of Agenda of Board/Committee Meetings, presentations are regularly made to the Independent Directors. The detailed discussions and presentations on the sales, marketing, credit and operations of the Company, business plans, financials, risks and mitigation plans, compliances, major litigation, regulatory scenario etc. are facilitated by the Company's senior management. It remains the constant endeavour of the Company to continually update its Directors on the various developments, facilitate interaction with various functional and department heads of the Company and external experts.

The policy and details of familiarization programme is available on the website of the Company at www.vlegovernance.in/policies-and-disclosure.html

G. Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Act:

(a) in the preparation of the Annual Financial Statements for the Financial Year ended 31st March, 2026, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(b) such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2026 and of the profit of the Company for the Financial Year ended on that date;

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Annual Financial Statements have been prepared on a going concern basis;

(e) that proper Internal Financial Controls were in place and that the financial controls were adequate and were operating effectively;

(f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

14. BOARD COMMITTEES

In order to strengthen functioning of the Board, the Board of Directors have constituted following Committees as per the requirement of the Act and the Listing Regulations:

(i) Audit Committee

(ii) Nomination and Remuneration Committee

(iii) Stakeholder's Relationship Committee

(iv) Risk Management Committee

Details of the Committees along with their terms of references, composition and meetings held during the Financial Year under review are provided in the Corporate Governance Report section which forms a part of this Annual Report.

15. KEY MANAGERIAL PERSONNELS

In terms of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Mr. Sanjay Nandwana, Managing Director, Mr. Pradeep Somani, Chief Financial Officer and Mr. Parth Solanki, Company Secretary & Compliance Officer.

During the under review, below were the changes in the Key Managerial Personnel of the Company:

1. Mr. Nilesh Wadode, resigned as the Company Secretary & Compliance Officer of the Company w.e.f. close of business hours of 4th August, 2025.

2. Mr. Parth Solanki, appointed as the Company Secretary & Compliance Officer of the Company w.e.f. 31st October, 2025.

16. POLICIES

The Board of Directors of your Company, from time to time have framed and revised various Polices as per the applicable Acts, Rules, Regulations and Standards for better governance and administration of the Company. The Policies are made available on the website of the Company at www.vlegovernance.in/policies-and-disclosure.html. The policies are reviewed periodically by the Board and updated based on need and requirements.

17. WHISTLE BLOWER POLICY AND VIGIL MECHANISM 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 www.vlegovernance.in/policies-and-disclosure.html

18. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility ("CSR") policy of the Company and the initiatives undertaken by the Company on CSR activities during the Financial Year under review are set out as "Annexure - I" and forms a part of this Annual Report. For other details regarding the CSR Committee, refer to the Corporate Governance Report, which forms a part of this Annual Report. CSR Policy is available on the website of the Company at www.vlegovernance.in/policies-and-disclosure.html

19. NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration policy is available on the website of the Company at www.vlegovernance.in/policiesand-disclosure.html.. More details about the Nomination and Remuneration policy is provided in Corporate Governance Report.

20. AUDITORS

Statutory Auditors

Pursuant to Section 139 of the Act and the Rules made there under, the current Statutory Auditor of the Company M/s. B K G & Associates, Chartered Accountants (FRN: 114852W) have been appointed for a period of 5 (Five) years i.e., one term pursuant to Section 139 of the Companies Act, 2013 pursuant to the Members approval at the 7th (Seventh) AGM of the Company held in the Year 2023 till the conclusion of 12th (Twelfth) AGM of the Company to be held in the Year 2028 (for one term of five years), at a remuneration as may be mutually decided between the Board of Directors and the Auditors.

M/s. B K G & Associates have confirmed their eligibility to continue as the Statutory Auditors of the Company under Sections 139 and 141 of the Act and the applicable rules. Additionally, as required by the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Statutory Audit Report

During the Financial Year 2025-26 there was no fraud occurred, noticed and/or reported by the Statutory Auditors under Section 143(12) of the Act read with the Companies (Audit and Auditors) Rules, 2014 (as amended from time to time).

The observations made by the Statutory Auditor in their Audit Report read with the relevant notes thereof as stated in the Notes to the Audited Financial Statements of Company for the Financial Year ended 31st March, 2026 are self-explanatory and being devoid of any reservation(s), qualification(s) or adverse remark(s) etc. and hence, do not call for any further information(s)/explanation(s) or comments from the Board under Section 134(3)(f)(i) of the Act.

Secretarial Auditor

Pursuant to Section 204 of the Act and the Rules made there under and Regulation 24A of the Listing Regulations, on approval of the Members of the Company at their meeting held on 29th September, 2025, Ms. Kalpana Srinivasan, Company Secretary (Membership No.: 6105, CP No.: 19503), were appointed as Secretarial Auditors of the Company, to hold office for a term of 5 (Five) consecutive years, commencing from the Financial Year 2025-26 till Financial Year 2029-30.

Secretarial Audit Report

As required under provisions of Section 204 of the Act the report in respect of the Secretarial Audit carried out by Ms. Kalpana Srinivasan, Practicing Company Secretary (Membership No.: 6105, CP No.: 19503) in Form MR-3 for the F.Y. 2025-26 is annexed hereto marked as "Annexure-II" and forms part of this Report. There is no qualifications, reservations, observations or adverse remarks in the report issued by the Secretarial Auditor.

Further, pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Compliance Report for the Financial Year ended 31st March, 2026, issued by Ms. Kalpana Srinivasan, (Membership No.: 6105, CP No.: 19503), has been submitted with stock exchanges. There were no qualifications, reservations or adverse remarks in the said report.

Cost Auditor

Cost audit is not applicable to the company for the FY 2025-26 under Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

Internal Auditors

Pursuant to Section 138(1) of the Act read with the Companies (Accounts) Rules, 2014, your Company is required to appoint an internal auditor to conduct internal audit of the functions and activities of your Company.

Your Board of Directors based on the recommendation of the Audit Committee, had approved the appointment of M/s K J Kabra and Associates to conduct the internal audit of your Company for the Financial Year 2025-26.

21. RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROLS

Management of risk has always been an integral part of the Company's strategy and straddles its planning, execution and reporting processes and systems. Your Company continues to focus on a system-based approach to business risk management.

Our success as an organization depends on our ability to identify and leverage the opportunities while managing the risks. The Risk Management Committee is constituted to frame, implement and monitor the risk management plan of the Company. The Risk Management Committee of the Company has been entrusted by the Board with the responsibility of reviewing the risk management process in the Company and ensuring that the risks are brought within acceptable limits.

Our approach to risk management is to identify, evaluate risks and opportunities. This framework is intended to assist in decision making process that will minimise potential losses, improve the management in the phase of uncertainty and the approach to new opportunities, thereby helping the Company to achieve its objectives.

Details of risks & concerns associated with the Company has been provided under the Management Discussion and Analysis Report.

The Risk Management policy is available on the website of the Company at www.vlegovernance.in/policies-anddisclosure.html

The Company's internal control systems are tailored to the specific nature of its business, as well as the scale and intricacy of its operations. These systems undergo regular testing by both Statutory and Internal Auditors, encompassing all offices, factories, and pivotal business domains. The Company has implemented robust procedures to ensure the systematic and effective management of its operations, encompassing adherence to corporate policies, protection of assets, and the prevention and detection of fraudulent activities and errors.

22. PARTICULARS OF LOAN, GUARANTEE AND INVESTMENT

Details of Loan, Guarantee and Investment covered under the provisions of Section 186 of the Act are given in the Note No in the Financial Statements and forms a part of this Annual Report.

23. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTY

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 - III 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 www.vlegovernance.in/policies-anddisclosure.html.

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

24. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosure required in respect of employees of the Company, in terms of provisions of Section 197 (12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out as "Annexure - IV" and forms a part of this Annual Report.

Further, details of employee remuneration as required under provisions of Section 197(12) of the Act read with Rule 5(2) and 5(3) of the aforesaid Rules is available for inspection at the Registered Office of your Company during working hours. As per second proviso to Section 136(1) of the Act and second proviso of Rule 5 of the aforesaid Rules, the Annual Report has been sent to the Members excluding the aforesaid exhibit.

25. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

No significant and material orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

26. 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 2,33,145 equity shares have been transferred by the Company to the Investor Education and Protection Fund Authority during the financial year 2023-2024. Details of shares transferred have been uploaded on the website of the Company.

27. 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.

28. DEPOSITS

During the year under review, the Company has neither accepted any deposits nor there were any amounts outstanding at the beginning of the year which were classified as "Deposits" in terms of Section 73 of the Act read with the Companies (Acceptance of Deposit) Rules, 2014 and hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

29. PREVENTATION OF SEXUAL HARRASMENT

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 2025-26, 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 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.

30. MATERNITY BENEFIT PROVIDED BY THE COMPANY UNDER MATERNITY BENEFIT ACT, 1961

The Company confirms that it has duly complied with the provisions of the Maternity Benefit Act, 1961. All eligible women employees have been extended the statutory benefits prescribed under the Act, including paid maternity leave, continuity of salary and service during the leave period, and post-maternity support such as nursing breaks and flexible return-to-work options, as applicable. The Company remains committed to fostering an inclusive and supportive work environment that upholds the rights and welfare of its women employees in accordance with the applicable laws.

31. ENERGY CONSERVATIVE, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND 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

32. ANNUAL RETURN

Pursuant to Section 92(3) read with section 134(3)(a) of the Act, copies of the Annual Returns of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 is hosted on the website of the Company at https://www.vlegovernance.in/annual-financial-Return.html

33. LISTING FEES

The listing fees payable for the Financial Year 2025-26 has been paid to BSE Limited and National Stock Exchange of India Limited within due date.

34. GENERAL DISCLOSURE

During the Financial Year under review:

(a) There was no change in the nature of business of the Company.

(b) The Company has not issued Equity Shares with differential rights as to dividend, voting or otherwise, pursuant to the provisions of Section 43 of the Act and Rules made thereunder.

(c) The Company has not bought back its shares, pursuant to the provisions of Section 68 of the Act and Rules made thereunder.

(d) The Company has not issued any Sweat Equity Shares to its Directors or employees.

(e) The Company has not failed to implement any corporate action.

(f) The Company has not made any provisions of money or has not provided any loan to the employees of the Company for purchase of shares of the Company, pursuant to the provisions of Section 67 of the Act and Rules made thereunder.

(g) The Company has not accepted any deposit from the public, pursuant to the Chapter V of the Act and Rules made thereunder.

(h) There was no revision of financial statements and Board's Report of the Company.

(i) There was no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

(j) There were no significant material changes and commitments affecting the financial position of the Company, which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

(k) No application has been made under the Insolvency and Bankruptcy Code, hence, the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the Financial Year is not applicable.

(l) The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done, while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

(m) The securities were not suspended from trading during the year due to corporate actions or otherwise.

(n) No candidate was nominated by small shareholders in terms of Section 151 of the Act.

(o) None of the Auditors and/or Secretarial Auditors, resigned during the year.

(p) There was no delay, in holding Annual General Meeting.

(q) There was no change in Auditors.

(r) There was no re-appointment of Independent Director during the year under review.

(s) The Cash Flow Statement for the Financial Year 2025-26 is attached to the Balance Sheet which forms part of this Annual Report.

(t) During the year, all recommendations made by the committees were approved by the Board.

ACKNOWLEDGEMENTS

Your Directors would like to take this opportunity to express their sincere gratitude to all of the employees, customers, vendors and investors who have contributed to our success over the past year. Their hard work, dedication, and support have been instrumental in achieving the goals and driving the business forward. We would also like to thank our members for their continued trust and investment in the Company. We are committed to build strong relationships with all of our stakeholders, and we value their feedback and input as we strive to improve and grow our business. We are proud of what we have accomplished together, and we look forward to continued success in the years ahead.

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: 10th August, 2026

ANNEXURE - I
Annual Report on Corporate Social Responsibility Activities

[Pursuant to the Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

   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. The Composition of the CSR Committee

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

3. 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:

   The CSR Policy, CSR Committee and CSR Projects are available on the website of the Company at www.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 Company at present is not required to carry out impact assessment in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

5. Net Profit Calculation:

Sr. No.	Particulars	Amount
(a)	Average net profit of the company as per sub-section (5) of section 135	Nil
(b)	Two percent of average net profit of the company as per sub-section (5) of section 135	Nil (negative)
(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 [(b)+(c)-(d)]	Nil

6. Details of CSR Amount Spent

Sr. No.	Particulars	Amount
(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	Nil
(b)	Amount spent in Administrative Overheads	Nil
(c)	Amount spent on Impact Assessment, if applicable	Nil
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]	Nil

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year	Amount Unspent				
	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	Date of transfer	Name of the Fund	Amount	Date of transfer
-	-	-	N.A.	N.A.	N.A.

(f) Excess amount for set off, if any:

Sr. No.	Particulars	Amount
(a)	Two percent of average net profit of the company as per section 135(5)	Nil
(b)	Total amount spent for the Financial Year	Nil
(c)	Excess amount spent for the Financial Year [(b)-(a)]	Nil
(d)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years if any	Nil
(e)	Amount available for set off in succeeding Financial Years [(c)-(d)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years.

(₹ in lakhs)

Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (₹. In Lakhs)	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	Date of transfer	
2024-25	-	-	-	-	-	-
2023-24	96.71/-	-	-	-	-	96.71/-
2022-23	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not Applicable

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

Sanjay Nandwana
Chairman of CSR Committee
DIN : 03565954
Place: Mumbai
Date: 10-08-2026

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

Annexure - II
SECRETARIAL AUDIT REPORT
For the Financial Year Ended 31st March, 2026
[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, 2026 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, 2026 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 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.

Signature:

Kalpana Srinivasan
ACS No.: 6105
CP No. : 19503
Peer Review No. 2310/2022
UDIN: A006105H001147861

Date: 18/08/2026
Place: Navi 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.

Signature:

Kalpana Srinivasan
ACS No.: 6105
CP No. : 19503
Peer Review No. 2310/2022
UDIN: A006105H001147861

Date: 18/08/2026
Place: Navi Mumbai

ANNEXURE III
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 02nd August, 2025, to 31st March, 2026.

   (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: 02nd August, 2025

   (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: 10th August, 2026

ANNEXURE – IV

STATEMENT OF DISCLOSURE OF REMUNERATION

[Pursuant to Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. **The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the F.Y. 2025-26 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the F.Y. 2025-26 are as under:**

Sr. No.	Name of Director / Key Managerial Personnel	Designation	Remuneration of Director / KMP for Financial Year 2025-26 (in ₹)	% increase in Remuneration in the F.Y. 2025-26	Ratio of Remuneration of each Director / to median remuneration of employees
1.	Dr. Nishikant Hayatnagarkar(1)	Chairman and Executive Director	-	-	-
2.	Mr. Sanjay Nandwana(1)	Managing Director	46,33,051	-	5.21:1
3.	Mr. Anoop Kumar Agrawal(2)	Independent Director	3,10,000	-	0.35:1
4.	Mr. Hari Mohan(2)	Independent Director	2,10,000	-	0.24:1
5.	Mr. Chandra Kailash Vishwakarma(2)	Independent Director	3,10,000	-	0.35:1
6.	Ms. Tanu Surendra Shukla(2)	Independent Director	2,15,000	-	0.24:1
7.	Mr. Pradeep Somani	Chief Financial Officer	10,57,728	11.05%	Not Applicable
8.	Mr. Nilesh Wadode(3)	Company Secretary	1,84,279	-	
9.	Mr. Parth Solanki(4)	Company Secretary	3,36,414	-	

Notes:

(1) Percentage increase in remuneration paid to Executive Directors is calculated on annual CTC basis.

(2) Remuneration to Independent Directors is paid solely by way of sitting fees.

(3) Mr. Nilesh Wadode cease to be the Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company from the close of business hours on 4th August, 2025.

(4) Mr. Parth Solanki was appointed as Company Secretary and Compliance Officer of the Company with effect from 31st October, 2025.

2. **The percentage increase in the median remuneration of employees in the Financial Year**

   The percentage change in the median remuneration of employees in the Financial Year 2025-26 was 5%.

3. **The number of permanent employees on the rolls of Company**

   7 employees (permanent) were on the rolls of the Company as on 31st March, 2026.

4. **Average percentile increases 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**

   During the Financial Year under review, average percentage increase in the salary of the Company's employees, other than managerial personnel is 5%.

5. **It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.**

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: 10-08-2026

Corporate Governance Report

1. Philosophy of the Company on the Code of 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 31st March, 2026 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

Size and Composition of the Board:

The Company has an active, experienced, diverse and a well-informed Board. The Board along with its committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's Corporate Governance philosophy. The Company has an optimum combination of Executive and Non-Executive Directors which is in conformity with Regulation 17 of the SEBI Listing Regulations read with Sections 149 and 152 of the Act. The Board periodically evaluates the need for change in its composition and size.

In terms of Regulation 17 of the SEBI Listing Regulations, at least 50% of the Board should comprise Non-Executive Independent Directors with atleast One (1) Independent Woman Director. Out of total Six (6) Directors as on 31st March, 2026, the Independent Directors constitute around 67% of the Board. The Company has one (1) Woman Director on the Board as on the said date who is holding office as an Independent Director.

The Board of Directors of the Company as on 31st March, 2026 comprises of Six (6) members, out of which One (1) is Chairman and Executive Director, One (1) is Managing Director and rest Four (4) are Non-Executive Independent Directors.

Detailed profile of the Directors is available on the Company's website at www.vlegovernance.in/board-of-directors.html. The Board met Four (4) times during FY 2025-26 on the following dates:

Sr. No	Board Meeting Dates
1.	26th May, 2025
2.	02nd August, 2025
3.	31st October, 2025
4.	07th February, 2026

The gap between two Meetings did not exceed 120 days and the Meetings were conducted in compliance with all applicable laws. The necessary quorum was present for all the Board Meetings.

Category and Attendance of Directors

The category of Directors, attendance at Board Meetings held during the Financial Year ('FY') under review, the number of Directorships/ Chairpersonships and Committee positions held by them in other public limited companies and Directorships held by them in other listed entities as on 31st March, 2026 are as follows:

Sr. No	Name and Designation	Status/ Category	Attendance in Meetings during FY 2025-26		Number of Directorships In other Companies		Committee Membership and Chairmanship in other Public Ltd. Co.		Shareholding in the Company
			Board Meetings (Meetings held)	AGM	Private	Public	Chairmanship	Membership	
1	Dr. Nishikant Kishanrao Hayatnagarkar (00062638)	Chairman and Executive Director	4	Yes	1	1	0	0	17,428
2	Mr. Sanjay Nandwana (03565954)	Managing Director	4	Yes	1	0	0	0	12
3	Mr. Anoop Kumar Agrawal (07508525)	Independent Director	4	Yes	0	0	0	0	800
4	Mr. Hari Mohan (08671182)	Independent Director	4	Yes	0	0	0	0	0
5	Mr. Chandra Kailash Vishwakarma (10864745)	Independent Director	4	Yes	0	0	0	0	0
6	Ms. Tanu Surendra Shukla (09656470)	Independent Director	4	Yes	1	0	0	0	0

Includes only Audit Committee and Stakeholders Relationship Committee in all public limited companies (whether listed or not) and excludes private limited companies, foreign companies, and Section 8 companies.

The Ninth (9th) Annual General Meeting ('AGM') of the Company for FY 2024-25 was held on 29th September, 2025 through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') in accordance with the relevant circulars issued by the Ministry of Corporate Affairs ('MCA') and the Securities and Exchange Board of India ('SEBI'). All the Directors of the Company were present at the 9th AGM.

Note:

None of the Directors on the Board is a Member of more than ten (10) Committees and Chairperson of more than five (5) Committees [Committees being Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the SEBI Listing Regulations] across all the public companies in which he/she is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies. None of the Directors hold office in more than ten (10) public limited companies as prescribed under Section 165(1) of the Act. No Director holds Directorships in more than seven (7) listed companies. None of the Non-Executive Directors serve as an Independent Director in more than seven (7) listed companies as required under the SEBI Listing Regulations. Further, the Whole Time Directors / Executive Directors does not serve as an Independent Director in any listed company.

The information as required under Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being made available periodically to the Board.

The Board periodically reviews the compliance status of the Company. The company has adopted the Code of Conduct for Executive Directors, Senior Management Personnel, and other executives of the Company.

The Company has received confirmation from Whole time Director as well as the Senior Management Personnels regarding compliance of the Code during the year under review. The company has also adopted the Code of Conduct for the Non-Executive Directors of the company.

Board Meetings

The Board meets at regular intervals to discuss and decide on Company's business policies and strategy apart from other regular business matters. Board Meetings are usually held at the Corporate Office of the Company at Mumbai or through Video Conferencing/Other Audio-Visual Means in the wake of COVID-19 pandemic and due to lockdown restrictions. The meetings and agenda items taken up during the meetings complied with the Companies Act, 2013 and Listing Regulations read with various circulars issued by Ministry of Corporate Affairs (MCA) and Securities Exchange Board of India ("SEBI") During the financial year ended as on 31st March, 2026, Four (4) Board Meetings were held on 26th May, 2025, 2nd August, 2025, 31st October, 2025 and 7th February, 2026. Maximum time gap between two consecutive meetings had not exceeded 120 days. The agenda and notes are circulated to the Directors in advance. All material information is included in the agenda for facilitating meaningful discussions at the meeting. In case of urgent necessity, resolutions are passed by circulation in accordance with the provisions of Companies Act, 2013. The Board is updated on the discussions held at the Committee meetings and the recommendations made by various Committees.

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/Expertise	Name of the Directors					
	Nishikant Kishanrao Hayatnagarkar	Sanjay Nandwana	Anoop Kumar Agrawal	Hari Mohan	Chandra Kailash Vishwakarma	Tanu Surendra 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	✓	✓	✓	✓	✓	✓
Behavioral skills	✓	✓	✓	✓	✓	✓
Risk identification	✓	✓	✓	✓	✓	✓

Board Procedure

The Company Secretary tracks and monitors the Board and its Committees' proceedings to ensure that the terms of reference are adhered to, decisions are properly recorded in the minutes and actions on the decisions are tracked. The terms of reference/charters are amended and updated from time to time in order to keep the functions and role of the Board and its committees at par with the changing statutes. Meeting effectiveness is ensured through detailed agenda, circulation of material in advance and as per statutory timelines, detailed presentations at the Meetings and tracking of action taken reports at every Meeting. Additionally, based on the agenda, Meetings are attended by Members of the senior leadership as invitees which bring in the requisite accountability and also provide developmental inputs.

The Board plays a critical role in the strategy development of the Company. Amongst other things, the Board also reviews the compliance reports of the laws applicable to the Company, internal financial controls and financial reporting systems, adoption of quarterly/ half-yearly/ annual results, corporate restructuring, transactions pertaining to purchase/disposal of property, minutes of the Meetings of the Audit and other Committees of the Board.

In addition to the information required under Regulation 17(7) read with Part A of Schedule II to the SEBI Listing Regulations which is required to be placed before the Board, the Directors are also kept informed of major events.

Majorly, the Board and Committee Meetings conducted are paperless with documents securely uploaded on the Application and accessed online. This has resulted in saving paper, reducing the cycle time to make documents available to the Board/ Committee Members and increasing confidentiality.

Independent Directors Meeting

During the year under review, one (1) Meeting of the Independent Directors of the Company was held on 7th February, 2026 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the SEBI Listing Regulations. At their Meeting, the Independent Directors reviewed the performance of Non- Independent Directors and the Board as a whole including the Chairman of the Board after taking the views of Executive and Non-Executive Directors and also assessed the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. Independent Directors play a pivotal role by overseeing the Company's internal controls, financial reporting and risk management. They provide valuable insights and recommendations that help the Company achieve its goals for ensuring effective corporate governance for the success and sustainability of the organisation. Their increased presence in the boardroom has been hailed as a harbinger for striking a right balance between individual, economic and social interests. The Company currently has four (4) Non-Executive Independent Directors, constituting approximately 67% of the total strength of the Board of Directors, including one (1) Independent Woman Director, representing approximately 17% of the total Board strength. The maximum tenure of the Independent Directors is in accordance with the Act and the SEBI Listing Regulations. The NRC identifies candidates based on certain criteria laid down and takes into consideration the need for diversity of the Board which, inter alia, includes skills, knowledge and experience and accordingly makes its recommendations to the Board.

Declaration by Independent Directors

The Company has received a declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified in the Act and the SEBI Listing Regulations and are independent of the Management.

Further, the Independent Directors have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA'). They have also confirmed that they have attempted the proficiency self-assessment test conducted by IICA and cleared the same required if any or they are exempt from the requirement to undertake the online proficiency self-assessment test conducted by IICA or still in process to pass proficiency self- assessment test conducted by IICA and two years have not been passed after inclusion of his/her name in the databank.

The Company has received necessary declaration from each Independent Director under section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosures Requirements), Regulations 2015, stating that he/ she meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosures Requirements), Regulations 2015.

Terms and Conditions of appointment of Independent Directors

All the Independent Directors of the Company have been appointed as per the provisions of the Act and the SEBI Listing Regulations. Formal letters of appointment are issued to the Independent Directors after their appointment by the Members. As required by Regulation 46 of the SEBI Listing Regulations, the terms and conditions of their appointment have been disclosed on the website of the Company at www.vlegovernance.in/policies-and-disclosure.html.

3. Committees of the Board

The Board Committees play a vital role in strengthening the Corporate Governance practices and focus effectively on the issues and ensure expedient resolution of the diverse matters. The Committees also make specific recommendations to the Board on various matters when required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. The Board of Directors from time to time has constituted the following Committees, namely:

(i) Audit Committee

(ii) Nomination and Remuneration Committee

(iii) Stakeholder Relationship Committee

(iv) Corporate Social Responsibility Committee

(v) Risk Management Committee

(i) AUDIT COMMITTEE

The Audit Committee's role is to assist the Board in overseeing the governance function and responsibilities in relation to the Company's financial reporting process carried out by the Management, internal control system, risk management system and internal and external audit functions. The Audit Committee functions according to its charter/ terms of reference that defines its composition, authority, responsibilities and reporting functions. All the items listed in Section 177 of the Act and Regulation 18(3) read with Part C of Schedule II to the SEBI Listing Regulations are covered in its terms of reference.

Terms of reference

The Audit Committee of the Company is responsible for supervising the Company's internal controls and financial reporting process and inter-alia performs the following functions:

1. the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. examination of the financial statement and the auditors' report thereon;
4. approval or any subsequent modification of transactions of the company with related parties;
5. scrutiny of inter-corporate loans and investments;
6. valuation of undertakings or assets of the company, wherever it is necessary;
7. evaluation of internal financial controls and risk management systems;
8. monitoring the end use of funds raised through public offers and related matters.
9. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
10. approval of payment to statutory auditors for any other services rendered by the statutory auditors
11. reviewing, with the management, the annual financial statements and auditor's report thereon 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; compliance with listing and other legal requirements relating to financial statements;
    (e) disclosure of any related party transactions;
    (f) modified opinion(s) in the draft audit report;
12. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
13. 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 / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a [public issue or rights issue or preferential issue or qualified institutions placement], and making appropriate recommendations to the board to take up steps in this matter;
14. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
15. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
16. 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;
17. discussion with internal auditors of any significant findings and follow up there on;
18. 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;
19. 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;

20. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

21. to review the functioning of the whistle blower mechanism;

22. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

23. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

24. reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹ 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.

25. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Further, pursuant to Regulation 18(2)(c) of the SEBI Listing Regulations, the Audit Committee is empowered to investigate any activity within its terms of reference, seek information it requires from any employee, obtain outside legal or other independent professional advice and secure attendance of outsiders with relevant expertise, if considered necessary.

Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

Composition, Name of Members and Chairperson

Sr. No	Name of the Director	Designation	No. of meetings held	No. of meetings attended
1	Mr. Anoop Kumar Agrawal	Independent Director (Chairman)	4	4
2	Mr. Nishikant Kishanrao Hayatnagarkar	Chairman & Executive Director (Member)	4	4
3	Mr. Chandra Kailash Vishwakarma	Independent Director (Member)	4	4

Details of Audit Committee Meeting held during the year under review:

There were four meetings of the Audit Committee viz. on 26th May, 2025, 2nd August, 2025, 31st October, 2025 and 7th February, 2026.

The Company Secretary of the Company acts as Secretary to the Committee.

The Audit Committee Meetings were attended by the CFO, Statutory Auditor, and the Whole Time Directors. Other persons are invited to the meetings as and when required.

The Chairperson of the Audit Committee briefs the Board at its Meetings about the significant discussions at each of the Audit Committee Meetings including the internal audit matters. The minutes of each of the Audit Committee Meetings are placed in the next Meeting of the Board after they are confirmed by the Committee.

The Chairperson of the Audit Committee attended the 9th Annual General Meeting ("AGM") of the Company held on 29th September, 2025 and was available to address queries and provide clarifications to the Members relating to matters within the scope of the Committee's responsibilities.

(ii) NOMINATION AND REMUNERATION AND COMPENSATION COMMITTEE

The Nomination and Remuneration Committee ('NRC') is constituted and functions in accordance with Section 178 of the Act, Regulation 19 of the SEBI Listing Regulations and its charter, as approved by the Board. The role of the NRC is to oversee the selection of Directors and Senior Management based on criteria related to the specific requirement of expertise and independence. The NRC evaluates the performance of Directors and Senior Management based on the expected performance criteria. The NRC also recommends to the Board the remuneration payable to Directors and Senior Management of the Company. An annual working plan for the NRC Meetings is agreed by the Members at the beginning of the year.

Terms of Reference:

The Board has adopted a framework for the NRC for its smooth functioning, covering aspects relating to composition, responsibilities, evaluation process, remuneration, and Board development. The key terms of reference of the NRC, inter alia, are:

1. The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid

down, recommend to the Board their appointment and removal shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

2. The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

3. The Nomination and Remuneration Committee shall, while formulating the policy under sub-section (3) ensure that—

   i) 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,

   ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   iii) 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.

4. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the director managerial personnel and other employees;

5. 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 description. For the purpose of identifying suitable candidates, the Committee may:

   i) use the services of an external agencies, if required;

   ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and

   iii) consider the time commitments of the candidates.

6. formulation of criteria for evaluation of performance of independent directors and the board of directors;

7. devising a policy on diversity of board of directors;

8. 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.

9. 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.

10. recommend to the board, all remuneration, in whatever form, payable to senior management.

Composition, Name of Members and Chairperson

Sr. No	Name of the Director	Designation	No. of meetings held	No. of meetings attended
1	Mr. Hari Mohan	Independent Director (Chairman)	2	2
2	Mr. Anoop Kumar Agrawal	Independent Director (Member)	2	2
3	Mr. Chandra Kailash Vishwakarma	Independent Director (Member)	2	2

Details of Nomination and Remuneration Committee Meetings held during the year under review:

There were two meetings of the Nomination and Remuneration Committee viz. on 26th May, 2025 and 31st October, 2025.

Remuneration Policy

Remuneration Policy of the Company aims at recommending and reviewing the remuneration and professional fee if any for specialized and technical services beyond the normal services to Executive Director, Non-Executive Directors, Key Managerial Personnel and Senior management of the Company and is based on evaluation criteria such as industry benchmarks, Company's annual performance & its strategy, expertise, talent and meritocracy including criteria for determining qualification, positive attributes and independence of Director etc. and the same is uploaded on the website of the Company at www.vlegovernance.in/policies-and-disclosure.html

Annual Evaluation of Board, Committees, and Individual Directors

Pursuant to the provisions of the Act, Listing Regulations, 2015 and the Remuneration Policy of the Company, the Board of Directors/ Independent Directors/ Nomination and Remuneration Committee (as applicable) has undertaken an evaluation of its own performance, the performance of its Committees and of all the individual Directors including the Chairman of the Board of Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees. Such evaluation is presented to the Nomination and Remuneration Committee and the Board of Directors (as applicable). Directors express their satisfaction with the evaluation process.

Performance Evaluation of Board of Directors

The performance evaluation criteria for Independent Directors are determined by the NRC. An indicative list of factors on which evaluation was carried out includes participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement. The overall functioning of the evaluation process reflected a high degree of engagement amongst the Board Members and their freedom to express views on matters transacted at the Meetings.

Independent Directors of the Company are evaluated on the basis of following parameters:

1. Knowledge to perform the role
2. Time and Level of Participation
3. Performance of Duties and Level of Oversight and
4. Professional Conduct and Independence.

The detailed evaluation of Independent Directors was placed before Board of Directors.

Remuneration of Directors

The details of remuneration paid to Directors during the financial year 2025-2026 are as under:

(a) Non - Executive Directors

(₹ in lakhs)

Name of Directors	Sitting Fees
Mr. Anoop Kumar Agrawal	3,10,000
Mr. Hari Mohan	2,10,000
Mr. Chandra Kailash Vishwakarma	3,10,000
Ms. Tanu Surendra Shukla	2,15,000

Independent Directors and Non – Independent, Non - Executive Directors are paid sitting fees of ₹ 50,000/- for attending each Meeting of the Board and Members of the Audit Committee are paid sitting fees of ₹ 25,000/- per meeting and Members of the Nomination and Remuneration and Compensation Committee are paid sitting fees of ₹ 5,000/- per meeting.

Sitting fees paid to Independent Directors and Non - Independent Non - Executive Directors are within the regulatory limits

(b) Executive Directors

(₹ in Actuals)

Particulars	Dr. Nishikant Kishanrao Hayatnagarkar	Mr. Sanjay Nandwana
Basic	-	30,05,540
Allowances	-	
HRA	-	15,52,920
Others	-	2,397
Bonus	-	39,670
Perquisites on account of Stock Options exercised	-	-
Total	**-**	**46,00,527**

The service contracts for Dr. Nishikant Kishanrao Hayatnagarkar and Mr. Sanjay Nandwana are for a period of five years from their respective dates of appointment, with Dr. Nishikant Kishanrao Hayatnagarkar appointed on 4th December, 2024 and Mr. Sanjay Nandwana appointed on 27th March, 2025. The notice period for both directors is six months, and no severance fees are payable under the terms of their contracts.

Details of Remuneration paid and commission payable to the Key Managerial other than Whole Time Directors for FY ended 31st March, 2026 is given below

(₹ in Actuals)

Sr. No	Name	Gross Salary	Bonus	Others	Total Remuneration
1	Mr. Pradeep Somani	10,19,850	55,951	-	10,75,801
2	Mr. Nilesh Wadode	1,84,279	-	-	1,84,279
3	Mr. Parth Solanki	3,36,414	-	-	3,36,414

(iii) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee ('SRC') looks into various aspects of interest of shareholders and debenture holders. The Committee ensures cordial investor relations and oversees the mechanism for redressal of investors' grievances.

Terms of Reference

The terms of reference of the SRC, inter-alia, are as under:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
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
5. Reviewing adherence to the service standards in respect of various services being rendered by the Registrar & Share Transfer Agent;
6. Reviewing various measures and initiatives taken for reducing the quantum of unclaimed dividends; and
7. Ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.
8. Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants.

Composition

Sr. No	Name of the Director	Designation	No. of meetings held	No. of meetings attended
1.	Ms. Tanu Surendra Shukla	Independent Director (Chairman)	1	1
2.	Mr. Sanjay Nandwana	Managing Director (Member)	1	1
3.	Ms. Nishikant Kishanrao Hayatnagarkar	Chairman & Executive Director (Member)	1	1

During the financial year under review, one meeting of Stakeholders Relationship Committee was held on 6th February, 2026 and all the members were present at the meeting.

The necessary quorum was present for all the Meetings of the Committee.

Mr. Parth Solanki, Company Secretary, functions as Compliance Officer as required under SEBI (LODR) Regulations, 2015 and also acts as Nodal Officer to ensure compliance with IEPF Rules.

During the financial year under review, no complaint was received from the shareholder and none of them were pending as on 31st March, 2026.

The Company had no transfers pending at the close of 31st March, 2026.

The Chairperson of the Stakeholder's Relationship Committee attended the 9th Annual General Meeting ("AGM") of the Company held on 29th September, 2025 and was available to address queries and provide clarifications to the Members relating to matters within the scope of the Committee's responsibilities.

(iv) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As per the requirements of Section 135 of the Companies Act, 2013, the Company has, constituted a Corporate Social Responsibility Committee (the "CSR Committee"). The company has adopted a CSR Policy which is available on the website of the Company.

Terms of reference

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Regulations, 2015 and the Act such as Formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy, which shall indicate the activities to be undertaken by the Company; recommending the amount of expenditure to be incurred on the activities referred; monitoring the CSR Policy of the Company from time to time, formulate and review the Annual Action Plan in pursuance of the CSR Policy.

The terms of reference of the CSR, inter-alia, are as under:

1. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company.

2. recommend the amount of expenditure to be incurred on the activities

3. monitor the Corporate Social Responsibility Policy of the company from time to time.

Composition

Sr. No	Name of the Director	Designation
1.	Mr. Sanjay Nandwana	Managing Director (Chairman)
2.	Mr. Nishikant Kishanrao Hayatnagarkar	Chairman & Executive Director (Member)
3.	Ms. Tanu Surendra Shukla	Independent Director (Member)

(v) RISK MANAGEMENT COMMITTEE

The role of the Risk Management Committee ('RMC') is to assist the Board of Directors in overseeing the Company's risk management processes and controls. The RMC seeks to minimise adverse impact on the business objectives and enhance stakeholder value.

During the Financial year 2025-26, Board has constituted the Risk Management Committee in line with the Listing Regulations.

Terms of Reference

The role of Risk Management Committee includes the implementation of Risk Management Systems and Framework, review of the Company's financial and risk management policies, assess risk and formulate procedures to minimize the same. The terms of reference of this Committee are wide enough covering the matters specified under the provisions of Regulation 21 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The terms of reference is inter -alia as follows:

1. 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.

2. Measures for risk mitigation including systems and processes for internal control of identified risks.

3. Business continuity plan.

4. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

5. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

6. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

7. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

8. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Composition

Sr. No	Name of the Director/ Member	Designation	No. of meetings held	No. of meetings attended
1.	Mr. Sanjay Nandwana	Managing Director (Chairperson)	2	2
2.	Mr. Nishikant Kishanrao Hayatnagarkar	Chairman & Executive Director (Member)	2	2
3.	Ms. Tanu Surendra Shukla	Independent Director (Member)	2	2

Details of Risk Management Committee Meetings held during the year under review:

There were two meetings of the Risk Management Committee viz. on 2nd August, 2025 and 6th February, 2026.

4. General Body Meetings

ANNUAL GENERAL MEETINGS.

Date, Venue and Time for the last two Annual General Meetings

Meeting	Day and Date of Meeting	Time	Venue	Special Resolution(s) passed
9th AGM	Monday, 29th September, 2025	2:00 PM	Meeting conducted through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") pursuant to the Ministry of Corporate Affairs ("MCA") Circular	-
8th AGM	Friday, 27th September, 2024	2:00 PM		1. To ratify change in designation of Mr. Dinesh Nandwana (DIN: 00062532) from Whole Time Director to 'Chairman & Managing Director' of the Company

RESOLUTION(S) PASSED THROUGH POSTAL BALLOT

No resolution was passed through Postal Ballot during the financial year ended 31st March, 2026.

RESOLUTION(S) PASSED THROUGH EXTRA-ORDINARY GENERAL MEETING:

No Extra-Ordinary General Meeting was convened during the financial year ended 31st March, 2026.

5. Means of communication:

The quarterly, half-yearly and annual financial results of the Company are communicated to the stock exchanges immediately after the same are approved by the Board and those are published in prominent English (Free Press Journal) and Marathi (Nav Shakti) newspapers. The results and other news releases are also posted on the Company's website, www.vlegovernance.in/index.html

Detailed Investor's presentations on the Company's quarterly, half - yearly as well as annual financial results are available on the Company's website, www.vlegovernance.in/index.html and are also sent to the Stock Exchanges.

6. Equity shares in the suspense account

As on 31st March, 2026, no shares are lying in suspense account.

7. General Shareholders Information

Annual General Meeting

The 10th Annual General Meeting (AGM) of the Company will be held on 24th September, 2026 at 4:00 PM. The Company is conducting meeting in accordance with the General Circular issued by the MCA on December 28, 2022 & other relevant MCA Circulars, through VC / OAVM. For details please refer to the Notice of this AGM.

Financial Year

The financial year of the company is 1st April to 31st March.

Financial Calendar for 2026-27

Tentative Schedule	Likely Board Meeting Schedule
Financial reporting for the quarter ending 30th June, 2026	On or before 14th August, 2026
Financial reporting for half year ended 30th September, 2026	On or before 14th November, 2026
Financial reporting for the quarter ending 31st December, 2026	On or before 14th February, 2027
Financial reporting for the year ended 31st March, 2027	On or before 30th May, 2027
Annual General Meeting for the year ending 31st March, 2027	On or before 30th September, 2027

Book Closure:

As mentioned in the Notice of this AGM.

Dividend payment:

i. **Payment date:**

Dividend, when declared at the AGM, will be paid within 30 days from the date of AGM.

Listing on Stock Exchanges:

Your company's securities are listed on the following stock exchanges:-

BSE Ltd.
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,
Bandra East, Mumbai - 400 051.

Listing fees as applicable have been paid to the above Stock Exchanges.

Stock Code

Stock Exchange	Code
BSE Ltd.	543958
National Stock Exchange of India Ltd.	VLEGOV
ISIN for Equity Shares (NSDL & CDSL)	INE03HW01020

Registrar and Share Transfer Agent:

Bigshare Services Pvt. Ltd.

Office No. S6-2, 6th Floor, Pinnacle Business Park, next to Ahura Centre, Mahakali Caves Road, Andheri (East)
Mumbai – 400 093

Telephone No.: 022-62638200, Fax No.-: 022-62638299,Email: investor@bigshareonline.com

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. 1st April, 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 into dematerialized form. Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company.

All requests for dematerialisation 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.

Distribution of shareholding as on 31st March, 2026: - (Face Value ₹ 10/- per Share)

Category (No. of Shares)	No. of shareholders	% of shareholders	Share amount	% total equity
0-5000	1,25,581	90.98	7,93,26,760	7.31
5001-10000	5,233	3.79	4,04,36,310	3.73
10001-20000	3,239	2.35	4,79,46,970	4.42
20001-30000	1,203	0.87	3,04,73,210	2.81
30001-40000	620	0.45	2,19,64,540	2.02
40001-50000	438	0.32	2,03,68,180	1.88
50001-100000	868	0.63	6,34,07,550	5.85
100001- above	841	0.61	78,05,89,770	71.98
Total	**1,38,023**	**100.00**	**1,08,45,13,290**	**100.00**

Category wise Shareholding as on 31st March, 2026

Category	No. of Shares	%
Promoters	2,52,03,394	23.24
Financial Institutions/Banks	1,648	0
Insurance Companies	66,61,338	6.14
Foreign Portfolio Investors	14,83,862	1.37
Public	7,51,01,087	69.25
Total	**10,84,51,329**	**100.00**

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	%
Held with NSDL	5,69,76,583	52.54
Held with CDSL	5,13,46,200	47.34
Held in Physical Form	1,28,546	0.12
Total	**10,84,51,329**	**100.00**

Outstanding GDRs, ADRs, warrants or any convertible instruments.

The Company has not issued any GDRs/ADRs during FY 2025-26.

Commodity Price Risks or Foreign Exchange Risks and Hedging Activities:

The details of foreign currency exposure have been disclosed in standalone notes to accounts of the Annual Report.

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.

Shareholders can contact the following officials for Secretarial matters related to the Company:

Name	Telephone No.	Email ID
Parth Solanki	022 - 67765100	compliance@vlegovernance.in

Credit Ratings:

During the year under review, the Company has not obtained any credit ratings.

8. Other Disclosures

(a) **Disclosure on materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large.**

During the year there were no material significant transactions with the related parties. The policy as to Related Party Transactions as approved by the Board, is available on the Company's website, vlegovernance.in/policies-and-disclosure.html

Necessary disclosures as to Related Party Transactions, as required have been made in the standalone notes to accounts of the Annual Report.

(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:**

During the last three years, there were no strictures or penalties imposed by either the Securities and Exchange Board of India or the Stock Exchanges or any statutory authorities for non-compliance of any matter related to the capital markets.

(c) **Vigil Mechanism / Whistle Blower**

In line with the best Corporate Governance practices, Company has put in place a system through which the Directors and Employees, Franchisee, Business Partner, Vendor or any other third parties making a Protected Disclosure under this Policy may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees and Directors may report to the Compliance Officer and no personnel have been denied direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is placed on the website of the Company at www.vlegovernance.in/policies-and-disclosure

(d) **Compliance with Discretionary requirements of SEBI(LODR), Regulations, 2015:**

The Company has complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015. The status of compliance with discretionary requirements under Regulation 27(1) and Part E Schedule II of SEBI (LODR), Regulations, 2015 is provided below:

- **Shareholders' Rights:** As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not sent to the shareholders.

- **Audit Qualifications:** The Company's financial statement for the financial year 2025-26 does not contain any audit qualification.

- **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:** There are separate posts of Chairperson and Managing Director of the Company and the Chairman of the Company is Executive Director and is related to the Managing Director

- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee.

(e) **Loans and advances in the nature of loans**

During FY 2025-26, the Company have not provided 'Loans and advances in the nature of loans' to firms/ companies in which the directors are interested.

9. Familiarization Program for Independent Directors

The Company at its various meetings held during the Financial year 2025-26 had familiarize the Independent Directors with regard to the roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the Business models of the Company etc. The Independent Directors have been provided with necessary documents, reports and internal policies to familiarize them with the Company's policies, procedures and practices.

Periodic presentations are made to the Board and Board Committee meeting on Business and performance updates of the Company, Business strategy and risks involved.

Quarterly updates on relevant statutory changes and judicial pronouncements and encompassing important amendments are briefed to the Directors.

The Familiarization Policy along with the details of familiarization program imparted to the Independent Directors is available on the website of the Company at www.vlegovernance.in/policies-and-disclosure.html

10. Code of Conduct

The Board of Directors of the Company has laid down a code of conduct for the Board and all senior management employees of the Company. The same has been posted on the website of the Company www.vlegovernance.in/policies-and-disclosure.html. The Company confirms that all Board members and senior management personnel have and shall continue to affirm compliance with the code on an annual basis.

11. Code for Preventing Insider Trading

VL E-Governance & IT Solutions Limited Ltd has Code of Conduct for Prevention of Insider Trading ('VLE Code') in the shares of the Company which is in line with SEBI (Prohibition of Insider Trading) Regulations, 2015 and followed in spirit. The same has been posted on the website of the Company www.vlegovernance.in/policies-and-disclosure.html

12. Disclosure on Compliance:

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.
- The Company has obtained certificate from Ms. Kalpana Srinivasan, 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.
- Total fees (including taxes) for all services paid by the Company to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part is given below

(₹ In Actuals)

Payment to Statutory Auditor	FY 2025 - 26
Audit Fees	1,18,000
Tax Audit Fees	-
Other Services	14,750
Reimbursement of Expenses	-
Total	**1,32,750**

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Number of complaints filed during the year 2025 - 26.	Nil
Number of complaints disposed off during the year 2025 - 26.	NA
Number of complaints pending as on 31st March 2026	NA

Compliance Certificate:

The Compliance Certificate issued by Ms. Kalpana Srinivasan, Practicing Company Secretary on Compliance with the Corporate Governance requirements by the Company is annexed herewith.

I, hereby, confirm and declare that in terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 2025 - 26.

Sd/-

Mr. Sanjay Nandwana
Managing Director
DIN: 03565954

ANNEXURE – I

AFFIRMATION OF COMPLIANCE WITH CODE OF CONDUCT
[Declaration Pursuant to Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)]

To the Members of VL E-Governance & IT Solutions Limited

I hereby declare that all the Board members, Key Managerial Personnel and Senior Management Personnel as on 31st March, 2026, have affirmed compliance with the Company's Code of Conduct for Board of Directors and Senior Management Personnel of VL E-Governance & IT Solutions Limited.

For VL E-Governance & IT Solutions Limited

Sanjay Nandwana
Managing Director
DIN: 03565954

Date: 10-08-2026
Place: Mumbai

ANNEXURE – II

COMPLIANCE CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
[Pursuant to regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

A. We have reviewed Audited Financial Statements and Cash Flow Statements for Financial Year ended 31st March, 2026 and that to the best of our knowledge and belief:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. 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.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year ended 31st March, 2026 which are fraudulent, illegal or violative of the Company's code of conduct.

C. 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 we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee, wherever applicable:

   1. significant changes (if any) in internal control over financial reporting during the Financial Year ended 31st March, 2026

   2. significant changes (if any) in accounting policies during the Financial Year ended 31st March, 2026 and that the same have been disclosed in the notes to the Financial Statements; and

   3. instances of significant fraud (if any) 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

Sanjay Nandwana
Managing Director
DIN: 03565954

Pradeep Somani
Chief Financial Officer

Date: 10-08-2026
Place: Mumbai

Annexure - III

Compliance Certificate On Corporate Governance Report

To,
The Members of **VL E-GOVERNANCE & IT SOLUTIONS LIMITED**
(CIN: L74110MH 2016PLC274618)
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 (CIN: L74110MH 2016PLC274618) for the financial year ended on 31st March, 2026.

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 financial year ended 31st March, 2026.

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.

Kalpana Srinivasan
Company Secretary in Practice
Membership No.: A6105
COP No. : 19503
Peer Review No. 2310/2022
UDIN: A006105H001147883

Place: Navi Mumbai
Date: 18-08-2026

Annexure - IV

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**
(CIN: L74110MH 2016PLC274618)
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 City, Maharashtra, India, 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) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors as on 30th March, 2026 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	Mr. Sanjay Nandwana	03565954	27/03/2025	--
2	Dr. Nishikant Kishanrao Hayatnagarkar	00062638	04/12/2024	--
3	Mr. Anoop Kumar Agrawal	07508525	10/12/2024	--
4	Mr. Hari Mohan	08671182	04/12/2024	--
5	Mr. Chandra Kailash Vishwakarma	10864745	10/12/2024	--
6	Ms. 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.

Kalpana Srinivasan
Company Secretary in Practice
Membership No.: A6105
COP No. : 19503
Peer Review No. 2310/2022
UDIN: A006105H001147905

Place: Navi Mumbai
Date: 18-08-2026


Financial
Reports

Independent Auditor's Report

To the Members of VL E-GOVERNANCE & IT SOLUTIONS LIMITED

Report on the Audit of Financial Statements

OPINION

We have audited the financial statements of **VL E-Governance & IT Solutions Limited (hereinafter referred to as "the Company")**, which comprise the Balance sheet as at March 31, 2026, 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, 2026, 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 be communicated in our report:

1. Expected Credit Loss

As described in Note 2.2.8(A)(d) to the standalone financial statements for the year ended March 31, 2026, management has determined the allowance for credit losses based on historical loss experience, adjusted to reflect the impact of prevailing economic conditions. The expected credit loss (ECL) model requires consideration of customers' business operations and their ability to settle outstanding dues.

Based on its assessment, management has concluded that no additional allowance for expected credit losses is required for the current year beyond the ECL recognized in earlier years, which has been disclosed in Notes 5, 9, and 12 to the financial statements. Accordingly, no further ECL provision has been recorded during the year.

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
    - o Verified publicly available information relating to the Company's customers to test if the management had correctly considered the adjustments to credit risk.
    - o 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.

Our opinion is not modified in respect of this matter.

2. Litigation matters

The Company has certain ongoing litigation proceedings with the Goods and service tax Authorities, inherited in the demerge. Due to complexity involved in these litigation matters, management's judgement regarding recognition, measurement and disclosure of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined. The Value involved in these matters has been disclosed in the note 35 contingent liabilities and commitments of Financials statements. Accordingly, it has been considered as a key audit matter.

Principal Audit Procedure

Our audit procedures included, but were not limited to, the following

- Tested the design, implementation and operating effectiveness of the controls established by the Company in the process of evaluation of litigation matters.
- Assessed the management's position through discussions with the in-house legal expert and external legal opinions obtained by the Company (where considered necessary) on both, the probability of success in the aforesaid cases, and the magnitude of any potential loss.
- Discussed with the management on the developments in respect of these litigations during the year ended March 31, 2026, till the date of approval of the Standalone Financial Statements.
- Reviewed the disclosures made by the Company in the Standalone Financial Statements.
- Obtained Management representation letter on the assessment of these matters.

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 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 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, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 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 Mach 31, 2026, 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:

i. The Company does not have any pending litigations other than a GST tax litigation, as disclosed in Annexure A (CARO) to this Report, and Key Audit Matters of this report amounting to ₹34,074.79 lakhs. Based on the assessment of the Management, supported by the opinion of its legal advisors, the Management expects a favourable outcome in the said matter and, accordingly, is of the view that the said litigation is not expected to have a material impact on the financial position of the Company.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (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.

v. No dividend has been declared or paid during the year by the company.

vi. 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: 26034914HPTZER4219

Place : Mumbai
Date : May 21, 2026

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, 2026.

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, 2026, 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, 2026.

(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 of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.

(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:

(₹ in Lakhs)

Particulars	Amount
(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	-
- Others	3,092.97

*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 was 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, 2026, is ₹ 3,092.97 Lakhs. There are no overdue of principal of loans granted by the company as at March 31, 2026.

(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 interest outstanding to a total of ₹ 3,092.97 (in Lakhs) on balance sheet date i.e. March 31, 2026, 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, 2026 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 except as follows:

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).

Besides above and as explained to us, pursuant to the Scheme of Arrangement sanctioned by the National Company Law Tribunal, Mumbai Bench, vide Order dated May 19, 2023 (appointed date: April 1, 2021), the E-Governance and IT/ITES undertaking, together with all related assets, liabilities, obligations and indirect tax matters, was transferred from the demerged company to the Company. Accordingly, all pending and future indirect tax proceedings relating to the transferred undertaking, including the disputed GST demand aggregating to ₹34,074.79 lakhs pertaining to the period from April 1, 2017 to March 31, 2019, vested in the Company. Further, pursuant to the Order of the Hon'ble High Court of Rajasthan, Jaipur Bench, dated November 17, 2025, the Company was substituted in the pending proceedings.

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) 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 made any preferential allotment of equity shares during the year and accordingly clause 3(x)(b) of the Order is not applicable to the Company.

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 incurred a cash loss of ₹ 123.08/- lakhs in the current financial year. The Company has not incurred any cash loss 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, 2026 which is related to FY 2025-26.

(B) An amount of ₹ 96.71/- lakhs (relevant to FY 2023-24) is available in the unspent CSR towards going project as on March 31, 2026.

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: 26034914HPTZER4219

Place : Mumbai
Date : May 21, 2026

Annexure "B" 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, 2026

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, 2026, 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, 2026, 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
Membership No. : 034914
UDIN: 26034914HPTZER4219

Place : Mumbai
Date : May 21, 2026

VL e-Governance & IT Solutions Limited

Balance Sheet

as at March 31, 2026

(₹ in Lakhs)

					Note No.	As at March 31, 2026	As at March 31, 2025
I	ASSETS						
1	**Non - Current Assets**						
	a)	Property, Plant & Equipment			4	234.95	234.79
	b)	Financial Assets					
		i)	Loan		5	-	-
		ii)	Other Financial Assets		6	4,003.25	3.25
	c)	Deferred Tax Assets (Net)			7	-	-
	Total Non-Current Assets					**4,238.20**	**238.04**
2	**Current Assets**						
	a)	Financial Assets					
		i)	Investments		8	13.69	-
		ii)	Trade Receivables		9	116.00	-
		iii)	Cash and cash equivalents		10	203.82	149.60
		iv)	Bank Balances other than (b) above		11	98.29	4,398.29
		v)	Other Current Financial Assets		12	0.29	5.24
	b)	Other Current Assets			13	49.53	57.14
	Total Current Assets					**481.62**	**4,610.28**
	TOTAL ASSETS					**4,719.82**	**4,848.32**
II	EQUITY & LIABILITIES						
1	**Equity**						
	a)	Equity Share Capital			14	10,845.13	10,845.13
	b)	Other Equity			15	(6,388.52)	(6,275.48)
	Total Equity					**4,456.61**	**4,569.66**
2	**LIABILITIES**						
	i	Non - Current Liabilities					
		Deferred Tax Liablities (Net)			7	4.70	1.87
	Total Non - Current Liabilities					**4.70**	**1.87**
	ii	Current Liabilities					
	a)	Financial liabilities					
		i)	Borrowings			-	-
		ii)	Trade Payables				
			-	dues of micro enterprises and small enterprises	16	-	-
			-	dues of creditors other than micro-enterprises and small enterprises		1.09	7.03
	b)	Other Current Liabilites			17	136.12	129.95
	c)	Provisions			18	-	10.06
	d)	Current Tax Liabilities			19	121.30	129.74
	Total Current Liabilities					**258.51**	**276.79**
	Total Liablities					**263.21**	**278.66**
	TOTAL EQUITY & LIABILITIES					**4,719.82**	**4,848.32**
	Material Accounting Policies Informations				1-3		
	The accompanying notes are an integral part of the Financial Statements.				4-41		

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 21, 2026

For and on behalf of the Board of Directors
VL E-Governance & IT Solutions Limited
CIN : L74110MH2016PLC274618

Sanjay Nandwana
Managing Director
DIN : 03565954

Nishikant Hayatnagarkar
Chairman and Director
DIN: 00062638

Pradeep Somani
Chief Financial Officer

Parth Solanki
Company Secretery

Place : Mumbai
Date : May 21, 2026

Standalone Statement of Profit and Loss

for the year ended March 31, 2026

(₹ in lakhs)

	Particulars	Note No.	For the period ended March 31, 2026		For the period ended March 31, 2025	
I	**Income**					
	Revenue from Operations	20	1,715.43		3,068.86	
	Other Income	21	50.58		169.93	
	Total Income			**1,766.01**		**3,238.79**
II	**Expenses**					
	Cost of Meterial Consumed		-		-	
	Purchase of Stock-in-Trade	22	1,615.43		2,568.65	
	Operating Expenses		-		-	
	Change in Inventories		-		-	
	Employee Benefits Expenses	23	134.22		275.24	
	Finance Cost		-		-	
	Depreciation	24	13.57		3.84	
	Other Expenses	25	113.03		251.01	
	Total Expenses			1,876.25		3,098.73
III	**Profit before exceptional and extraordinary items and tax**			**(110.24)**		**140.06**
	Exceptional items	26		-		251,841.28
IV	**Profit/ (Loss) before tax**			**(110.24)**		**(251,701.22)**
V	**Tax Expense:**					
	(a) Current Tax		-		-	
	(b) Deferred Tax		2.83	2.83	2.02	2.02
VI	**Profit/ (Loss) for the year**			**(113.07)**		**(251,703.24)**
VII	**Other Comprehensive Income**					
	Items that will be reclassified subsequently to profit or loss		-		-	
	Items that will not be reclassified subsequently to profit or loss		-	-	-	-
VIII	**Total Comprehensive Income for the year**			**(113.07)**		**(251,703.24)**
IX	**No. of equity shares for computing EPS (in Lakhs)**					
	(1) Basic			1,084.51		1,064.65
	(2) Diluted			1,084.51		1,150.11
X	**Earnings Per Equity Share (Face Value ₹ 10/- Per Share):**	**27**				
	(1) Basic (₹)			**(0.10)**		**(236.42)**
	(2) Diluted (₹)			**(0.10)**		**(218.85)**
	Material Accounting Policies	1-3				
	The accompanying notes are an integral part of the Financial	4-41				

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 21, 2026

For and on behalf of the Board of Directors
VL E-Governance & IT Solutions Limited
CIN : L74110MH2016PLC274618

Sanjay Nandwana
Managing Director
DIN : 03565954

Nishikant Hayatnagarkar
Chairman and Director
DIN: 00062638

Pradeep Somani
Chief Financial Officer
Place : Mumbai
Date : May 21, 2026

Parth Solanki
Company Secretery

VL e-Governance & IT Solutions Limited

Statement of Cash Flows

for the year ended March 31, 2026

(₹ in lakhs)

Particulars	For the period ended March 31, 2026	For the period ended March 31, 2025
Cash flow from operating activities		
Profit before tax and Exceptional Item from continuing operations	(110.24)	140.06
Non-cash adjustment to reconcile the profit before tax to net cash flows		
- Allowance for credit losses shown as Exceptional Items	-	(251,841.28)
- Interest Income	(49.64)	(90.18)
- Foreign Exchange Gain/(Loss)	-	(79.75)
- Writte down of Contractual assets shown as Exceptional Items	-	-
Depreciation of property, plant and equipment	13.57	3.84
Operating profit before working capital changes	(146.31)	(251,867.31)
Movements in assets and liabilities :		
- Increase/(Decrease) in Trade payables	(5.95)	(1,509.80)
- Increase/(Decrease) in Other current liabilities	6.17	29.38
- Increase/(Decrease) in Provisions	(10.06)	3.28
- Increase/(Decrease) in Other payables	(8.44)	(9.85)
- (Increase)/Decrease in Trade Receivables	(116.00)	115,911.54
- (Increase)/Decrease in Other Non-Current financial assets	(4,000.00)	3,013.23
- (Increase)/Decrease in Other Current financial assets	4.96	132,751.55
- (Increase)/Decrease in Bank Balances other than Cash and Cash equivalent	4,300.00	(4,396.82)
- (Increase)/Decrease in Other current assets	7.61	(34.72)
Cash generated from /(used in) operations	**31.99**	**(6,109.52)**
Income taxes paid (net of refunds)	-	-
Net cash flow used in operating activities (A)	**31.99**	**(6,109.52)**
Cash flows from investing activities		
Purchase of Investment in Mutal Fund	(13.69)	-
Interest received	49.64	90.18
Purchase of Assets	(13.73)	(238.34)
Loan granted to Group company (Foreign Exchange Gain)	-	79.75
Net cash flow used in investing activities (B)	**22.22**	**(68.42)**
Cash flows from financing activities		
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)
Net cash flow from financing activities (C)	**-**	**6,322.19**
Net increase in cash and cash equivalents (A + B + C)	54.21	144.25
Cash and cash equivalents at the beginning of the period	149.60	5.35
Cash and cash equivalents at the end of the period	**203.82**	**149.60**

Material Accounting Policies Informations 1-3

The accompanying notes are an integral part of the Financial Statements. 4-41

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 21, 2026

For and on behalf of the Board of Directors
VL E-Governance & IT Solutions Limited
CIN : L74110MH2016PLC274618

Sanjay Nandwana
Managing Director
DIN : 03565954

Nishikant Hayatnagarkar
Chairman and Director
DIN: 00062638

Pradeep Somani
Chief Financial Officer

Parth Solanki
Company Secretery

Place : Mumbai
Date : May 21, 2026

Statement of changes in equity (SOCIE)

for the year ended March 31, 2026

(₹ in lakhs)

Particulars	Equity Share Capital	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		
As at April 01, 2024	**10,595.13**	**-**	**49,762.68**	**17,455.33**	**173,475.60**	**(6,446.90)**	**-**	**244,841.84**
Allotment of equity shares during the year on conversion of Share Warrants	250.00	-	-	-	-	-	-	250.00
Increase in share capital on account of the conversion of ESOP	-	-	-	-	-	-	-	-
Reduction of equity shares during the year	-	-	-	-	-	-	-	-
Profit(Loss) for the year	-	-	-	-	-	(251,703.24)	-	(251,703.24)
Reserve created on account of Shares allotted to Non-Promoters on Prefrential Basis	-	1,625.00	-	-	-	-	-	1,625.00
Transfer to General Reserve	-	-	-	-	-	-	-	-
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Share Application money received on issue of convertible warrants during the year	-	-	-	-	-	-	9,556.05	9,556.05
As at March 31, 2025	**10,845.13**	**1,625.00**	**49,762.68**	**17,455.33**	**173,475.60**	**(258,150.14)**	**9,556.05**	**4,569.66**
Allotment of equity shares during the year on conversion of Share Warrants	-	-	-	-	-	-	-	-
Increase in share capital on account of the conversion of ESOP	-	-	-	-	-	-	-	-
Reduction of equity shares during the year	-	-	-	-	-	-	-	-
Profit(Loss) for the year	-	-	-	-	-	(113.07)	-	(113.07)
Reserve created on account of Shares allotted to Non-Promoters on Prefrential Basis	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-
Remeasurement of net defined benefit obligations (net of taxes)	-	-	-	-	-	-	-	-
Share Application money received on issue of convertible warrants during the year	-	-	-	-	-	-	-	-
As at March 31, 2026	**10,845.13**	**1,625.00**	**49,762.68**	**17,455.33**	**173,475.60**	**(258,263.21)**	**9,556.05**	**4,456.61**

Significant Accounting Policies 1-3

The accompanying notes are an integral part of the Financial Statements. 4-41

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 21, 2026

For and on behalf of the Board of Directors
VL E-Governance & IT Solutions Limited
CIN : L74110MH2016PLC274618

Sanjay Nandwana
Managing Director
DIN : 03565954

Nishikant Hayatnagarkar
Chairman and Director
DIN: 00062638

Pradeep Somani
Chief Financial Officer
Place : Mumbai
Date : May 21, 2026

Parth Solanki
Company Secretery

Notes to the financial statements

for the year ended March 31, 2026

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 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 21, 2026.

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.

Notes to the financial statements

for the year ended March 31, 2026 (continued)

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the 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

Notes to the financial statements

for the year ended March 31, 2026 (continued)

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. 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 proving 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 (g) 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.

Notes to the financial statements

for the year ended March 31, 2026 (continued)

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 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

Notes to the financial statements

for the year ended March 31, 2026 (continued)

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
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

Notes to the financial statements

for the year ended March 31, 2026 (continued)

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 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.

Notes to the financial statements

for the year ended March 31, 2026 (continued)

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 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

Notes to the financial statements

for the year ended March 31, 2026 (continued)

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.

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 summaries 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

Notes to the financial statements

for the year ended March 31, 2026 (continued)

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.

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.

2.2.14 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 is has 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.

Notes to the financial statements

for the year ended March 31, 2026 (continued)

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, it 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.

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.

2.2.17 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.

2.2.18 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.

2.2.19 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:2A NEW AND AMENDED STANDARDS (RECENT ACCOUNTING PRONOUNCEMENTS

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.

During the year ended March 31, 2026, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 applicable to the company w.e.f. April 1, 2025.

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) Amendments to Ind AS 21 - Lack of exchangeability

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments do not have a material impact on the Company’s standalone financial statements.

(ii) Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Noncurrent Liabilities with Covenants

Notes to the financial statements

for the year ended March 31, 2026 (continued)

In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees—after the reporting period but before the financial statements are approved for issue—not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current. The amendments are effective for annual reporting periods beginning on or after 1 April 2025 retrospectively in accordance with Ind AS 8.

The amendments do not have a material impact on the Company's financial statements.

(iii) Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

In August 2025, the MCA notified amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments do not have any impact on the Company's financial statements.

(iv) International Tax Reform—Pillar Two Model Rules – Amendments to Ind AS 12 In August 2025, the MCA notified amendments to Ind AS 12

Income Taxes in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 April 2025, but not for any interim periods ending on or before 31 March 2026.

The amendments had no impact on the Company's standalone financial statements as the Company is not in scope of the Pillar Two model rules

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

Notes to the financial statements

for the year ended March 31, 2026 (continued)

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.

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.

Notes to the financial statements

for the year ended March 31, 2026 (continued)

Note 4 - PROPERTY, PLANT and EQUIPMENT

(₹ in lakhs)

Particulars	Computers & End user Devices	Office Equipment	Motor Vehicles	Building	Total
Gross Block (Cost)					
At March 31, 2024	**0.37**	**-**	**-**	**-**	**0.37**
Additions	-	10.99	27.36	200.00	**238.34**
Disposals/transfer	-	-	-	-	**-**
At March 31, 2025	**0.37**	**10.99**	**27.36**	**200.00**	**238.71**
Additions	-	-	-	13.73	**13.73**
Disposals/transfer	-	-	-	-	**-**
At March 31, 2026	**0.37**	**10.99**	**27.36**	**213.73**	**252.44**
Depreciation and Impairment					
At March 31, 2024	**0.09**	**-**	**-**	**-**	**0.09**
Depreciation charged for the year	0.12	1.48	1.10	1.14	**3.84**
Disposals/transfer	-	-	-	-	**-**
At March 31, 2025	**0.20**	**1.48**	**1.10**	**1.14**	**3.92**
Depreciation charged for the year	0.12	3.48	3.25	6.73	**13.57**
Disposals/transfer	-	-	-	-	**-**
At March 31, 2026	**0.32**	**4.96**	**4.35**	**7.86**	**17.49**
NET BLOCK					
At March 31, 2025	0.17	9.51	26.25	198.86	**234.79**
At March 31, 2026	**0.05**	**6.03**	**23.01**	**205.86**	**234.95**

Note 5 - LOANS (Non-Current)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Loans Receivables considered good (Secured)	-	-
(ii) Loans Receivables considered good (Unsecured)		
(a) Loan to Related Parties	-	-
(iii) Loans Receivables which have significant increase in Credit Risk		
(a) Loan to Related Parties	3,092.97	3,092.97
(iv) Loans - credit impaired	-	-
	3,092.97	**3,092.97**
Less:- Allowance for expected credit loss	3,092.97	3,092.97
TOTAL	**-**	**-**

Notes to the financial statements

for the year ended March 31, 2026 (continued)

Details of Loans to Related Parties

(₹ in lakhs)

Type of Borrower	March 31, 2026		March 31, 2025	
	Amount outstanding	Percentage of total Loans	Amount outstanding	Percentage of total Loans
Loan to the Company in which any director was a member or Promoter/Promoter group are directaly/ indirectaly intrested	3,092.97	100%	3,092.97	100%
TOTAL	**3,092.97**	**100%**	**3,092.97**	**100%**

Note 6 - OTHER FINANCIAL ASSETS (Non - Current)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
(i) Deposit with Government Authorities	0.25	0.25
(ii) Security Deposit		
(a) With related parties	-	-
(b) With Other than related parties	4,003.00	3.00
TOTAL	**4,003.25**	**3.25**

Note 7 - DEFERRED TAX ASSETS/LIABLITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax Assets:		
Opening	0.15	0.15
(i) On account of the difference in depreciation of PPE Recognised in PL	-	-
(ii) Other	-	-
Gross Deferred Tax Assets (A)	**0.15**	**0.15**
Deferred Tax Liabilities:		
Opening	2.02	-
(i) On account of the difference in depreciation of PPE Recognised in PL	2.83	2.02
(ii) Other	-	-
Gross Deferred Tax Liability (B)	**4.85**	**2.02**
Net Deferred Tax Balance carried to Balance Sheet (Net Liability) (B-A)	**4.70**	**1.87**

Notes to the financial statements

for the year ended March 31, 2026 (continued)

The analysis of Deferred Tax Liabilities is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax Liabilites/(Assets) to be recovered after more than 12 months	4.70	1.87
Deferred Tax Liabilites/(Assets) to be recovered within 12 months	-	-

1. 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. 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.

Note 8 - INVESTMENTS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Quoted		
Investment carried at Fair value through Profit and Loss (FVTPL)		
- in Mutual Fund*		
3,538.21 (March 31, 2025: Nill) units of Aditya Birla Sun Life Money Manager Fund - Growth	13.69	-
TOTAL	**13.69**	**-**

8.1: Investments in mutual fund units are recognised initially at fair value and are subsequently measured at Fair Value Through Profit or Loss (FVTPL) in accordance with Ind AS 109. All gains and losses arising from changes in fair value are recognised in the Statement of Profit and Loss in the period in which they arise.

Note 9 - TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Trade Receivables Considered good - Secured	-	-
(ii) Trade Receivables Considered good - Unsecured	116.00	-
(iii) Trade Receivables - which have significant increase in Credit Risk	116,776.90	116,776.90
(iv) Trade Receivables - Credit impaired	-	-
	116,892.90	**116,776.90**
Less:- Allowance for expected credit loss	116,776.90	116,776.90
TOTAL	**116.00**	**-**

Notes to the financial statements

for the year ended March 31, 2026 (continued)

Note: - Detailed note on disclosure as required by Schedule III for ageing Refer Note 33 for ageing of Trade Receivables

Note 10 - CASH and CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Balances with Banks :		
(a) in Current Account	3.82	149.60
(a) in Deposits Account	200.00	-
(iii) Cash-in-hand	-	-
TOTAL	**203.82**	**149.60**

Note 11 - BANK BALANCES OTHER THAN ABOVE

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Bank Deposits with maturity period of more than 3 months but less than 12 months	1.47	4,301.47
Earmarked Balances With Banks (Ongoing Project Of CSR)	96.82	96.82
TOTAL	**98.29**	**4,398.29**

Note 12 - OTHER CURRENT FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, Considered good		
- Security Deposits	-	-
- Interest accrued but not due on deposit	0.29	5.24
Other Advances - Advances receivable from Vendors		
- considered good (Unsecured)	-	-
- which have significant increase in Credit Risk	132,330.08	132,330.08
	132,330.37	**132,335.33**
Less:- Allowance for expected credit loss on Other Advances	132,330.08	132,330.08

Notes to the financial statements

for the year ended March 31, 2026 (continued)

TOTAL	**0.29**	**5.24**

Note 13 - OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, Considered good		
- Advances to Vendors/suppliers	17.73	22.44
- Prepaid Expenses	-	-
- Balances with statutory authorities	11.78	23.37
- Others Advances	10.00	11.34
- Others Receivables	10.01	-
TOTAL	**49.53**	**57.14**

Note 14 - EQUITY SHARE CAPITAL

(i) Share Capital :

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised :		
20,00,00,000 (March 31, 2025 : 20,00,00,000) Equity Shares of ₹ 10/- each	20,000.00	20,000.00
Issued, Subscribed and Paid-up :		
10,84,51,329 (March 31, 2025 : 10,84,51,329) Equity Shares of ₹ 10/- each	10,845.13	10,845.13

(ii) Details of reconciliation of the number of shares outstanding :

(₹ in lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Equity Share Capital:				
Shares outstanding at the beginning of the year	108,451,329	10,845.13	105,951,329	10,595.13
Add: Shares issued during the year*	-	-	2,500,000	250.00
Less: Decrese/Buy Back/Reduction/Adjustment during the year	-	-	-	-
Outstanding at the end of the year	**108,451,329**	**10,845.13**	**108,451,329**	**10,845.13**

* During the earlier year, the Company had issued 25,00,000 new equity shares of face value ₹ 10 each at the price of ₹ 75 for

Notes to the financial statements

for the year ended March 31, 2026 (continued)

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 parripassu 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.

(v) Details of shareholders holding more than 5% shares in the Company*

(₹ in lakhs)

No. of Shares held by	As at March 31, 2026		As at March 31, 2025	
	Number of Shares	%	Number of Shares	%
Vakrangee Holdings Private Limited	24,666,096	22.74%	24,666,096	22.74%
Life Insurance Corporation of India	6,586,464	6.07%	6,586,464	6.07%

(vi) Disclosure of shareholding of Promoters

Shares held by promoters as at March 31, 2026:

(₹ in lakhs)

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%	0.00%
NJD Capital Private Limited	344,182	0.32%	0.00%
Jyoti Nandwana	173,516	0.16%	100.00%
Dinesh Nandwana HUF	19,600	0.02%	0.00%

Shares held by promoters as at March 31, 2025:

(₹ in lakhs)

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%	0.00%
NJD Capital Private Limited	344,182	0.32%	6.61%
Late Dinesh Nandwana	173,516	0.16%	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 long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows

Notes to the financial statements

for the year ended March 31, 2026 (continued)

generated. The Company is not subject to any externally imposed capital requirements.

(viii) For the period of five years immediately preceding the Balance sheet date:

(No. of shares in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
- No. of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-
- No. of shares allotted as fully paid by way of Bonus shares	-	-
- No. of shares bought back	-	-
- No. of shares issued on exercise of options granted under the ESOP scheme.	-	-
- No. of shares issued due to the allotment of shares in the Non-promoter category due to the conversion share warrants	-	25.00

Note 15 - OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
(i) Securities Premium Reserve	1,625.00		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	173,475.61		173,475.61	
(v) Retained Earnings	(258,263.21)		(258,150.14)	
(vi) Money received against share warrants	9,556.05	(6,388.52)	9,556.05	(6,275.48)
TOTAL		**(6,388.52)**		**(6,275.48)**

(i) Securities Premium Reserve

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	1,625.00	-
Add: On share issued during the year	-	1,625.00
Balance at the end of the year	**1,625.00**	**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 earlier 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

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	49,762.68	49,762.68
Add: Pursuant to the scheme/(any adjustment)	-	-

Notes to the financial statements

for the year ended March 31, 2026 (continued)

Balance at the end of the year	**49,762.68**	**49,762.68**

Capital Reserve is outcome of business combinations carried out during the earlier year and pursuent to scheme of demerger.

(iii) General Reserve

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	17,455.33	17,455.33
Add: Transferred from Retained Earnigs	-	-
Add: Pursuant to the scheme/(any adjustment)	-	-
Balance at the end of the year	**17,455.33**	**17,455.33**

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. General Reserve is outcome of business combinations carried out during the earlier year and pursuent to scheme of demerger.

(iv) Profit & Loss Appropriation Account

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	173,475.61	173,475.61
Add: Pursuant to the scheme/(any adjustment)	-	-
Less: Issue of equity shares	-	-
Balance at the end of the year	**173,475.61**	**173,475.61**

Profit & Loss Appropriation Reserve arose from business combinations and a demerger scheme executed in earlier years.

(v) Retained Earnings

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	(258,150.14)	(6,446.90)
Add: Profit for the year	(113.07)	(251,703.24)
Add: Transferred to General Reserves	-	-
Balance at the end of the year	**(258,263.21)**	**(258,150.14)**

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 acturial valuation of gratuity, that will not be routed through Statement of Profit and Loss subsequently

(vi) Money received against share warrants

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	9,556.05	-
Add: : amount received against pending converaible warrants	-	9,556.05
Balance at the end of the year	**9,556.05**	**9,556.05**

Money Received Against Share Warrants represents amounts received on warrants pending conversion into equity shares and is classified under Other Equity. During the earlier 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

Notes to the financial statements

for the year ended March 31, 2026 (continued)

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 Statement of Changes in Equity.

Note 16 - TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade Payables:		
- Dues of micro enterprises and small enterprises	-	-
- Dues of Creditors other than micro enterprises and small enterprises	1.09	7.03
TOTAL	**1.09**	**7.03**

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 28.

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, 2026 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**

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
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: Detailed note on disclosure as required by Schdeule III for ageing

Refer Note 38 for ageing of Trade Payable

Notes to the financial statements

for the year ended March 31, 2026 (continued)

Note 17 - OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
a) Advances from Customers		
- From Related Parties (Refer Note 28)	27.87	22.01
- Others	1.25	1.25
b) Statutory Dues - Withholding taxes and others	1.96	6.65
c) Payable towards CSR Expenses	96.71	96.71
d) Other Payables		
- Audit Fees Payable	0.91	0.86
- Others	7.41	2.47
TOTAL	**136.12**	**129.95**

Note 18 - PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits:		
- Employee Dues	-	10.06
TOTAL	**-**	**10.06**

Note 19 - CURRENT TAX LIABILITIES (Net)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Income Tax (Net)	121.30	129.74
TOTAL	**121.30**	**129.74**

Note 20 - REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
(a) Revenue from e-governance activities		-		-
(a) Revenue from sale of				
- Traded Goods			888.86	
- Services	1,715.43	1,715.43	2,180.01	3,068.86
TOTAL		**1,715.43**		**3,068.86**

Note : The amount of revenues are exclusive of indirect taxes (GST etc.)

Notes to the financial statements

for the year ended March 31, 2026 (continued)

Note 21 - OTHER INCOME

(₹ in lakhs)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
(a) Interest Income on the financial assets at amortized cost		-		-
- Bank Deposits	49.64		90.18	
(b) Other Non- Operating Income				
- Gain on Foreign Exchange Fluctuation (net)	-		79.75	
- Miscellaneous Income	0.95	50.58	0.00	169.93
TOTAL		**50.58**		**169.93**

Note 22 - PURCHASE of STOCK-in-TRADE

(₹ in lakhs)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
Purchase of Goods & Services		1,615.43		2,568.65
TOTAL		**1,615.43**		**2,568.65**

Note 23 - EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
(i) Salaries, Wages and Bonus	87.89		163.73	
(ii) Directors' Remuneration	46.33		111.43	
(ii) Staff Welfare	-	134.22	0.08	275.24
TOTAL		**134.22**		**275.24**

Note 24 - DEPRECIATION and AMORTISATION EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
(i) Depreciation on PPE (Refer Note 4)		13.57		3.84
(ii) Amortisation of Intangible Assets		-		-
TOTAL		**13.57**		**3.84**

Notes to the financial statements

for the year ended March 31, 2026 (continued)

Note 25 - OTHER EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
Annual Listing and Depository Fees		28.09		28.02
Registrar & Share Issue/Transfer Charges and Fees		2.11		2.30
Legal & Professional Fees - Other than payments to Auditor				
- Legal & Professional Fees	61.42		40.05	
- RoC Filing Stamp Duty and Franking Charges	0.12	61.54	94.30	134.35
Listing related Expenses: -				
- Listing Processing Charges	-		-	
- Depository Charges for CA & Others	-		0.17	
- Stamp Duty and Other Charges	0.53	0.53	1.94	2.11
Director Sitting Fees		10.45		7.85
Bank Charges & Commission		0.19		0.16
Advertisment Expenses		0.46		26.84
Business Promotion Expenses		-		44.74
Electricity Expenses		0.01		
Printing & Stationery Expenses		5.04		0.05
Office & General Expenses		0.28		-
Miscellaneous Expenses		0.33		1.18
Provision for Allowance of credit lossess		-		-
Corporate Social Responsibility Expenditure (Refer Note 27)		-		-
Travelling & Lodging Expenses		2.99		2.16
Payments to Auditors: -				
- Audit fees (including limited review)	1.00		1.18	
- Certification Fee	-	1.00	0.06	1.24
TOTAL		**113.03**		**251.01**

Note 26 - EXCEPTIONAL ITEMS

(₹ in lakhs)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
Provision of ECL (allowance for credit losses):				
- Opening Allowances	(252,199.96)		(358.68)	
- Less : Allowance of credit lossess	-		251,841.28	
- Closing Allowances	(252,199.96)	-	(252,199.96)	251,841.28
Remeasurement of contractual assets		-		-
TOTAL		**-**		**251,841.28**

Notes to the financial statements

for the year ended March 31, 2026 (continued)

Note 27 - EARNINGS PER EQUITY SHARES

(₹ in lakhs)

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a)	**Net profit/(Loss) after tax for the year attributable to equity shareholders for Basic EPS**	(113.07)	(251,703.24)
	Add/Less: Adjustment relating to potential equity shares	-	-
	Net profit/(Loss) after tax attributable to equity shareholders for Diluted EPS"	(113.07)	(251,703.24)
(b)	**Weighted average no. of equity shares (in Lakhs) outstanding during the year**		
	For Basic EPS	1,084.51	1,064.65
	For Diluted EPS	1,084.51	1,150.11
(c)	**Face Value per Equity Share (₹)**	10	10
	Basic EPS (₹)	(0.10)	(236.42)
	Diluted EPS (₹)	(0.10)	(218.85)
(d)	**Reconciliation between no. of shares (in Lakhs) used for calculating basic and diluted EPS**		
	No. of shares used for calculating Basic EPS	1,084.51	1,064.65
	Add: Potential equity shares	-	85.46
	No. of shares used for calculating Diluted EPS	**1,084.51**	**1,150.11**

Notes to the financial statements

for the year ended March 31, 2026 (continued)

NOTE 28 - RELATED PARTY DISCLOSURE

(i) Names of related parties and description of relationship

(a) Key Management Personnel and Directors

Name	Designation
Dr. Nishikant Hayatnagarkar	Chairman and Executive Director
Mr. Sanjay Nandwana	Managing Director
Mr. Hari Mohan	Independent Directors
Mr. Chandra Kailash Vishwakarma	Independent Directors
Mr. Anoop Kumar Agrawal	Independent Directors
Mrs. Tanu Surendra Shukla	Independent Directors
Mr. Pradeep Somani	Chief Financial Officer
Mr. Parth Solanki (appointed w.e.f 31.10.2025)	Company Secretary & Compliance Officer
Ms. Nilesh Champalal Wadode (Ceased w.e.f 04.08.2025)	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	Designation
Vakrangee 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)

(₹ in lakhs)

Nature of Transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
Remuneration to Key Managerial Personnel		
Sanjay Nandwana	46.33	-
Pradeep Somani	10.58	8.92
Parth Solanki	3.36	-
Nilesh Champalal Wadode	1.91	-
Balance outstanding as on March 31 :		
(Expenses and Salaries Payable)		
Sanjay Nandwana	2.79	-
Pradeep Somani	0.88	0.71
Parth Solanki	0.61	-
Nilesh Champalal Wadode	-	0.60

Notes to the financial statements

for the year ended March 31, 2026 (continued)

- In relation to (b)

(₹ in lakhs)

Nature of Transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of goods and services		
Vakrangee Limited	1,615.43	-
Balance outstanding as on end of reporting period		
Vakrangee Limited (Credit balance)	27.87	22.01
Vakrangee e-Solutions Inc. (Debit balance) (refer note 5)	-	-

Note 29 -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.

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
a) Gross Amount required to be spent by the company during the year	-	-
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	-	-
d) Total of previous years' short fall	-	-
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, 2026, the Company has ₹ 96.71 lakhs in unspent CSR account.

Notes to the financial statements

for the year ended March 31, 2026 (continued)

Note 30 - ALLOWANCE FOR EXPECTED CREDIT LOSSES (ECL) and ACCOUNTING ON GOING CONCERN BASIS :

During the year under review, the Company has has been carried out the impairment assessment of financial assets in accordance with Ind AS 109. Based on the assessment and records, no additional Expected Credit Loss (ECL) provision was considered necessary during the period under review.

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.

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 and positive net worth of ₹4,456.61 lakhs and adequate liquidity, 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.

Note 31 - 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, 2026, 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.

However, as on March 31, 2026, 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.

(iii) Defined contribution plans

The Company does not have any defined benefit plans as at the reporting date.

During the year, the Company was not required to make contributions to the Employees' Provident Fund under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, as the number of employees remained below the statutory threshold for applicability throughout the year. Accordingly, no provident fund contributions were payable or made during the year."

During the year, the Company was also not liable to make contributions under the Employees' State Insurance Act, 1948, as the number of employees remained below the prescribed statutory threshold and no employee met the eligibility criteria for coverage under the Act. Consequently, no ESI contributions were payable or made during the year.

Note 32 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".

Notes to the financial statements

for the year ended March 31, 2026 (continued)

Note 33 - AGEING FOR TRADE RECEIVABLES

Ageing for Trade Receivables outstanding as at March 31, 2026 is as follows :-

(₹ in lakhs)

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	
Undisputed Trade receivables -						
- considered good	-	116.00	-	-	-	116.00
-which have significant increase in credit risk	-		737.81	2,267.96	113,771.13	116,776.90
-credit impaired	-	-	-	-	-	
Disputed Trade Receivables -	-					
-considered good	-	-	-	-	-	
-which have significant increase in credit risk	-	-	-	-	-	
-credit impaired	-	-	-	-	-	
Total Trade Receivables	**-**	**116.00**	**737.81**	**2,267.96**	**113,771.13**	**116,892.90**
Less: Allowance for credit loss						**116,776.90**
Net Trade Receivables						**116.00**

Ageing for Trade Receivables outstanding as at March 31, 2025 is as follows :-

(₹ in lakhs)

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	
Undisputed Trade receivables -						
- considered good	-	-	-	-	-	
-which have significant increase in credit risk	737.81	-	2,267.96	32,921.78	80,849.35	116,776.90
-credit impaired	-	-	-	-	-	
Disputed Trade Receivables -						
-considered good	-	-	-	-	-	
-which have significant increase in credit risk	-	-	-	-	-	
-credit impaired	-	-	-	-	-	
Total Trade Receivables	**737.81**	**-**	**2,267.96**	**32,921.78**	**80,849.35**	**116,776.90**
Less: Allowance for credit loss						**116,776.90**
Net Trade Receivables						**-**

Notes to the financial statements

for the year ended March 31, 2026 (continued)

Note 34 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.

The carrying value and fair value by each classification as at March 31, 2026 were as follows:-

(₹ in lakhs)

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2	Level 3
Financial Assets							
Loans	-	-	-	-			
Investments	-	13.69	-	13.69	13.69	-	-
Trade Receivables	116.00	-	-	116.00	-	-	-
Cash & Cash equivalents	203.82	-	-	203.82	-	-	-
Other Bank Balances	98.29	-	-	98.29	-	-	-
Other Financial Assets	4,003.54	-	-	4,003.54	-	-	-
Total	**4,421.65**	**13.69**	**-**	**4,435.33**	**13.69**	**-**	**-**
Financial Liabilities							
Borrowings	-	-	-	-	-	-	-
Trade Payables	1.09	-	-	1.09	-	-	-
Total	**1.09**	**-**	**-**	**1.09**	**-**	**-**	

Notes to the financial statements

for the year ended March 31, 2026 (continued)

The carrying value and fair value by each classification as at March 31, 2025 were as follows:-

(₹ in lakhs)

Particulars	Amortised cost	FVTPL	FVOCI	Carrying value	Level 1	Level 2	Level 3
Financial Assets							
Loans	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Trade Receivables	-	-	-	-	-	-	-
Cash & Cash equivalents	149.60	-	-	149.60	-	-	-
Other Bank Balances	4,398.29	-	-	4,398.29	-	-	-
Other Financial Assets	8.49	-	-	8.49	-	-	-
Total	**4,556.38**	**-**	**-**	**4,556.38**	**-**	**-**	**-**
Financial Liabilities							
Borrowings	-	-	-	-	-	-	-
Trade Payables	7.03	-	-	7.03	-	-	-
Total	**7.03**	**-**	**-**	**7.03**	**-**	**-**	**-**

(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.

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, Investments, trade receivables, derivative financial instruments, financial assets meaasured at amortised cost.	Credit Risk	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Borrowings, Investments and other liabilities	Liquidity Risk	Rolling cash flow forecasts	Availibility 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 and other marketable securities	Market Risk - security prices	Sensitivity analysis	Portfolio diversification

Notes to the financial statements

for the year ended March 31, 2026 (continued)

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.

The Company is indirectly exposed to credit risk through the underlying portfolio of the mutual fund. The scheme predominantly invests in high-quality money market instruments issued by banks, financial institutions, corporates and Government-backed entities, subject to SEBI investment regulations and internal credit evaluation processes of the fund manager. The scheme is described as having relatively low interest rate risk and moderate credit risk under its product risk classification. As the Company does not directly hold the underlying securities, its maximum exposure to credit risk is limited to the carrying amount of the investment.

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, 2026 and March 31, 2025 is the carrying amounts as disclosed in this financial statement.

Exposure to credit risk

Financial asset for which loss allowance is measured using expected credit loss model

(₹ in lakhs)

Particulars	March 31, 2026	March 31, 2025
Financial assest:		
Investments	13.69	-
Cash and cash equivalent	203.82	149.60
Bank Balances other than (b) above	98.29	4,398.29
Trade receivables	116.00	-
Loans	-	-
Other financial assets	4,003.54	8.49
Total	**4,421.65**	**4,556.38**

(₹ in lakhs)

Movement in the expected credit loss allowance	March 31, 2026	March 31, 2025
Balance at beginning of the year	252,199.96	358.68
Net movement in ECL allowance on trade receivables and Financial Assets calculated at lifetime expected credit losses	-	251,841.28
Total	**252,199.96**	**252,199.96**

Notes to the financial statements

for the year ended March 31, 2026 (continued)

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.

The investment is in an open-ended mutual fund and is redeemable at the applicable NAV, subject to the terms of the scheme. Accordingly, the Company considers the investment to have low liquidity risk and uses it as part of its treasury management strategy for short-term surplus funds. There is no contractual maturity for the investment; however, the units are generally redeemable on demand in accordance with the scheme provisions

Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities :

(₹ in lakhs)

As on March 31, 2026	< 1 Year	1 - 5 years	> 5 years	Total
Borrowings	-	-	-	-
Other financial liabilities	-	-	-	-
Trade and other payables	1.09	-	-	1.09

(₹ in lakhs)

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

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 - 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:

The mutual fund invests primarily in short-term money market instruments. Accordingly, the investment is exposed to interest rate movements through changes in the Net Asset Value (NAV). Since the underlying portfolio has a short duration, the interest rate sensitivity is relatively low compared with longer-duration debt funds.

Notes to the financial statements

for the year ended March 31, 2026 (continued)

(₹ in lakhs)

Particulars	March 31, 2026	March 31, 2025
Financial assets		
Interest bearing - Fixed interest rate		
- Investments in Mutual Fund	13.69	-
- Non current fixed deposit	-	-
- Current fixed deposit	201.47	4,301.47
Financial Liabilities		
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.

(ii) Market Risk - Price risk

"The carrying value of the investment is exposed to changes in market prices reflected in the NAV of the scheme. Changes in market interest rates, liquidity conditions and credit spreads may affect the NAV and consequently the fair value of the investment. The Company monitors the performance of the fund on a regular basis."

(iii) 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 28)

Note 35 - CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(A) Contingent Liabilities		
(i) Claims against the company not acknowledged as debts	-	-
(ii) Company has provided Counter Guarantee in relation to Bank Guarantee to various parties which is not acknowledged in books of accounts"	-	-
(iii) Company has provided Counter Guarantee in relation to Bank Guarantee to various parties on behalf of subsidiary company which is not acknowledged in books of accounts"	-	-
(iv) Demand raised by VAT/GST (Refer Note 1 below)	34,074.79	-
Total (A)	**34,074.79**	**-**

Notes to the financial statements

for the year ended March 31, 2026 (continued)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(B) Commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	-	-
Total (B)	**-**	**-**
Total (A+B)	**34,074.79**	**-**

Note-1 : Pursuant to the Scheme of Arrangement (the ""Scheme"") sanctioned by the National Company Law Tribunal, Mumbai Bench, vide its Order dated May 19, 2023, with effect from the Appointed Date of April 1, 2021, the E-Governance and IT/ ITES business, together with the related assets, liabilities, obligations, and indirect tax matters of the demerged company, was transferred to and vested in VL E-Governance and IT Solutions Limited as a going concern.

In accordance with the provisions of the Scheme and the applicable laws, including the Goods and Services Tax Act, 2017, the relevant State VAT laws, and the Central Sales Tax Act, 1956, all pending tax assessments, proceedings, show cause notices, demands, and other indirect tax matters relating to the transferred undertaking stand transferred to and are to be assumed by VL E-Governance and IT Solutions Limited. Accordingly, any existing or future liabilities or demands arising under the applicable indirect tax laws in respect of the transferred undertaking shall be the responsibility of the resulting company.

Further, the Hon'ble High Court of Rajasthan, Jaipur Bench, vide its order dated November 17, 2025, permitted the substitution of the demerged company with VL E-Governance and IT Solutions Limited in the pending GST proceedings (versus Union of India & Ors.). Consequently, the corresponding contingent liability/demand pertaining to these proceedings has been transferred from the books of the demerged company to those of the resulting company."

Note 36 - STATUTORY INFORMATION

(a) 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.

(b) The Company has not entered into any transactions with struck off companies during the year.

(c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(e) 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)

(f) 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."

(g) 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.

Notes to the financial statements

for the year ended March 31, 2026 (continued)

(h) The Company is not declared wilful defaulter by bank or financial institutions or any lender during the financial year.

(i) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.

(j) 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."

Note 38 - AGEING ANALYSIS OF THE AGE OF TRADE PAYABLES

Ageing for Trade Payables outstanding as at March 31, 2026 is as follows :-

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 years	2-3 years	< 3 years	
(i) Total Outstanding dues of MSME	-	-	-	-	-
(ii) Total Outstanding dues of other than MSME	1.09	-	-	-	1.09
(iii) Disputed dues of MSME	-	-	-	-	-
(iv) Disputed dues of other than MSME	-	-	-	-	-
Total Trade Payables	**1.09**	**-**	**-**	**-**	**1.09**

Ageing for Trade Payables outstanding as at March 31, 2025 is as follows :-

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 years	2-3 years	< 3 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	-	-	-	-	-
Total Trade Payables	**7.03**	**-**	**-**	**-**	**7.03**

Notes to the financial statements

for the year ended March 31, 2026 (continued)

Note 39 - RATIOS

Particulars	Numerator	Denominator	As at 31/03/2026	As at 31/03/2025	% Deviation
Current Ratio	Total Current assets	Total Current liabilities	1.86	16.66	(88.82%)
	Remarks:- Significant decrease due to reduction in bank balances and current assets.				
Debt-Equity Ratio	Total Debt	Total Shareholders' Equity	-	-	-
	Remarks:- Not Applicable				
Debt Service Coverage Ratio	EBIT	Debt service=(Interest + Principal Repayment)	-	(0.03)	(100.00%)
	Remarks:- Variance due to no new debts taken or outstanding during FY2026				
Return on Equity (ROE)	PAT (less Preference dividend (if any)	Average Total Shareholders' Equity	(2.51)%	(201.84)%	(98.76%)
	Remarks:-Variance due to substantially lower loss during FY2026.				
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	-	-	-
	Remarks:-Not Applicable (as company does not hold any inventory)				
Trade receivables turnover ratio	Net Credit Sales	Average Trade Receivable	1.72	-	100.00%
	Remarks:-Variance due to increase in outstanding trade receivables during FY2026.				
Trade payables turnover ratio	Total Purchases	Average Trade Payable	397.79	3.37	11699.58%
	Remarks:-Variance due to substantial reduction in average trade payables during FY2026				
Net capital turnover ratio	Revenue	Average Working Capital	0.75	0.02	2919.75%
	Remarks:- Variance due to reduction in Revanue from operations and Average Working Capital.				
Net profit ratio	Net Profit	Net Sales	(6.59)%	(8201.84)%	(99.92)
	Remarks:- Variance attributable to reduced losses and no exceptional losses in FY2026.				
Return on capital employed (ROCE)	EBIT	Capital Employed	(2.17)%	3.15 %	(168.84)
	Remarks:-Variance due to Negative operating profit in FY2026				
Return on Investment (ROI)	Investments Income	Average investments	13.21 %	-	100.00%
	Remarks:- Variance due to increase in investments and income generated from the investments.				

Note:- Under Schedule III, the company is required to provide remarks only where the change in a ratio is more than 25% compared with the preceding financial year. For changes of 25% or less, the remarks/note column has been left blank (or shown as "—" or "NA" or "Not Applicable").

Notes to the financial statements

for the year ended March 31, 2026 (continued)

Note 40 - 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 41 - 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 polices 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 21, 2026

For and on behalf of the Board of Directors
VL E-Governance & IT Solutions Limited
CIN : L74110MH2016PLC274618

Sanjay Nandwana
Managing Director
DIN : 03565954

Nishikant Hayatnagarkar
Chairman and Director
DIN: 00062638

Pradeep Somani
Chief Financial Officer

Parth Solanki
Company Secretery

Place : Mumbai
Date : May 21, 2026

Notes:

VL e-Governance & IT Solutions Limited

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2025–26

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