

Date: July 09, 2025

**To,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051**

Subject: Annual Report for the Financial Year 2024-25 and Notice of 28th Annual General Meeting (AGM)

Dear Sir/Madam,

With reference to the above captioned subject, this is to inform you that 28th Annual General Meeting of the company is scheduled to be held on Friday, August 01, 2025 at 09.30 A.M. (IST) through Video Conferencing/Other Audio-Visual Means, in accordance with the circulars issued by the Ministry of Corporate Affairs ("MCA circulars").

In accordance with Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Annual Report for the Financial Year 2024-25 and the Notice convening the 28th AGM, being sent to the members electronically today. The Annual Report including Notice along with other documents are also uploaded on the Company's Website: https://www.vgipl.com/investors_info/annual-reports.

This is for your information and records.

For VIRTUAL GALAXY INFOTECH LIMITED

**Anjali Vinay Padhye
Company Secretary and Compliance Officer**



28th Annual Report

FOR FINANCIAL YEAR 2024 – 2025

VIRTUAL GALAXY INFOTECH LIMITED

(Formerly known as Virtual Galaxy Infotech Private Limited)

CIN: U93000MH1997PLC110645

REGISTERED OFFICE

3, Central Excise Colony, Behind Mahatme Eye Bank,
Chhatrapati Square, Ring Road, Nagpur, Maharashtra,
India, 440015

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Avinash Narayanrao Shende

Chairman & Executive Director
Virtual Galaxy Infotech Limited

Dear Shareholders and Valued Stakeholders,

It is with immense pride and sincere gratitude that I address you through this Annual Report, marking yet another transformational year in the remarkable journey of Virtual Galaxy Infotech Limited. As we reflect on FY 2024-25, I am compelled to share not merely our achievements, but the strategic vision that continues to propel us toward becoming a world-class provider of innovative technology solutions that empower businesses globally.

A Year of Unprecedented Transformation

FY 2024–25 marked a defining milestone in VGIL's 27-year journey—signifying our evolution from a regional IT enterprise into a publicly listed company with a global outlook. Our successful IPO on May 19, 2025, on the NSE EMERGE SME Platform, which was oversubscribed 231 times and debuted with a 26.76% listing premium, stands as a strong endorsement of the market's confidence in our strategic direction, technological capability, and execution strength.

The exceptional investor interest—reflected in total bids exceeding ₹14,400 crore for a public issue of ₹93.29 crore—represents more than financial success. It signals a shared belief in VGIL's mission to transform the Banking & Financial Services (BFS), Enterprise Resource Planning (ERP), and E-Governance sectors through innovative, future-ready technology solutions.

Financial Excellence and Operational Distinction

Our financial performance in FY 2024–25 exemplifies the strength of our business model and the dedication of our talented workforce. I am delighted to report that we achieved revenue from operations of ₹120.14 crores, representing an extraordinary 95.5% year-on-year growth. This exceptional growth trajectory, coupled with an EBITDA of ₹55.55 crores (46.24% margin) and Profit After Tax of ₹32.12 crores (26.73% margin), demonstrates our ability to scale operations while maintaining operational excellence and profitability.

These results reflect not just numerical achievements, but the successful execution of our strategic initiatives across multiple dimensions—from product innovation and market expansion to operational efficiency and customer satisfaction. Our Banking & Finance segment contributed ₹110.2 crores, representing 91.52% of total revenue, while our ERP solutions experienced remarkable growth, nearly tripling to ₹9.44 crores. This performance validates our focused approach to serving specialized market segments where we can deliver maximum value to our clients.

Technology Leadership and Innovation Excellence

At the heart of our success lies an unwavering commitment to technological excellence and continuous innovation. Our flagship E-Banker core banking solution now serves over 150+ financial institutions across India and Africa, managing 2.04 crore accounts and processing over 30 billion transactions annually with an impressive 99.9% system uptime. This achievement reflects not only our technical capabilities but also our deep understanding of the complex operational requirements of financial institutions.

Our commitment to process excellence is exemplified by our comprehensive international certifications, including ISO-IEC 27001-2022, ISO-IEC-20000-1-2018 and ISO-IEC-23001-7-2023, which ensure that our solutions meet the highest standards of quality, security, and service delivery.

The industry recognition we received in 2024 & 2025 further validates our technological leadership. I am particularly proud of our achievements, including "Best CEO of the Year" and "Financial Services Tech of the Year" at the Asia Leadership Awards 2024, "Best Regulatory Reporting Core Banking Solution" at the Elets BFSI Leadership Summit 2024, "Leading IT Solutions Provider of the Year" at SARDAR PATEL UNITY AWARDS 2025 and "Digital Transformation Leader" at International Grandeur awards 2025. These accolades represent external validation of our innovative capabilities and market leadership.

Strategic Vision and Future Roadmap

As we reflect on our progress and set our sights on the path ahead, VGIL's strategic vision remains rooted in sustainable value creation and long-term growth. Guided by market insights and our operational strengths, we are committed to building a more resilient, agile, and globally relevant enterprise.

Our growth roadmap is shaped by two key priorities: strengthening our core business and expanding our global footprint. We are pursuing this through a measured yet ambitious international expansion strategy, aimed at significantly enhancing our export contribution. With a growing presence across Africa, Asia Pacific, and the Middle East, VGIL is well-positioned to meet the rising demand for robust, scalable solutions in banking and digital payments.

This direction reflects our confidence in the opportunities that lie ahead and our belief in the capabilities of our people,

and partnerships. We remain focused on executing with discipline, innovating with purpose, and delivering consistent value to our shareholders.

Our strategic infrastructure development, anchored by our proposed development center at MIHAN Special Economic Zone with an investment of ₹34.27 crores from IPO proceeds, will serve as our primary export delivery hub while housing advanced R&D capabilities. This facility, designed to accommodate our workforce expansion from 350+ employees to 500 employees by FY 2027-28, represents our commitment to scaling operations while maintaining our culture of innovation and excellence.

Embracing Digital Transformation and Emerging Technologies

In an era defined by artificial intelligence, machine learning, and digital transformation, VGIL remains at the forefront of technological innovation. Our notable investment in technology workforce enhancement and product upgrades demonstrates our commitment to maintaining technological leadership. We are actively integrating AI and ML capabilities into our core products, developing blockchain-based solutions for enhanced security, and advancing our cloud-native architecture to support scalable SaaS offerings.

Our V-Pay digital payment platform, which offers a full suite of services including UPI QR, Point-of-Sale, Payment Gateway, and AEPS, positions us to capitalize on India's rapidly growing digital payments market. The platform's comprehensive functionality and our target of reaching millions of businesses across India reflect our commitment to driving financial inclusion and digital empowerment.

Similarly, our expansion into new product categories, including comprehensive cybersecurity solutions for BFSI and government sectors and hospital management systems, demonstrates our strategic diversification while leveraging our core competencies in complex system integration and regulatory compliance

Corporate Governance and Stakeholder Engagement

As a company listed on the SME Platform, we are committed to adopting and upholding sound corporate governance practices, tailored to the regulatory framework applicable to SME-listed entities under the SEBI (LODR) Regulations. In line with the SEBI (LODR) Regulations, 2015, we have proactively adopted enhanced corporate governance standards applicable to our category, including the constitution of key board committees and increased transparency in our disclosures. These steps reaffirm our commitment to sound governance, stakeholder accountability, and long-term value creation. At the heart of our journey is a focus on responsible leadership—balancing growth with integrity, and performance with purpose.

Recognition and Market Validation

Our growing recognition across key institutions underscores the strength of our market position and technological expertise. VGIL's E-Banker CBS software has been widely adopted and acknowledged for its reliability and impact, particularly within the cooperative banking sector in Maharashtra, where it has achieved the highest number of successful implementations among District Central Cooperative Banks.

Our track record includes the successful execution of four large-scale, internationally funded projects, such as the Maharashtra Agriculture Competitiveness Project and the MALLC initiative in Malawi. These achievements reflect our ability to meet the rigorous standards required for complex, multilateral engagements.

Such endorsements and implementation success provide us with a distinct competitive edge—enhancing our credibility among global stakeholders and strengthening our positioning for future international development initiatives.

Stakeholder Appreciation and Acknowledgment

The success we celebrate today would not have been possible without the unwavering support, dedication, and trust of our valued stakeholders. I extend my heartfelt gratitude to our clients, who have placed their confidence in our solutions and continue to partner with us in their digital transformation journeys. Your trust motivates us to continuously innovate and deliver exceptional value.

To our employees—the true architects of our success—I express my deepest appreciation for your dedication, expertise, and commitment to excellence. Your passion for innovation, quality, and customer satisfaction has been instrumental in achieving our remarkable growth and market recognition. As we embark on our journey to expand from 350+ to 500 employees by FY 2027-28, we remain committed to fostering a culture of continuous learning, professional development, and personal growth.

I acknowledge our shareholders, whose overwhelming response to our IPO and continued confidence in our strategic vision provide the foundation for our ambitious growth plans. Your investment is not merely financial capital but a partnership in our mission to transform businesses and communities through technology.

Our partners, vendors, and the broader ecosystem of stakeholders who support our operations deserve recognition for their contributions to our success. The collaborative relationships we have built across our value chain enable us to deliver comprehensive solutions and maintain our competitive advantages.

Industry Outlook and Market Opportunities

The global technology landscape continues to evolve at an unprecedented pace, driven by artificial intelligence, digital transformation, and the growing demand for secure, scalable solutions. In India, the digital payments market has experienced phenomenal growth, expanding from 2,071 crore transactions in FY 2017-18 to approximately 22,190 crore transactions in FY 2024-25. This rapid expansion, fueled by increased adoption of digital payment methods and the dominance of platforms like UPI, presents substantial opportunities for our V-Pay platform to capitalize on the burgeoning demand for seamless, secure, and innovative payment solutions.

The cooperative banking sector, where we have established a dominant position, continues to undergo digitalization, creating significant opportunities for our specialized solutions. Government digitalization initiatives across federal and state levels provide additional growth

avenues for our proven e-governance capabilities.

Internationally, emerging markets in Africa and Asia Pacific present compelling opportunities for our cost-effective, comprehensive solutions designed specifically for banks, NBFCs, and emerging market financial institutions. Our decade-long presence in Tanzania, coupled with successful deployments across Africa, lays a solid foundation for accelerated growth and expansion.

Looking Ahead: Vision for Excellence

As we advance into FY 2025-26 and beyond, VGIL is positioned at the forefront of a rapidly evolving technology landscape. Our vision extends beyond traditional product development to encompass becoming a transformative force in the global financial technology landscape, empowering businesses and governments with innovative solutions that drive economic progress and improve quality of life across communities.

We are committed to investing in emerging technologies, including artificial intelligence, machine learning, blockchain, and cloud computing, to maintain our technological leadership and competitive advantages. Our focus on research and development, evidenced by our dedicated team of R&D engineers, ensures that we remain at the cutting edge of industry developments.

Our expansion into new product categories, international markets, and emerging technologies will be guided by our core principles of innovation, customer-centricity, and operational excellence. We will continue to leverage our specialized expertise while diversifying our

offerings to capture new market opportunities and create additional value for all stakeholders.

Commitment to Sustainable Growth

As we pursue aggressive growth targets, we remain committed to sustainable business practices that create long-term value for all stakeholders. Our approach to environmental stewardship, social responsibility, and governance excellence will continue to guide our decision-making and operational practices.

Our digital transformation solutions inherently contribute to environmental sustainability by reducing paper consumption, energy usage, and carbon footprint through comprehensive digitalization of banking, ERP, and governance processes. We will continue to develop solutions that enable our clients to operate more efficiently while reducing their environmental impact.

Confidence in Our Future

As I conclude this message, I am filled with confidence about VGIL's future prospects and our ability to execute our strategic vision. The foundation we have built over 27 years characterized by technological excellence, market leadership, financial strength, and stakeholder trust—provides us with the resilience and agility necessary to navigate challenges and capitalize on opportunities.

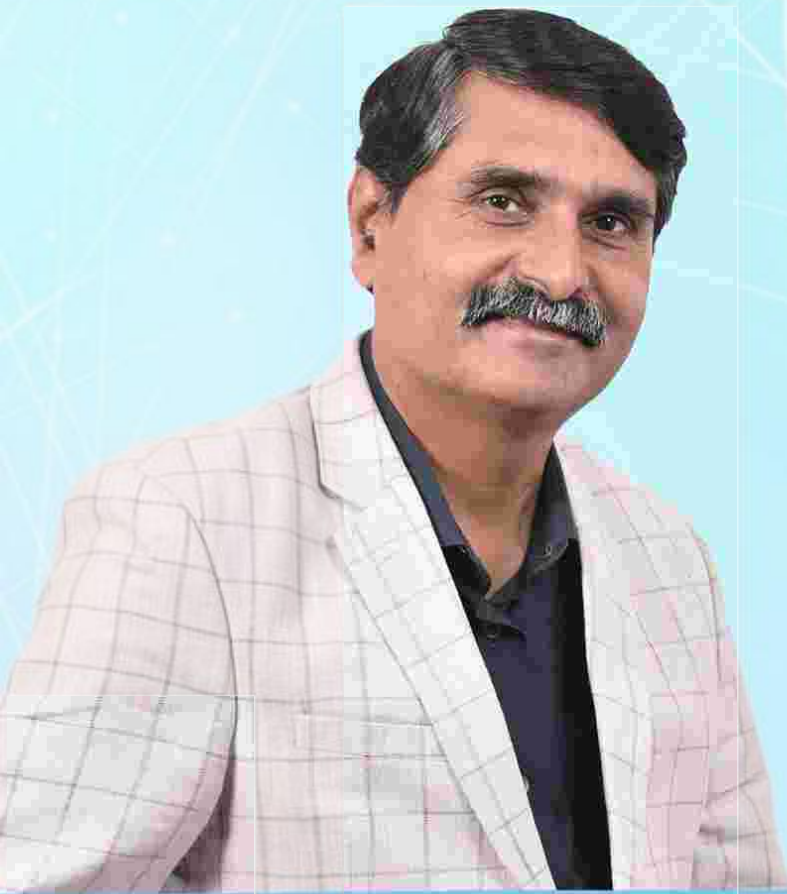
The transformation from a regional IT firm established in 1997 to a publicly listed SaaS solutions provider in 2025 demonstrates our ability to evolve, adapt, and thrive in changing market conditions. Our commitment to innovation, operational excellence, and stakeholder value creation remains unwavering as we embark on this next phase of growth.

The future belongs to organizations that can seamlessly blend technological innovation with deep domain expertise, and combine operational excellence with scalability and strong financial performance. VGIL embodies these qualities and is well-positioned to lead the digital transformation of financial services, enterprise operations, and governance systems across global markets.

I invite you to join us on this exciting journey as we continue to Rise, Transform, and Excel, creating value for all stakeholders while contributing meaningfully to the digital transformation of businesses and communities worldwide.

Thank you for your continued trust, support, and partnership.

With Warm regards and optimism for the future,
Avinash Narayanrao Shende
Chairman & Executive Director



Sachin Purushottam Pande

Managing Director
Virtual Galaxy Infotech Limited

Dear Shareholders, Clients,
Partners, and Esteemed
Colleagues,

As Managing Director of Virtual Galaxy Infotech Limited, I am deeply honored to present our comprehensive performance review for FY 2024-25, a year that has fundamentally redefined our operational capabilities, technological excellence, and market positioning. This period has witnessed unprecedented growth, innovation breakthroughs, and strategic accomplishments that position VGIL as a formidable force in the global technology solutions landscape.

Operational Excellence and
Performance Highlights

This year stands as a testament to our steadfast commitment to operational excellence, strategic execution, and customer-centric delivery. FY 2024-25 was not just a period of growth—it was a transformative phase that underscored the strength of our vision and the resilience of our execution. Across all verticals, we witnessed significant progress, driven by disciplined performance, cross-functional alignment, and an unrelenting focus on value creation.

Our continued leadership in the Banking and Financial Services (BFSI) domain has been reinforced through the successful delivery of mission-critical solutions to a growing number of financial institutions. Our deep domain knowledge, combined with scalable product architecture and client-centric delivery models, enabled us to address increasingly complex business requirements with speed and precision. This performance reaffirms our position as a trusted technology partner within the financial ecosystem.

Simultaneously, our strategic diversification into ERP and enterprise solutions has gained meaningful traction. We have seen an encouraging uptake in these offerings, driven by industry-specific customization, seamless integrations, and a clear alignment with evolving enterprise digitization needs. This growth not only validates our investment in new verticals but also highlights our ability to adapt and expand into adjacent markets with agility.

Our focus on operational efficiency has yielded tangible outcomes across functions—be it in delivery frameworks, project execution timelines, quality assurance, or post-implementation support. These improvements are the result of deliberate efforts to standardize processes, adopt agile methodologies, and embed a culture of continuous improvement across the organization.

Internationally, we strengthened our foundation in key emerging markets through successful project executions and strategic partnerships.

Our solutions are now gaining recognition beyond Indian borders, particularly in Africa and Asia Pacific, where our specialized offerings in banking and financial inclusion continue to address underserved market needs. These engagements not only diversify our geographical presence but also pave the way for long-term, sustainable international growth.

As we move forward, we remain focused on building a resilient, future-ready organization—one that is driven by operational excellence, powered by innovation, and deeply rooted in delivering value to all stakeholders.

Technology Stack Evolution and Innovation Leadership

At the heart of our competitive strength is a robust and future-ready technology architecture that seamlessly integrates emerging innovations with time-tested enterprise frameworks. This cohesive foundation enables us to deliver secure, scalable, and high-performance solutions tailored to the evolving needs of our clients across geographies and sectors.

Our flagship E-Banker core banking platform continues to play a pivotal role in the digital transformation journeys of financial institutions across India and Africa. Today, it powers a vast network of institutions, supporting millions of customer accounts and facilitating high-volume transaction processing with industry-leading system reliability and speed. Its proven uptime performance and rapid processing capabilities are a direct reflection of our engineering excellence and deep domain understanding.

Complementing our core banking solution is V-Pay, our comprehensive digital payment platform that offers a full suite of services including UPI QR, Point-of-Sale (PoS), Payment Gateway, and Aadhaar-enabled Payment System (AEPS) integrations. Designed with flexibility, scale, and security at its core, V-Pay is empowering businesses and financial service providers across the country to embrace the digital payments ecosystem.

As digital payments in India continue to evolve rapidly, we are strategically positioned to meet the demands of this dynamic landscape. Our commitment to expanding access, enhancing user experience, and enabling financial inclusion through secure and intelligent digital infrastructure remains central to our innovation agenda.

Artificial Intelligence and Machine Learning Integration

We are actively integrating artificial intelligence and machine learning capabilities across our entire product portfolio to enhance operational efficiency, predictive analytics, and automated decision-making. Our AI-powered enhancements enable real-time risk assessment, intelligent customer service capabilities, and automated compliance monitoring, providing clients with unprecedented operational insights and efficiency gains.

The integration of AI and ML technologies allows our solutions to evolve from traditional rule-based systems to intelligent, learning platforms that continuously improve performance and deliver personalized user experiences.

Our development teams are leveraging AI for automated testing, error detection, and code optimization, significantly enhancing our development velocity and quality assurance processes.

Blockchain Technology and Cybersecurity Excellence

Our commitment to security and transparency is exemplified through our blockchain technology integration, which enhances transaction security, regulatory compliance, and supply chain transparency. We are developing blockchain-based solutions for cross-border payments, smart contracts, and digital identity management, positioning VGIL at the forefront of distributed ledger technology adoption.

Our V-SOC (Virtual Security Operations Center) provides comprehensive 24/7 monitoring, threat detection, and incident response capabilities. This advanced cybersecurity framework leverages machine learning algorithms for predictive threat analysis and automated incident response, ensuring our clients maintain the highest levels of data protection and operational security.

Cloud Computing and Digital Transformation Leadership

We are strategically positioning VGIL to capitalize on the emerging Central Bank Digital Currency (CBDC) ecosystem, which represents a paradigm shift in digital financial infrastructure. Our comprehensive understanding of banking regulations, payment systems, and blockchain technology positions us uniquely to support financial institutions in CBDC implementation and integration.

SaaS Transformation and Scalability Excellence

Our strategic transformation to a Software-as-a-Service (SaaS) provider reflects our commitment to delivering scalable, cost-effective solutions that enable rapid deployment and continuous innovation. This transformation is supported by our notable investment in technology workforce enhancement and product upgrades from IPO proceeds.

The SaaS model enables us to provide clients with continuous product enhancements, real-time support, and scalable infrastructure without the complexities of traditional on-premise deployments. This approach significantly reduces our clients' total cost of ownership while enhancing their operational agility and innovation capabilities.

Research and Development Excellence

Our commitment to innovation is exemplified through our dedicated technical team who drive technological advancement across our entire product portfolio. Our R&D initiatives focus on emerging technologies including artificial intelligence, machine learning, blockchain, cybersecurity, and cloud computing, ensuring we remain at the forefront of industry developments.

Research demonstrates that 71.9% of businesses looking to grow exports are increasing their spent on both R&D and IT, validating our strategic investment approach. Our R&D capabilities serve as a catalyst for international expansion, enabling us to develop innovative solutions that address global market requirements and competitive challenges.

Export Growth and International Market Expansion

Our international expansion strategy encompasses geographic diversification across Africa, Asia Pacific, and the Middle East, leveraging our proven track record in emerging markets and specialized expertise in banking solutions.

Our international footprint continues to expand steadily, particularly within the Banking and Financial Services (BFS) domain. We have built enduring relationships and successfully executed a range of transformative projects across multiple geographies, underscoring our capability to deliver scalable and regulatory-compliant solutions in diverse environments.

A key area of growth has been our increasing engagement with Savings and Credit Cooperative Organizations (SACCOs), which play a vital role in fostering grassroots-level financial inclusion in many developing economies, especially Africa. Our specialized solutions for banking are tailored to address the unique operational, governance, and compliance needs of these institutions, enabling them to modernize their systems and serve their communities more effectively.

Our experience in working with SACCOs and financial institutions has positioned us as a trusted technology partner in this segment. These partnerships reflect not only the adaptability and scalability of our platforms but also our broader commitment to empowering underserved financial ecosystems through digital innovation. As we look to the future, we remain focused on deepening our presence in these markets and leveraging our domain expertise to support sustainable, inclusive financial transformation on a global scale.

Our decade-long presence in Tanzania has been instrumental in shaping our approach to regional delivery. The extensive local experience and partnerships cultivated over the years have enabled us to expand operations throughout Africa with confidence and credibility. This foundation has supported our successful execution of several high-impact, internationally funded initiatives, demonstrating our capability to deliver complex, multi-stakeholder projects to global standards.

Notably, we have successfully executed World Bank-supported projects, including, the Reserve Bank of Malawi – MALLC project, demonstrating our capability to deliver complex, internationally-funded initiatives that meet stringent quality and compliance requirements.

Talent Development and Organizational Excellence

Our human capital strategy encompasses expansion from 350+ employees to 500 employees by FY 2027-28, supported by comprehensive talent development, agile processes, and customer-centric culture initiatives. We are implementing agile talent management strategies that emphasize continuous learning, cross-functional collaboration, and rapid skill development to meet evolving market demands. Our commitment to operational excellence is reinforced by adherence to internationally recognized quality and information security standards, including ISO-IEC 27001-2022, ISO-IEC-20000-1-2018 and ISO-IEC-23001-7-2023 for IT service management for digital media frameworks. These certifications reflect our dedication to maintaining high standards of process maturity, continuous improvement, and organizational excellence.

Customer-Centric Delivery Excellence Culture and

Our customer-centric approach focuses on solving real customer problems rather than just shipping features, creating a value exchange system that benefits both clients and our organization. We have implemented agile development methodologies that prioritize customer feedback, iterative improvement, and outcome-based delivery models.

Our extensive client base comprising of a diverse range of financial institutions demonstrates sustained excellence in customer satisfaction and retention. The high client retention rates and account expansion within existing clients reflect our commitment to delivering measurable value and maintaining long-term partnerships that drive mutual success.

Innovation, Scalability, and Sustainability Vision

Our vision for innovation encompasses comprehensive technology leadership that integrates emerging technologies with sustainable business practices and environmental stewardship. We are developing solutions that enable clients to reduce their environmental impact through digitalization, paperless operations, and energy-efficient processes.

The global digital transformation market is projected to reach \$4.6 Trillion by 2030, growing at a CAGR of 28.5%, providing substantial opportunities for our comprehensive technology solutions. Our strategic positioning in specialized market segments, combined with our technological excellence and international expansion capabilities, positions us to capture significant market share in this rapidly expanding ecosystem.

Strategic Development

With the successful completion of our Initial Public Offering (IPO), we are embarking on a significant phase of strategic infrastructure enhancement aimed at strengthening our position as a leading provider of IT and IT-enabled services (ITES) and software solutions.

Our upcoming development center at the MIHAN Special Economic Zone (SEZ) in Nagpur will be a pivotal asset in this journey. Strategically located within India's first multi-product SEZ and close to key transportation hubs, this state-of-the-art facility is the word poised to support our expanding workforce and enhance our research and development capabilities. It will serve as a primary hub for delivering high-quality software services and IT exports, enabling us to scale operations and meet growing demand from global clients efficiently.

Investments in cutting-edge computing infrastructure—including advanced GPU systems, servers, and scalable storage solutions—will enhance our capabilities in artificial intelligence, cloud computing, real-time data processing, and SaaS delivery. These upgrades are critical to maintaining our technological leadership and ensuring that our software products and services continue to evolve in line with the latest industry trends and client expectations.

Funded by the proceeds from our IPO, these strategic infrastructure developments are foundational to our vision of sustainable growth, innovation-driven service delivery, and expanding our footprint in international IT markets. As we continue to scale, these initiatives will strengthen our ability to provide world-class software solutions, foster innovation, and create long-term value for our clients and stakeholders.

Infrastructure

Regulatory

Compliance Leadership

Excellence

and

Our commitment to regulatory excellence is exemplified by the successful implementation of our E-Banker Core Banking Software across the highest number of District Central Cooperative Banks (DCCBs) in Maharashtra. This achievement reinforces our position as a reliable and trusted technology partner for financial institutions, offering solutions that are robust, secure, and fully aligned with sector-specific compliance needs.

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We possess deep domain expertise in navigating complex regulatory landscapes, including Anti-Money Laundering (AML) protocols, Know Your Customer (KYC) norms, and emerging frameworks such as Central Bank Digital Currency (CBDC) guidelines.

This comprehensive understanding enables us to design and deliver digital banking solutions that not only meet regulatory requirements but also enhance operational efficiency, risk management, and governance for our clients.

Future Readiness and Strategic Outlook

Looking ahead, our strategic vision is focused on accelerating our evolution into a global leader in specialized fintech and digital transformation solutions. We are charting a growth path that is both ambitious and achievable, grounded in innovation, operational excellence, and expanding international presence.

With the technology landscape rapidly transforming, we are well-positioned to harness the potential of emerging trends such as Web3 technologies, decentralized finance (DeFi), and next-generation cybersecurity frameworks. These developments present new opportunities to redefine how digital financial ecosystems operate, and we are actively aligning our offerings to meet the needs of this evolving market.

Our comprehensive product suite, robust delivery infrastructure, and deep domain expertise form the bedrock of our long-term competitiveness. Coupled with a strong focus on international markets and continuous investment in research and innovation, we remain committed to creating sustainable value for our clients, partners, and stakeholders, while shaping the future of digital finance and enterprise technology.

Digital Excellence and Market Leadership

Our commitment to digital excellence extends beyond traditional software development to encompass comprehensive digital transformation consulting, implementation services, and ongoing support capabilities. We are developing industry-specific solutions for healthcare technology, advanced analytics, and business intelligence that leverage our core competencies while addressing new market opportunities.

The Integration of Internet of Things (IoT) and edge computing capabilities into our solutions enables real-time monitoring, predictive analytics, and automated decision-making that enhance operational efficiency and customer experience. These technological enhancements position us to serve increasingly sophisticated client requirements while maintaining our competitive differentiation.

Acknowledgment and Gratitude

As we reflect on our remarkable achievements in FY 2024-25, I extend my heartfelt gratitude to our exceptional team of 350+ professionals who drive innovation and excellence across our organization. Your commitment to technological excellence, customer satisfaction, and continuous improvement has been instrumental in achieving our unprecedented growth and market recognition.

To our valued clients and partners, your trust and collaboration enable us to deliver innovative solutions that drive meaningful business transformation. Your feedback and partnership inspire us to continuously enhance our capabilities and expand our service offerings to meet evolving market demands.

Our shareholders deserve recognition for their confidence in our strategic vision and execution capabilities. The overwhelming response to our IPO, with 231 times oversubscription, demonstrates market validation of our business model and growth prospects. Your investment provides the foundation for our ambitious expansion plans and technology innovation initiatives.

Commitment to Excellence and Future Success

As we advance into FY 2025-26 and beyond, VGIL remains committed to our core values of innovation, customer-centricity, and operational excellence. Our strategic roadmap encompasses continued investment in emerging technologies, international market expansion, and organizational scaling that will establish us as a global leader in specialized technology solutions.

We are confident in our ability to execute our strategic vision while maintaining the highest standards of governance, transparency, and stakeholder value creation. Our transformation from a regional IT firm to a publicly listed SaaS solutions provider demonstrates our adaptability, resilience, and long-term vision for sustainable growth and market leadership.

The future belongs to organizations that can seamlessly integrate technological innovation with operational excellence, customer focus with scalability, and financial performance with social responsibility. VGIL embodies these characteristics and is exceptionally well-positioned to lead the digital transformation of financial services, enterprise operations, and governance systems across global markets.

Thank you for your continued partnership, trust, and support as we embark on this exciting journey of growth, innovation, and excellence.

With Sincere Appreciation and Confidence
in our Shared Future,

Sachin Purushottam Pande

Managing Director
Virtual Galaxy Infotech Limited

Corporate Overview

1. Introduction and Executive Summary

Virtual Galaxy Infotech Limited (VGIL) stands as a distinguished exemplar of corporate transformation and technological excellence in the Indian information technology landscape. This comprehensive introduction and executive summary encapsulates the remarkable journey of a company that has evolved from a regional IT firm established in 1997 to a publicly listed SaaS solutions provider in 2025, demonstrating sustained innovation, strategic evolution, and an unwavering commitment to digital empowerment across financial and governance ecosystems.

1.1 Establishment and Foundational Leadership

Virtual Galaxy Infotech Limited was established on September 12, 1997, as Virtual Galaxy Infotech Private Limited by first-generation entrepreneurs Mr. Avinash Narayanrao Shende and Mr. Sachin Purushottam Pande. The company began with a clear focus to develop technology-driven solutions for the banking sector, establishing its headquarters in Nagpur, Maharashtra, which remains the operational nerve center of the organization to this day.

Both founders bring over 30 years of experience in the IT industry to the organization. Mr. Avinash Shende possesses extensive expertise in Software Development, System Management, IT Facility Management – Networking, and Database Management, while Mr. Sachin Pande's expertise spans System Management, Database Design, Web & Cloud Applications, Digital Payments, and advanced architectures including three-tier and N-tier models. Both leaders hold BE in Computer Engineering and MBA in IT from Nagpur University, providing the technical foundation and business acumen necessary for the company's sustained growth.

2. Corporate Identity and Legal Structure

2.1 Corporate Information

REGISTERED OFFICE

Virtual Galaxy Infotech Limited
3, Central Excise Colony,
Behind Mahatma Eye Bank, Chhatrapati
Square,
Ring Road, Nagpur, Maharashtra, 440015, India.
Tel No: +91 9226531342
Email: investors@vgipl.in
Website: www.vgipl.com
CIN: U93000MH1997PLC110645
Registration Number: 110645

REGISTRAR OF COMPANIES

Registrar of Companies, Mumbai
Ministry of Corporate Affairs,
100, Everest, Marine Drive,
Mumbai 400 002, Maharashtra, India
Tel No: 022 2281 2627 Fax: 022 - 22811977
Email: roc.mumbai@mca.gov.in
Website: www.mca.gov.in

LISTING & STOCK EXCHANGE DETAILS

Listed at: National Stock Exchange EMERGE
SME Platform
Symbol: VGINFOTECH
ISIN: INE0VRH01015

DEPOSITORIES

National Securities Depository Limited
(Designated)
Address: Trade World, A wing, 4th Floor,
Kamala Mills Compound
Lower Parel, Mumbai 400013

Central Depository Services (India) Limited
Regd. Office: Marathon Futurex, A-Wing, 25th
floor, NM Joshi Marg
Lower Parel, Mumbai 400013.

AUDITORS

STATUTORY AUDITORS

M/s. K K Mankeshwar & Co,
Chartered Accountants
7, Kingsway, Nagpur, 440001
Tel No.: 712-6629948
Email: Audit.team@kkmindia.com
Contact Person: Ashwin Mankeshwar
Membership Number: 046219
Firm Registration No.: 106009W
Peer Review Registration No: 202613

INTERNAL AUDITOR

M/s. RKAS and CO., Chartered Accountants
Plot No. 277, 102A Shreyas, V4 Developers, Trikon
park
Dharampeth, Nagpur-440010
Maharashtra.
Tel No.: 9021221300
Email: Carkas.co@gmail.com
Website: www.rkasca.com
Contact Person: CA Ashish Shahu
Membership No.: 150960
Firm Registration No.: 135727W

BANKERS TO THE COMPANY

Bank of Maharashtra
16, Sirish South Ambazari Road,
Iaxmi Nagar, Nagpur-440010.
Tel No: 0712-2249954
Email: bom153@mahabank.co.in
Website: www.bankofmaharashtra.in
Contact Person: Vishal Dhiware

REGISTRAR & SHARE TRANSFER AGENT

Maashitla Securities Private Limited
451, Krishna Apra Business Square,
Netaji Subhash Place, Pitampura,
Delhi-110034, India
Tel No: 011-47581432
Email: ipo@maashitla.com
Website: www.maashitla.com
Investor Grievance
Email Id: investor.ipo@maashitla.com
Contact Person: Mukul Agrawal
SEBI Registration Number: INR000004370

MARKET MAKER

Name: Alacrity Securities Limited
Address: 101, Hari Darshan, B-wing,
Bhogilal Fadia Road, Kandivali West,
Mumbai, Maharashtra India 400067
Tel No.: +91 9594499983
Email: alacritysec@gmail.com
Contact Person: Kishore V Shah
CIN: L99999MH1994PLC083912
SEBI Registration No.: INZ000215936
Market Maker Registration (SME Segment of
NSE): NSE/MEM/1086/09098

MONITORING AGENCY

Infomerics Valuation and Rating Limited
Office No. 902-903, B Wing, Kanakia Wallstreet
Off. Andheri Kurla Road, Andheri (E), Mumbai
Maharashtra 400093.
Tel No.: +91-22-62396023/53, 9022248821
E-mail: vikas.sharma@infomerics.com/
Shivli.ghosh@infomerics.com
Website: https://infomerics.com
Contact Person: Mr. Vikas Sharma / Ms. Shivli
Ghosh
SEBI Registration No.: IN/CRA/007/2015

2.2 COMPOSITION OF BOARD OF DIRECTORS & COMMITTEES

BOARD OF DIRECTORS

- | | |
|----------------------------------|--------------------------------------|
| 1. Mr. Sachin Purushottam Pande | - Managing Director |
| 2. Mr. Avinash Narayanrao Shende | - Executive Director |
| 3. Mr. Asit Oberoi | - Non-Executive Director |
| 4. Mr. Jaideep Narayan Pawar | - Non-Executive Independent Director |
| 5. Mrs. Bhanupriya Nikhil Thakur | - Non-Executive Independent Director |
| 6. Mr. Ayush Munnalal Sharma | - Non-Executive Independent Director |

KEY MANAGERIAL PERSONNEL

- | | |
|----------------------------------|--|
| 1. Mr. Sachin Purushottam Pande | - Managing Director |
| 2. Mr. Avinash Narayanrao Shende | - Chief Financial Officer |
| 3. Mrs. Anjali Vinay Padhye | - Company Secretary & Compliance Officer |

AUDIT COMMITTEE

- | | |
|----------------------------------|---------------|
| 1. Mrs. Bhanupriya Nikhil Thakur | - Chairperson |
| 2. Mr. Ayush Munnalal Sharma | - Member |
| 3. Mr. Asit Oberoi | - Member |

NOMINATION & REMUNERATION COMMITTEE

- | | |
|----------------------------------|---------------|
| 1. Mr. Ayush Munnalal Sharma | - Chairperson |
| 2. Mrs. Bhanupriya Nikhil Thakur | - Member |
| 3. Mr. Asit Oberoi | - Member |

STAKEHOLDER'S RELATIONSHIP COMMITTEE

- | | |
|----------------------------------|---------------|
| 1. Mr. Jaideep Narayan Pawar | - Chairperson |
| 2. Mr. Avinash Narayanrao Shende | - Member |
| 3. Mr. Sachin Purushottam Pande | - Member |

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- | | |
|----------------------------------|---------------|
| 1. Mr. Avinash Narayanrao Shende | - Chairperson |
| 2. Mr. Sachin Purushottam Pande | - Member |
| 3. Mr. Jaideep Narayan Pawar | - Member |

2.3 Share Capital Structure

The authorized Share Capital of the Company is ₹25,00,00,000 (Rupees Twenty-Five Crore Only) divided into 2,50,00,000 (Two Crore Fifty Lakh) Equity Shares of Rs.10/- (Rupees Ten Only) each.

The paid-up Share Capital of the Company is Rs. 18,29,86,350.00 (Rupees Eighteen Crores Twenty Nine Lacs Eighty-Six Thousand Three Hundred Fifty Only) as on 31st march 2025.

3. Business Overview and Strategic Competencies

3.1 Business Model and Strategic Positioning

Hybrid SaaS-Enterprise Solutions Business Model

Virtual Galaxy Infotech Limited (VGIL) has successfully established a sophisticated hybrid business model that combines Software-as-a-Service (SaaS) offerings with traditional enterprise software solutions, positioning the company as a versatile technology partner for financial institutions and corporations. The company's business model demonstrates remarkable resilience and scalability, as evidenced by the remarkable growth in net profit to ₹32.12 crores in FY 2024-25, validating the effectiveness of its strategic positioning.

Revenue Stream Diversification

Virtual Galaxy Infotech Limited has strategically diversified its revenue streams by building a multi-pronged technology services model centered around software development, system integration, and data center operations. While its proprietary products, such as the E-Banker core banking solution and IBS-ERP platform, form the backbone of its software development offerings, the company has expanded its footprint into adjacent verticals like agri-tech, forensic automation, and digital payments. This is further strengthened by its software integration services, which enable the deployment and customization of these solutions across varied client infrastructures, especially within banking and e-governance ecosystems. Additionally, its in-house data center capabilities allow it to offer secure, scalable hosting and infrastructure services, positioning the company as a one-stop technology partner. This mix of product development, tailored implementation, and managed IT services helps

Virtual Galaxy reduce reliance on any single revenue source, ensures consistent recurring income, and supports deeper penetration into both public and private sector clients.

Strategic Market Positioning in BFS Ecosystem

VGIL has strategically positioned itself as a specialized technology enabler for the Banking and Financial Services (BFS) sector, with a strong presence in the cooperative banking segment. Leveraging its domain-focused product suite and deep understanding of sector-specific requirements, the company has built a reputation for delivering tailored digital solutions that address the unique operational and regulatory needs of cooperative institutions. This focus has enabled VGIL to establish itself as a preferred technology partner within this vertical, reinforcing its leadership position in a niche yet vital segment of the BFS ecosystem.

Competitive Differentiation Strategy

The company's strategic positioning leverages several key differentiators:

1. Domain-Specific Expertise: With over 27 years of experience in banking technology, VGIL has developed deep understanding of regulatory requirements, compliance frameworks, and operational complexities specific to Indian cooperative banks and NBFCs.

2. Hybrid Deployment Flexibility: VGIL distinguishes itself by offering both cloud-based and on-premise deployment models, providing clients with the flexibility to choose solutions best suited to their operational needs and regulatory frameworks. This adaptable approach enhances customer satisfaction and sets VGIL apart as a versatile and client-centric technology partner.

3. Comprehensive Technology Stack:

The company provides end-to-end solutions from core banking systems to digital payments, cybersecurity, and data analytics, reducing client dependency on multiple vendors.

Technology-Driven Value Proposition

VGIL's business model is fundamentally built on a technology-first approach that incorporates cutting-edge innovations:

AI-Powered Core Banking Solutions

The E-Banker platform leverages artificial intelligence and machine learning algorithms to provide real-time, centralized banking services, processing over billions of transactions annually with 99.9% system uptime and an average transaction processing time of 10 milliseconds



Digital Payment Platform Integration

The V-Pay platform offers a comprehensive and integrated digital payment ecosystem, encompassing a wide range of services such as UPI QR, Point-of-Sale (PoS), Payment Gateway, and Aadhaar Enabled Payment System (AEPS). This comprehensive suite enables VGIL to effectively tap into and grow alongside India's expanding digital payments landscape.



Strategic Market Expansion Model

The company's business model incorporates a multi-geographic expansion strategy that balances domestic growth with international market penetration:

Domestic Market Dominance

VGIL has built a strong presence across more than 15 Indian states, with a particularly prominent foothold in Maharashtra's cooperative banking sector. Its extensive portfolio of ongoing projects spans key regions including Maharashtra, Goa, Telangana, Karnataka, and Rajasthan, reflecting the company's broad reach and trusted reputation in both the BFSI and ERP domains.

International Market Development

The company has successfully expanded its footprint into Tanzania, Malawi, and other African markets, establishing a growing presence overseas. With a clear strategic focus on international growth, VGIL aims to significantly increase its share of export revenues over the coming years, underscoring its commitment to becoming a global technology solutions provider.

Financial Performance Validation of Business Model

The extraordinary financial results declared on June 12, 2025, for the year ended March 31, 2025, provide compelling validation of VGIL's business model effectiveness:

Revenue Growth Metrics

- Revenue from Operations: ₹120.14 crores (95.5% YoY growth)
- EBITDA: ₹55.55 crores with 46.24% margin (79.37% YoY growth)
- Profit After Tax: ₹32.12 crores with 26.7% margin (97% YoY growth)

These metrics demonstrate the scalability and profitability of VGIL's hybrid business model, with strong operating leverage as the company scales its SaaS offerings.

IPO Success and Market Validation

The company's successful IPO listing on May 19, 2025, at a 26.76% premium over the issue price of ₹142, with an oversubscription of 231 times, provides strong market validation of its business model and strategic positioning. The overwhelming investor response, with bids worth over ₹14,400 crores for a ₹93.29 crore public issue, underscores market confidence in VGIL's growth trajectory and business fundamentals.

Strategic Utilization of Capital for Business Model Enhancement

The IPO proceeds are being strategically allocated to strengthen the business model:

- ₹34.27 crores for establishing additional development facility in Nagpur
- ₹18.90 crores for workforce enhancement and product upgrades
- ₹14.06 crores for business development and marketing activities
- ₹5.05 crores for technology infrastructure enhancement

Future Business Model Evolution

VGIL's strategic roadmap focuses on significant evolution of its business model, including plans to expand its workforce to 500 employees and develop new product lines including comprehensive cybersecurity solutions and hospital management systems, demonstrating commitment to business model diversification and market expansion.

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Future Business Model Evolution

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The company's transformation from a regional IT firm to a publicly listed SaaS solutions provider, combined with its strong financial performance and strategic market positioning, establishes VGIL as a formidable player in India's rapidly evolving fintech and banking technology landscape.

3.2 Product Portfolio and Solutions Architecture

3.2.1 Core Banking Solutions

E-Banker: Core Banking Solution

Virtual Galaxy Infotech Limited's flagship product, E-Banker, represents a sophisticated, AI-driven intelligent core banking solution that has revolutionized banking operations for financial institutions across India and East Africa. The platform manages an impressive 2.04 crore accounts and processes over 30 billion transactions annually with an exceptional 99.9% system uptime and an average transaction processing time of just 10 milliseconds.



Comprehensive Solution Architecture

E-Banker operates as a fully web-based, real-time centralized solution designed specifically for Co-operative Banking Sector. The platform supports both on-premise and Software-as-a-Service (SaaS) deployment models, providing financial institutions with flexibility in implementation based on their infrastructure preferences and regulatory requirements.

The solution encompasses a comprehensive range of modules that cover every aspect of banking operations:

Core Banking Modules:

- **General Ledger:** Real-time financial accounting and reporting
- **Account Opening:** Streamlined customer onboarding with eKYC integration
- **Retail Banking:** Comprehensive individual customer banking services
- **Deposits:** Fixed deposits, recurring deposits, and savings account management
- **Loan Servicing:** End-to-end loan management from origination to closure
- **Trade Finance:** International trade and finance operations
- **Regulatory Reporting:** Automated compliance reporting to RBI and other regulators

Payment and Transaction Systems:

- **NEFT/RTGS:** Real-time gross settlement and fund transfers
- **NACH H2H:** National Automated Clearing House integration
- **Payment Systems:** Comprehensive digital payment processing
- **Cheque Truncation System:** Electronic cheque processing and clearing



Risk Management and Compliance:

- **Fraud Risk Management System:** AI-powered fraud detection and prevention
- **NPA Management:** Non-performing asset tracking and recovery
- **General Banking:** Core banking operations and customer service

Enterprise Integration:

- **Customer Relationship Management (CRM):** Comprehensive customer lifecycle management
- **Payroll Management:** Employee salary and benefits administration
- **Loan Origination System (LOs):** Automated loan processing workflow



Advanced Technology Integration

E-Banker leverages cutting-edge technologies to deliver superior performance and functionality:

Artificial Intelligence and Machine Learning:

The platform incorporates AI-based intelligent algorithms for real-time decision making, risk assessment, and customer analytics. The AI engine enables predictive analytics for loan defaults, customer behavior analysis, and automated fraud detection.

Payment Channel Integration:

E-Banker supports comprehensive payment channels including:

- **RTGS, NEFT, IMPS:** Real-time and immediate payment systems
- **UPI (Unified Payments Interface):** Digital payment integration
- **Aadhaar Enabled Payment Services (AEPS):** Biometric-based transactions
- **SMS Banking, Internet Banking, Mobile Banking:** Multi-channel customer access
- **RuPay Cards, ATMs, QR Codes:** Card-based and contactless payments
- **E-commerce, Point-of-Sale (PoS), E-Toll:** Merchant and toll payment systems

Market Performance and Client Portfolio

VGIL's solutions have achieved strong adoption across a diverse range of financial institutions. In India, the client portfolio includes Urban and District Central Cooperative Banks, State Cooperative Banks, Cooperative Societies, and Microfinance Institutions.

In Africa, VGIL serves a broad spectrum of clients including Apex Banks, commercial banks and SACCOs.

This wide-ranging clientele underscores VGIL's capability to deliver secure, scalable, and regulatory-compliant technology solutions tailored to varied institutional needs. The company's growing presence in both Indian and African markets reinforces its position as a trusted digital transformation partner for community-based and mainstream financial institutions alike.

Regulatory Compliance and Security Framework

E-Banker maintains Comprehensive Regulatory Compliance with Reserve Bank of India (RBI) guidelines and international banking standards. The platform incorporates:



Compliance Features:

- **Electronic Know Your Customer (eKYC):** Automated customer verification
- **Central KYC (C-KYC):** Centralized KYC repository integration
- **CIBIL Integration:** Credit bureau reporting and score retrieval
- **Anti-Money Laundering (AML):** Automated suspicious transaction monitoring
- **Asset Liability Management (ALM):** Risk management and compliance reporting

Security Architecture:

The solution employs 256-bit encryption technology for all transactions and maintains robust cybersecurity protocols. The platform is supported by VGIL's data center with comprehensive disaster recovery capabilities.



Technology Stack and Infrastructure

Core Platform and Architecture

The core banking solution operates on a robust, scalable technology stack designed for flexibility and cross-platform compatibility. It supports both open-source and commercial operating systems and is built on a web-based, multi-tier architecture with a reliable application server and versatile database management capabilities. The solution is developed using widely adopted programming frameworks, ensuring long-term maintainability and ease of integration.

Analytics and Business Intelligence

The platform incorporates advanced analytics and business intelligence tools to enable real-time performance monitoring and data-driven decision-making. Integrated dashboard capabilities, mobile accessibility, and support for data visualization and processing tools enhance operational efficiency and strategic oversight.

International Expansion and Market Recognition

E-Banker has successfully expanded beyond Indian borders, with significant deployments in:

African Market Presence:

- Tanzania: A well-established presence spanning over a decade, with successful implementations across key SACCOs.
- Malawi: Strengthening foothold in the cooperative banking ecosystem through ongoing deployments and partnerships.

The solution's excellence has been recognized through multiple prestigious awards in 2024:

- Best Regulatory Reporting Core Banking Solution – Elets BFSI Leadership Summit 2024
- Global Excellence in Integrated MIS for Banking & Finance – CIO Forum 2024
- Financial Services Tech of the Year – Asia Leadership Awards 2024
- Leading IT Solutions Provider of the Year – Sardar Patel Unity Awards 2025
- Digital Transformation Leader – International Grandeur Awards

Competitive Advantages and Market Position

E-Banker has established a dominant position in the cooperative banking sector, successfully competing against established players in the BFS Segment.

The solution's competitive edge lies in its specialized focus on cooperative banks, societies, and emerging markets, combined with cost-effective implementation and comprehensive local support.

Future Development and Strategic Roadmap

VGIL continues to enhance E-Banker with upcoming features including:

- Advanced AI-powered risk analytics
- Blockchain integration for enhanced security
- Expanded mobile banking capabilities
- Enhanced regulatory reporting automation
- Cloud-native architecture optimization

The company's strategic utilization of funds raised through IPO includes allocation of funds for technology workforce enhancement and product upgrades, ensuring continued innovation in the core banking solution.

3.2.2 Digital Payment Solutions

V-Pay: Comprehensive Digital Payment Ecosystem

Virtual Galaxy Infotech Limited's V-Pay represents a revolutionary digital payment platform that has transformed the landscape of financial transactions for businesses and individuals across India. As a comprehensive Unified Payment System for All Digital Transactions, V-Pay stands as VGIL's flagship fintech solution, designed to empower merchants and customers with the most advanced digital payment capabilities available in the market.



Platform Architecture and Technology Foundation

V-Pay operates as a cloud-based API platform that seamlessly integrates with any bank's Core Banking Solution (CBS), providing security equivalent to a diamond vault through 256-bit encryption technology. The platform's architecture ensures 99.9% system uptime with seamless e-KYC onboarding, making it one of the most reliable digital payment solutions in the Indian fintech ecosystem.

The platform's technological sophistication is evidenced by its support for over 30 services with comprehensive payment receipt and income channels, establishing V-Pay as an aggregated fintech platform that caters to diverse transaction requirements. The solution's cloud-native design enables rapid scalability and ensures robust performance even during peak transaction periods.

Comprehensive Service Portfolio

Payment Receipt Channels:

V-Pay encompasses an extensive range of payment acceptance mechanisms including:

- **UPI Payments and BHIM-UPI:** Real-time payment collection through Virtual Payment Address (VPA ID) without requiring credit card details, IFSC codes, or net banking passwords
- **Bharat QR Code Integration:** Universal QR code payments for merchant transactions
- **Point-of-Sale (PoS) Machine Integration:** Card terminal connectivity with payment gateway integration
- **Micro ATM Services:** Handheld point-of-sale terminals for cash disbursement in remote locations where traditional bank branches cannot reach
- **Aadhaar Pay:** Biometric-based payment collection using customer fingerprint authentication without requiring passwords or PINs
- **Payment Gateway Services:** Comprehensive online payment processing capabilities

Strategic Market Positioning and Revenue Impact

V-Pay has emerged as a cornerstone of VGIL's growth strategy, playing a vital role in strengthening the company's position across India and East Africa. Its growing adoption has meaningfully contributed to the company's overall performance in FY 2024-25, underscoring its role in driving revenue diversification beyond core banking offerings.

By tapping into India's rapidly evolving digital payments landscape, V-Pay positions VGIL at the forefront of financial technology innovation. The sector saw a sharp resurgence in FY 2024–25, with total UPI transactions reaching around 186 billion and digital payment volumes growing over one-third year-on-year—highlighting the platform's potential in a market increasingly dominated by digital finance.

V-Pay's strategic alignment with government-led digital initiatives and the explosive growth of the UPI ecosystem—scaling from just under 100 crore transactions in FY 2017–18 to over 13,000 crore by FY 2023–24—reinforces its relevance. As digital infrastructure deepens across urban and rural India, VGIL is well-positioned to expand its digital payments footprint and capture new market opportunities.

Advanced Technology Integration and Features

UPI Cloud Sound Box Solution:

VGIL has developed an innovative UPI Cloud Sound Box solution specifically designed for banks to enhance their CASA (Current Account Savings Account) growth and market penetration. This solution offers several strategic advantages:

- **Direct CASA Linkage:** Each Sound Box device is linked to merchant current accounts, ensuring all digital collections flow directly into the bank, significantly boosting CASA balances
- **Automated Onboarding:** Streamlined, paperless merchant onboarding with real-time settlement processes
- **Transaction Analytics:** Banks receive comprehensive transaction data enabling superior credit assessment and targeted lending opportunities
- **Brand Visibility:** Nationwide deployment capabilities across VGIL's 15-state presence

Aadhaar Enabled Payment System (AEPS):

V-Pay's AEPS functionality represents a significant advancement in financial inclusion technology:

- **Biometric Authentication:** Secure transactions using fingerprint or iris scan verification
- **Cardless Cash Withdrawals:** Direct access to banking services without physical cards
- **Balance Enquiry and Mini Statements:** Real-time account information access
- **Interoperable Platform:** Cross-bank transaction capabilities through micro-ATM networks
- **24/7 Service Availability:** Round-the-clock access to banking services



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- **Interoperable Platform:** Cross-bank transaction capabilities through micro-ATM networks
- **24/7 Service Availability:** Round-the-clock access to banking services

Market Expansion and Strategic Initiatives

Domestic Market Penetration:

V-Pay's domestic expansion strategy is focused on reaching a wide base of million businesses across India, particularly targeting small and medium enterprises (SMEs) and retail merchants. Designed as a comprehensive digital payment solution, the platform is tailored to serve the evolving needs of merchants by offering secure, user-friendly, and accessible payment tools.

VGIL's strong presence in the cooperative banking ecosystem serves as a strategic foundation for deploying V-Pay. By leveraging its established core banking software clientele, VGIL can effectively tap into their large and trusted merchant networks, accelerating adoption across semi-urban and rural markets. This approach not only enhances platform outreach but also aligns with national initiatives aimed at advancing financial inclusion and promoting digital payments at the grassroots level.

International Expansion:

The platform supports VGIL's international growth strategy, particularly in African markets where digital payment infrastructure is rapidly developing. V-Pay's technology stack and integration capabilities position it favorably for emerging market deployments where traditional banking infrastructure is limited.

Competitive Advantages and Market Differentiation

V-Pay's market positioning is defined by a set of distinct competitive advantages that strengthen its appeal across India's financial ecosystem, particularly within underserved and semi-urban markets.

Comprehensive Integration:

V-Pay stands apart from standalone payment platforms through its seamless integration with core banking systems—particularly those developed and deployed by VGIL. This allows financial institutions to manage their digital payment operations within a unified ecosystem, offering end-to-end visibility and control.

Rather than depending on multiple third-party vendors for disparate technology needs, VGIL's clients benefit from a single, comprehensive solution that spans core banking, enterprise software, and digital payments. With an established client base across cooperative banks, societies, and NBFCs, VGIL is well-positioned to cross-deploy V-Pay efficiently. This integrated delivery model enhances system compatibility, accelerates implementation, and ensures consistent, centralized support—making VGIL a trusted, full-spectrum technology partner.

Regulatory Compliance: The platform is fully aligned with RBI guidelines and NPCI standards, ensuring secure, compliant, and future-ready digital payment operations.

Technology Stack Ownership: V-Pay is built entirely on VGIL's proprietary technology stack, allowing full flexibility in platform customization, feature scaling, and alignment with specific client needs.

Local Market Understanding: With deep expertise in India's cooperative banking landscape, VGIL brings nuanced insights into rural and semi-urban financial operations. This positions V-Pay as an ideal solution tailored to local market realities.

Strategic Client Leverage: VGIL's widespread network of cooperative banks, societies, and NBFCs presents a ready-made

channel for V-Pay deployment. By tapping into this trusted base, VGIL can rapidly scale the platform through their existing merchant and account-holder ecosystems—creating a strong multiplier effect in adoption.

Cost-Effective Deployment: V-Pay is designed to be accessible, with pricing models that cater to small and medium financial institutions, making it viable for a broad spectrum of clients looking to digitize their payment infrastructure without incurring heavy costs.

Together, these differentiators establish V-Pay as a scalable, locally attuned, and strategically integrated solution—well-positioned to capture market share in India's expanding digital payments sector.

Future Development and Strategic Roadmap

Planned Enhancements:

- Advanced AI-powered analytics for merchant behavior prediction and risk assessment
- Blockchain integration for enhanced transaction security and transparency
- IoT device connectivity for smart payment terminals and automated transaction processing
- Machine learning algorithms for fraud detection and prevention

Industry Recognition and Market Validation

V-Pay's excellence has been recognized through multiple prestigious industry awards, including VGIL's recognition as "Financial Services Tech of the Year" at the Asia Leadership Awards 2024. This recognition validates the platform's technological sophistication and market impact in the competitive fintech landscape.

The platform's success is further evidenced by its integration with over 150+ banks and financial institutions across India and Africa, demonstrating market confidence in V-Pay's capabilities and reliability.

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3.2.3 Enterprise Resource Planning Solutions

IBS-ERP: Comprehensive Industry-Specific Business Solutions

Virtual Galaxy Infotech Limited's IBS-ERP (Integrated Business Suite - Enterprise Resource Planning) represents a sophisticated, industry-specific enterprise resource planning solution designed to transform operational efficiency and business performance for small and medium enterprises (SMEs) and mid-sized corporations across diverse industry verticals. The solution stands as a testament to VGIL's commitment to delivering comprehensive, integrated business management systems that address the unique challenges and requirements of different industrial sectors.



Strategic Business Positioning and Market Focus

IBS-ERP has been strategically positioned as a comprehensive business transformation tool that unifies core business functions including finance, human resources, manufacturing, services, supply chain, and procurement into a single, integrated platform. The solution's architecture reflects VGIL's deep understanding of industry-specific requirements and regulatory compliance frameworks, enabling businesses to streamline operations while maintaining strict adherence to sector-specific standards and best practices.

The ERP solution targets SMEs and mid-sized corporations across multiple industry verticals, with particular strength in manufacturing and processing industries where complex operational workflows and regulatory compliance requirements demand sophisticated automation and integration capabilities. This positioning aligns with VGIL's broader strategy of serving underserved market segments with cost-effective, scalable technology solutions.

Industry-Specific Solution Portfolio

VGIL's IBS-ERP demonstrates remarkable versatility through its industry-specific customization capabilities, serving diverse sectors with tailored functionality:

Manufacturing and Processing Industries:

- **Sugar Industry:** Comprehensive ERP solutions covering cane procurement, processing, production planning, and regulatory compliance with sugar industry regulations. The solution has been recognized with the "Best Integrated ERP Solution for the Sugar Industry" award at the Indian Achievers Award 2024, validating its excellence and market leadership in this specialized sector.
- **Steel Industry:** Integrated solutions for steel manufacturing, inventory management, quality control, and supply chain optimization
- **Textiles Industry:** End-to-end textile manufacturing management including raw material procurement, production planning, quality assurance, and distribution
- **Fertilizer Industry:** Specialized modules for fertilizer manufacturing, regulatory compliance, and agricultural sector integration.

Chemical and Industrial Solutions:

- **Explosives Industry:** Specialized ERP solutions with enhanced security and regulatory compliance features for explosives manufacturing
- **Solvex Industry:** Chemical solvent manufacturing and distribution management solutions

Educational Sector:

- **Education Industry:** Integrated education management systems for academic institutions, covering student management, academic planning, and administrative functions

Comprehensive Module Architecture

IBS-ERP's strength lies in its comprehensive module coverage that addresses every aspect of enterprise operations:

Financial Management Modules:

- **General Ledger and Accounting:** Real-time financial tracking and reporting
- **Accounts Payable/Receivable:** Automated invoice processing and payment management
- **Cost Accounting:** Industry-specific cost allocation and profitability analysis
- **Budget Management:** Comprehensive budgeting and financial planning tools
- **Tax Management:** Automated tax calculation and compliance reporting

Supply Chain Management:

- Procurement Management: Vendor management and automated purchasing workflows
- Inventory Management: Real-time stock tracking and optimization
- Warehouse Management: Advanced warehousing and distribution capabilities
- Production Planning: Manufacturing resource planning and scheduling
- Quality Control: Integrated quality assurance and compliance management

Human Resources Management:

- Employee Management: Comprehensive HR information systems
- Payroll Processing: Automated salary calculation and compliance
- Performance Management: Employee appraisal and development tracking
- Attendance Management: Biometric integration and time tracking
- Training Management: Skills development and compliance training

Customer Relationship Management:

- Sales Management: Lead tracking and conversion optimization
- Customer Service: Integrated support and service management
- Marketing Automation: Campaign management and customer analytics
- Contract Management: Legal and commercial contract tracking

Technology Architecture and Integration Capabilities

IBS-ERP leverages cutting-edge technology architecture to deliver superior performance and integration capabilities:

Platform and Infrastructure:

- Web-based architecture ensuring accessibility across devices and locations
- Cloud-ready deployment supporting both on-premise and SaaS models
- Scalable infrastructure accommodating business growth and expansion
- Mobile compatibility enabling field operations and remote management

Integration Capabilities:

- API-driven architecture facilitating third-party system integration
- Real-time data synchronization across all modules and functions
- Multi-location support for geographically distributed operations
- Multi-currency and multi-language support for international operations

Advanced Analytics and Reporting:

- Business Intelligence integration with Tableau and Power BI
- Real-time dashboards for executive decision-making
- Predictive analytics for demand forecasting and resource planning
- Customizable reporting meeting industry-specific requirements

Industry Awards and Recognition

The excellence of VGIL's ERP solutions has been recognized through multiple prestigious industry awards:

Indian Achievers Award 2024: "Best Integrated ERP Solution for the Sugar Industry" - This recognition specifically validates IBS-ERP's specialized capabilities in the sugar manufacturing sector, highlighting its comprehensive coverage of industry-specific requirements including cane procurement, processing optimization, and regulatory compliance.

This award represents significant market validation of VGIL's industry-focused approach and demonstrates the solution's superiority over competing ERP offerings in specialized manufacturing sectors.





Competitive Advantages and Market Differentiation

IBS-ERP maintains several distinctive competitive advantages in the enterprise software market:

Industry-Specific Expertise:

- Deep domain knowledge accumulated over 28 years of industry experience
- Regulatory compliance built into industry-specific modules
- Best practices implementation based on extensive client experience
- Continuous innovation driven by client feedback and industry evolution

Cost-Effective Implementation:

- Competitive pricing suitable for SME and mid-sized corporation budgets
- Rapid deployment minimizing implementation costs and time-to-value
- Comprehensive training and support ensuring successful adoption
- Flexible licensing models accommodating diverse business requirements

Technology Leadership:

- Modern architecture supporting current and future technology trends
- Integration capabilities connecting with existing business systems
- Scalability accommodating business growth without system replacement
- Security features protecting sensitive business data and operations

Strategic Market Expansion and Growth Initiatives

VGIL's strategic roadmap for IBS-ERP includes several key growth initiatives:

Geographic Expansion:

- Domestic market penetration across remaining Indian states
- International expansion targeting emerging markets in Africa and Asia Pacific
- Partner channel development for accelerated market reach
- Industry-specific marketing to targeted vertical segments

Product Development:

- AI and machine learning integration for predictive analytics and automation
- IoT connectivity for real-time operational monitoring
- Blockchain integration for supply chain transparency and security
- Advanced analytics for business intelligence and decision support

Strategic Partnerships:

- Technology partnerships for enhanced functionality and integration
- Industry partnerships for specialized sector requirements
- Implementation partnerships for rapid market expansion
- Consulting partnerships for comprehensive solution delivery

Implementation Success Stories and Client Impact

VGIL's ERP implementations have delivered measurable business impact across diverse industry sectors:

Manufacturing Sector Achievements:

- Operational efficiency improvements of 25-40% through process automation
- Inventory optimization reducing carrying costs by 15-25%
- Regulatory compliance automation reducing compliance costs and risks
- Real-time visibility enabling proactive decision-making and problem resolution

Client Satisfaction Metrics:

- High client retention rates demonstrating solution effectiveness
- Positive ROI achievement within 12-18 months of implementation
- Successful go-live rates exceeding 95% for new implementations
- Client reference availability across all major industry verticals

Future Development Roadmap and Strategic Vision

VGIL's strategic vision for IBS-ERP encompasses several transformative initiatives aligned with the company's broader growth objectives:

Technology Evolution:

Integration of artificial intelligence and machine learning capabilities to provide predictive analytics, automated decision-making, and intelligent process optimization

Market Expansion:

The ERP segment is positioned to contribute significantly to VGIL's ambitious revenue target. The growing contribution from ERP solutions reflects the increasing market demand for industry-specific automation and the success of VGIL's focused approach to serving specialized manufacturing sectors.

3.2.4 E-Governance Solutions

Comprehensive E-Governance Portfolio and Digital Transformation Leadership

Virtual Galaxy Infotech Limited (VGIL) has established itself as a pioneering force in e-Governance solutions, delivering cutting-edge digital transformation services that enhance the efficiency, transparency, and accountability of government operations across India and internationally. The company's e-Governance division represents a strategic pillar of its business model, leveraging over 27 years of technological expertise to streamline administrative processes, improve service delivery, and foster meaningful citizen engagement.

Strategic Positioning in E-Governance Ecosystem

VGIL's e-Governance solutions are strategically designed to address the specific needs of government bodies and organizations, providing centralized platforms for managing various administrative processes while ensuring seamless integration and coordination across departments. The company has successfully positioned itself as a trusted technology partner for government digitalization initiatives, with implementations spanning from state-level departments to World Bank-funded projects.

Flagship E-Governance Solutions and Applications

E-APMC: Agricultural Market Automation Platform

E-APMC stands as one of VGIL's most successful e-Governance solutions, representing a web-based application designed to meet the diverse needs of Agricultural Produce Market Committees (APMCs) and government organizations. This solution has been instrumental in facilitating digital transformation in agricultural marketing and government operations across Maharashtra.

The E-APMC platform provides comprehensive functionality including:

- **Market Operations Management:** Centralized platform for managing wholesale market activities
- **Farmer Registration Systems:** Streamlined registration processes for agricultural producers
- **Transaction Tracking:** Real-time monitoring of agricultural commodity transactions
- **Price Discovery Mechanisms:** Transparent pricing systems for agricultural produce
- **Regulatory Compliance:** Automated compliance with state and central government regulations

E-Autopsy: Forensic Department Automation

E-Autopsy represents VGIL's specialized web-based end-to-end solution designed for post-mortem departments, enabling comprehensive automation and digitization of forensic procedure. This innovative solution addresses the complex requirements of forensic investigations while maintaining strict compliance with legal and procedural standards.

The E-Autopsy platform encompasses

- **Case Management Systems:** Comprehensive tracking of forensic cases from initiation to completion
- **Digital Evidence Management:** Secure storage and retrieval of forensic evidence
- **Report Generation:** Automated generation of medico-legal reports
- **Chain of Custody:** Digital documentation of evidence handling procedures
- **Integration Capabilities:** Seamless integration with court systems and legal databases

VGST: Tax Compliance Automation

VGST provides a comprehensive solution designed to simplify Goods and Services Tax (GST) compliance for financial institutions. This solution addresses the complex requirements of tax administration and compliance management for banks and financial service providers



Major Government Project Implementations

Maharashtra Labor Welfare Department (MLWB)

VGIL implemented a comprehensive e-Governance solution for the Maharashtra Labor Welfare Department, representing a significant milestone in the company's government sector portfolio. This project involved extensive automation of administrative processes, including:

Project Scope and Implementation:

- **Labor Welfare Schemes Management:** Automated administration of welfare programs for workers
- **Benefits Distribution Systems:** Streamlined processing and distribution of worker benefits
- **Compliance Management:** Automated monitoring and reporting of labor law compliance
- **Digital Service Delivery:** Enhanced service delivery mechanisms for beneficiaries

Maharashtra State Agriculture Marketing Board (MSAMB)

The Maharashtra State Agriculture Marketing Board (MSAMB) engaged VGIL to develop a comprehensive e-Governance solution aimed at improving the management of agricultural marketing activities. This implementation represents one of VGIL's most significant e-Governance projects, demonstrating the company's capability to handle complex agricultural sector digitalization.

Solution Architecture:

- **Centralized Market Management Platform:** Unified system for managing agricultural market operations across Maharashtra
- **Farmer Registration and Support:** Comprehensive farmer onboarding and support systems
- **Transaction Processing:** Real-time processing of agricultural commodity transactions
- **Market Intelligence:** Advanced analytics and reporting for market trend analysis
- **Supply Chain Integration:** End-to-end supply chain management capabilities

Lucknow Smart City Initiative

As part of the Smart City initiative, VGIL was tasked with implementing an e-Governance solution for Lucknow. This project represented a comprehensive urban management digitalization initiative encompassing multiple city services and citizen engagement platforms.

Project Components:

- **Traffic Management Systems:** Intelligent traffic monitoring and control systems
- **Public Safety Integration:** Comprehensive public safety and emergency response systems
- **Waste Management:** Automated waste collection and management systems
- **Citizen Services Portal:** Unified platform for citizen service delivery

- IoT Integration: Advanced Internet of Things deployment for real-time city monitoring
- Data Analytics Platform: Comprehensive data analytics for urban planning and decision-making

The solution leveraged advanced technologies such as IoT and data analytics to provide real-time insights and improve the overall quality of urban life. This project positioned VGIL as a capable provider of smart city solutions and urban governance technology.

World Bank-Funded Projects and International Recognition

Maharashtra Agriculture Competitiveness Project (MACP)

VGIL has achieved significant recognition through its involvement in World Bank-funded projects, particularly the Maharashtra Agriculture Competitiveness Project (MACP). The company successfully implemented e-Auction Software as part of this prestigious international development initiative.

Project Background:

The MACP was a World Bank-assisted project aimed at providing critical services and key infrastructure required by farmers to compete in rapidly changing agricultural markets. The project focused on intensification and diversification of market-led production and improving farmer access to markets.

VGIL's Contribution:

VGIL developed and implemented computerized auction systems for Agriculture Produce Market Committees (APMCs) under the MACP framework. The company launched e-Auction Software and achieved successful implementation in 20 APMCs under the Maharashtra Agricultural Competitiveness Project (MACP) – A World Bank Assisted Project.

Project Achievements:

- Successful implementation in 20 APMCs across Maharashtra
- Enhanced transparency in agricultural commodity auctions
- Improved price discovery mechanisms for farmers
- Reduced transaction costs and processing times
- Integration with state-wide agricultural marketing infrastructure

The project's success has been validated through multiple World Bank assessments, with the project receiving satisfactory ratings for progress towards achievement of Project Development Objectives and overall implementation progress.

VGIL has successfully executed World Bank-funded e-Governance projects, further cementing its reputation as a reliable and innovative solution provider. These projects have involved implementation of comprehensive e-Governance solutions for various government bodies, focusing on enhancing administrative efficiency, improving service delivery, and promoting transparency.

The company's involvement in World Bank projects demonstrates its capability to meet international development standards and deliver solutions that align with global best practices in governance and transparency.

International E-Governance Initiatives

Reserve Bank of Malawi – MAIIC Project

VGIL has successfully extended its e-Governance expertise to international markets, with notable implementations including the Reserve Bank of Malawi – MAIIC (Malawi Agricultural and Industrial Investment Corporation) project. This project represents a significant international engagement demonstrating VGIL's capability to deliver complex financial sector digitalization solutions.

Project Overview:

The MAIIC project involved Design, Supply, Installation and Commissioning of Integrated Management System for Malawi Agricultural and Industrial Investment Corporation (MAIIC). This initiative was part of a broader Financial Inclusion and Entrepreneurship Scaling Project supported by international development funding.

Project Scope:

- **Integrated Management System Development:** Comprehensive system design for agricultural and industrial investment management
- **Financial Institution Infrastructure:** Advanced technology infrastructure for development finance operations
- **Regulatory Compliance Systems:** Solutions ensuring compliance with Malawian financial sector regulations
- **Investment Tracking and Management:** Comprehensive portfolio management capabilities

Strategic Significance:

The MAIIC project represents VGIL's successful penetration into African financial sector digitalization, demonstrating the company's capability to deliver solutions that meet international development finance standards and regulatory requirements.

Advanced Technology Integration

VGIL's e-Governance solutions leverage cutting-edge technology architecture to deliver superior performance and integration capabilities:

Platform Architecture:

- **Web-based Solutions:** Comprehensive web-based applications ensuring accessibility across devices and locations
- **Cloud-Ready Deployment:** Scalable cloud infrastructure supporting both on-premise and SaaS deployment models
- **API-Driven Integration:** Advanced API frameworks facilitating seamless integration with existing government systems
- **Mobile Compatibility:** Mobile-responsive design ensuring citizen access through various devices

Security and Compliance Framework:

- **Multi-layered Security:** Advanced cybersecurity protocols protecting sensitive government data
- **Audit Trail Capabilities:** Comprehensive logging and audit trail functionality for transparency and accountability
- **Regulatory Compliance:** Built-in compliance with government regulations and data protection requirements
- **Disaster Recovery:** Robust disaster recovery and business continuity capabilities

Data Analytics and Business Intelligence

VGIL's e-Governance solutions incorporate advanced data analytics and real-time reporting capabilities providing valuable insights for informed decision-making and timely interventions. The platform supports:

Analytics Capabilities:

- **Real-time Dashboards:** Executive dashboards providing real-time operational insights
- **Predictive Analytics:** Advanced analytics for policy planning and resource allocation
- **Performance Monitoring:** Comprehensive KPI tracking and performance measurement
- **Citizen Engagement Analytics:** Analysis of citizen service utilization and satisfaction metrics

Innovation Focus Areas:

- **Artificial Intelligence Integration:** AI-powered analytics and automation for government processes
- **Blockchain Technology:** Enhanced security and transparency for government transactions
- **IoT Connectivity:** Smart city and digital governance solutions
- **Cybersecurity Enhancement:** Advanced security solutions for government data protection

3.3 Technology Infrastructure and Capabilities

Virtual Galaxy Infotech Limited (VGIL) has strategically invested in building and operating advanced data center, disaster recovery, and cloud infrastructure to support its expanding portfolio of mission-critical for the BFSI, Fintech, ERP, and E-Governance sectors.

This infrastructure is foundational to VGIL's ability to deliver secure, scalable, and highly available services to over 150+ banks, government bodies, and enterprises across India and Africa.

Data Center Infrastructure

VGIL owns a data center in Central India and has also availed a data center infrastructure facility, designed to centralize IT infrastructure, enhance operational efficiency, and ensure robust data security for its clients. Through its data center the company is offering:

- **Centralized Data Storage:** Consolidates data from multiple sources into a secure, unified repository, improving accessibility and management for clients.
- **High Availability:** Engineered for 24x7 operations with redundant power, cooling, and network connectivity, ensuring minimal downtime and uninterrupted service delivery.
- **Physical and Logical Security:** Multi-layered security protocols, including biometric access controls, surveillance, and advanced fire detection/suppression systems, protect sensitive client data.
- **Compliance:** The facility adheres to industry standards and regulatory requirements, supporting financial institutions' obligations under RBI, SEBI, and other regulatory frameworks.

The data center supports both on-premise and cloud-based deployments, giving clients flexibility in how their applications and data are hosted.

Disaster Recovery Center (DRC)

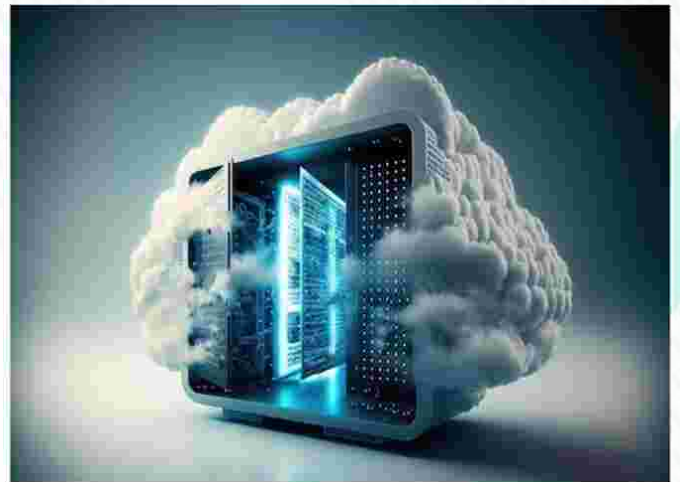
To mitigate risks associated with system failures, cyberattacks, or natural disasters, VGIL has established a comprehensive Disaster Recovery Center (DRC):

- **Comprehensive Backup Systems:** Automated, regular data backups and system snapshots minimize the risk of data loss and ensure critical business information is preserved.
- **Rapid Recovery:** In the event of a disruption, the DRC enables rapid restoration of systems and data, minimizing downtime and business impact.
- **Business Continuity Planning:** VGIL works closely with clients to develop tailored business continuity strategies, ensuring that essential operations can continue even during major incidents.
- **Geographical Redundancy:** The DRC is located at a separate physical site from the primary data center, providing resilience against regional disruptions.

Cloud Solutions

VGIL's cloud services are a core component of its IT infrastructure offerings, providing clients with scalable, flexible, and secure solutions:

- **Infrastructure-as-a-Service (IaaS):** Clients can provision virtualized compute, storage, and network resources on-demand, supporting dynamic business needs and reducing capital expenditure.
- **Software-as-a-Service (SaaS):** VGIL's flagship products—including E-Banker, V-Pay, and IBS ERP—are delivered as SaaS, enabling rapid deployment, seamless updates, and lower total cost of ownership.
- **Cloud Hosting and Storage:** Secure, scalable hosting and storage solutions that ensure fast, reliable access to applications and data from anywhere in the world.
- **Cloud Backup and Recovery:** Automated cloud-based backup and disaster recovery services ensure that client data is always protected and can be quickly restored.
- **Cloud Migration:** VGIL offers end-to-end support for migrating legacy systems and data to the cloud, minimizing operational disruption and ensuring data integrity.



Key Features and Technical Capabilities

- **High Performance:** The infrastructure supports large transaction volumes and concurrent users, which is critical for banking and financial applications.
- **Scalability:** The architecture is designed to scale horizontally and vertically, accommodating business growth and seasonal demand spikes.
- **API-Driven Integration:** The platform supports API-based integration with client systems, third-party applications, and regulatory bodies, ensuring interoperability and extensibility.
- **Multi-Tenancy:** VGIL's cloud solutions support multi-tenant architectures, allowing multiple clients to securely share infrastructure while maintaining data isolation.
- **Security and Compliance:** Advanced encryption (including 256-bit encryption for data at rest and in transit), role-based access controls, regular security audits, and adherence to data protection laws such as GDPR and India's IT Act.
- **Monitoring and Management:** Real-time monitoring tools and dashboards provide visibility into system health, performance, and security, enabling proactive management and rapid incident response.

Business Value and Strategic Importance

VGIL's data center and cloud infrastructure underpin its ability to deliver mission-critical services with:

- **Reliability:** Ensuring uninterrupted access to core banking, digital payment, ERP, and e-governance solutions, which is vital for financial institutions and government bodies.
- **Agility:** Rapid provisioning and scaling of resources to meet changing business requirements, supporting clients' digital transformation initiatives.
- **Cost Efficiency:** By centralizing infrastructure and leveraging cloud technologies, VGIL helps clients reduce IT overhead, shift from capital to operational expenditure, and optimize resource utilization.
- **Regulatory Compliance:** The infrastructure is designed to meet the stringent requirements of the BFSI sector, including data localization, auditability, and secure data retention.

Integration with VGIL's Product Suite

All major VGIL solutions—including E-Banker (Core Banking Solution), V-Pay (Digital Payments), IBS ERP (Enterprise Resource Planning), and e-Governance platforms—are hosted and managed via the company's data center and cloud infrastructure. This ensures:

- **Unified Security and Compliance:** Consistent security policies and compliance across all applications.
- **Seamless Upgrades:** Centralized management enables efficient roll-out of updates, patches, and new features.
- **Disaster Recovery Assurance:** All critical applications are covered by robust backup and recovery protocols, minimizing business risk.

Future Expansion and Innovation

VGIL is actively investing in further enhancing its infrastructure capabilities:

- **Expansion of Data Center Capacity:** To support anticipated growth in client base and transaction volumes, especially as the company targets towards export revenue and 500 employees by FY 2027-28.
- **Adoption of Emerging Technologies:** Integration of AI, machine learning, and blockchain into the infrastructure for predictive analytics, enhanced security, and operational automation.
- **Enhanced Cybersecurity:** Continuous upgrades to security operations (V-SOC), including advanced threat detection, incident response, and compliance monitoring.

3.4 Quality Certifications and Process Excellence

The Company maintains the highest standards of quality and process excellence through multiple international certifications:

- ISO-IEC-20000-1-2018 for IT Service Management,
- ISO-IEC 27001-2022 for IT Security Management and
- ISO-IEC-23001-7-2023 for IT – MPEG Systems Technologies



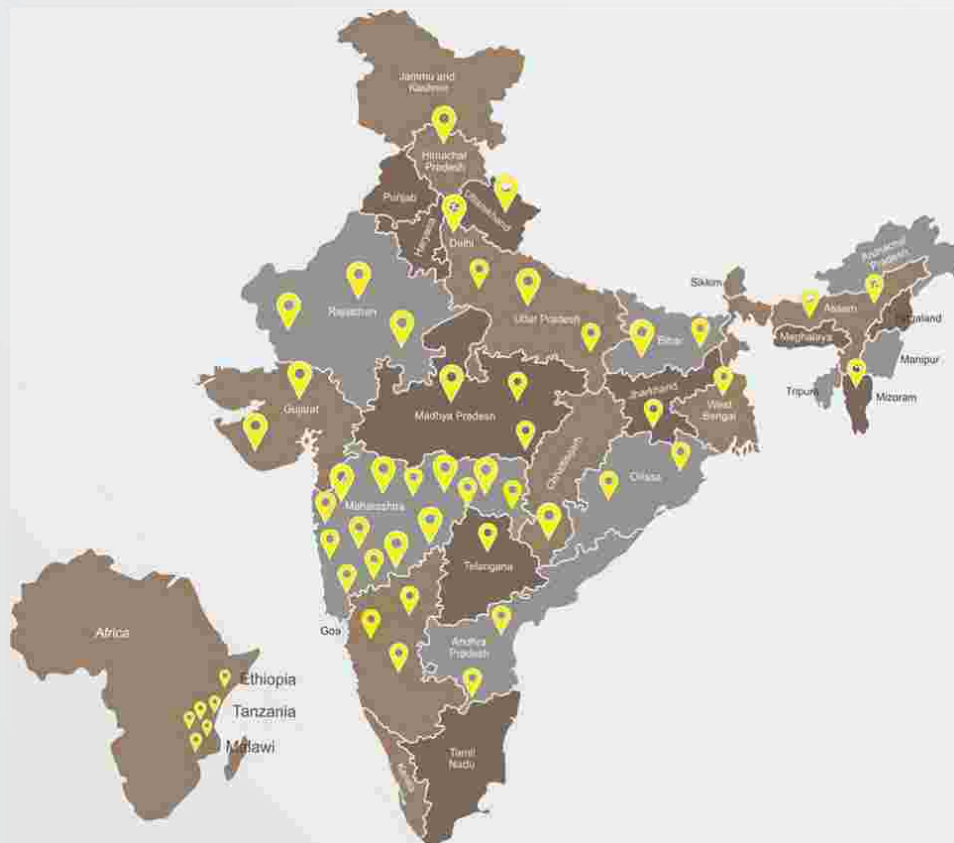
4. Market Presence and Client Base

4.1 Domestic Market Penetration

VGIL has established a strong presence across 20 Indian states, demonstrating significant domestic market penetration. The Company serves a diverse clientele including:

- Commercial Banks: Providing comprehensive core banking solutions
- State Cooperative Banks: Specialized solutions for cooperative banking sector
- Urban Cooperative Banks: Tailored banking technology solutions
- District Central Cooperative Banks: Comprehensive financial technology solutions
- Cooperative Societies: Member management and financial solutions
- Non-Banking Financial Companies (NBFCs): Specialized fintech solutions
- Savings and Credit Cooperative Societies (SACCOs): African market-specific solutions

The Company has successfully served over 150+ banks and cooperative societies across India, with a significant concentration in Maharashtra, which reflects its strong position in the cooperative banking sector.



4.2 International Operations and Global Expansion

VGIL has strategically expanded its operations to international markets, particularly in Africa and Asia Pacific regions. The Company maintains a strong presence in:

- Tanzania: Established presence with prominent client for more than a decade
- Malawi: Growing market presence in the African SACCO sector
- Ethiopia: Emerging market entry

The Company's international expansion strategy involves direct sales through in-house teams in India and strategic channel partnerships abroad, with two channel partners in Tanzania and one in Israel.

4.3 Industry Recognition and Awards

VGIL has received significant industry recognition in 2024, establishing its leadership position in the fintech and banking technology sector:

- Best CEO of the Year – Asia Leadership Awards 2024
- Financial Services Tech of the Year– Asia Leadership Awards 2024
- Best Regulatory Reporting Core Banking Solution – Elets BFSI Leadership Summit 2024
- Global Excellence in Integrated MIS for Banking & Finance – CIO Forum 2024
- Best Integrated ERP Solution for Sugar Industry– Indian Achievers Award 2024
- Outstanding Achievement in Financial Technology Advancement – Times Applaud 2024
- Leading IT Solutions Provider of the Year – Sardar Patel Unity Awards 2025
- Digital Transformation Leader – International Grandeur awards 2025





5. Organizational Structure and Human Capital

5.1 Leadership and Management Team VGIL is led by experienced first-generation entrepreneurs who have guided the Company through multiple technology cycles while maintaining relevance and profitability. The founding leadership team comprises:

Mr. Sachin Purushottam Pande, is the Promoter, Managing Director, and Chief Technology Officer of our Company. He holds a Bachelor's degree in Engineering from Rashtrasant Tukadoji Maharaj Nagpur University, a Master's degree in Business Administration with a specialization in Information Technology from the Institute of Advanced Studies in Education University.

Mr. Pande co-founded the Company in 1997 alongside Mr. Avinash Narayanrao Shende and has been instrumental in shaping its technology roadmap and innovation strategy since inception. With over 27 years of experience in the IT industry, he brings deep expertise in system architecture, database design, and digital payment solutions. His strategic leadership in technology development has positioned the Company at the forefront of digital transformation in the banking and enterprise sectors.

As the driving force behind the Company's R&D and product innovation efforts, Mr. Pande ensures the adoption of cutting-edge technologies that align with market trends and client needs. His contributions have been widely recognized, including being honored as the "CEO of the Year" at the Asia Leadership Awards held in Mumbai. Under his guidance, the Company continues to evolve as a technology-led organization, delivering scalable and future-ready solutions across India and international markets.



Sachin Purushottam Pande
Promoter, Managing Director &
Chief Technology Officer

Mr. Avinash Narayanrao Shende, is the Promoter, Chairman, and Executive Director of our Company and also serves as the Chief Financial Officer. He holds a Bachelor's degree in Computer Engineering from Rashtrasant Tukadoji Maharaj Nagpur University and a Master's degree in Business Administration (MBA) with a specialization in Information Technology from the Institute of Advanced Studies in Education University

With over 27 years of experience in the IT industry, Mr. Shende co-founded the Company in 1997 alongside Mr. Sachin Purushottam Pande and has been closely involved in its growth since inception. He leads the Company's operations and strategic direction, bringing extensive expertise in aligning technology-driven solutions with market demands while maintaining cost-effectiveness.

Mr. Shende has played a pivotal role in conceptualizing, designing, and implementing key products, particularly within the banking and financial services domain. His strong techno-commercial acumen and deep understanding of the cooperative banking sector have enabled the Company to deliver innovative, efficient, and scalable IT solutions. His leadership continues to drive the Company's growth, product development, and long-term vision.



Avinash Narayanrao Shende

Promoter, Chairman & Executive
Director, and Chief Financial Officer

The current Board of Directors includes independent directors who bring diverse expertise and ensure effective corporate governance..

Mr. Asit Oberoi, serves as a Non-Executive Director on the Board of our Company. He is a qualified Chartered Accountant and a member of the Institute of Chartered Accountants of India (ICAI) since 1990.

Mr. Oberoi brings with him extensive leadership and financial expertise, having served as Senior Group President at Yes Bank Ltd for over nine years. His strategic acumen and governance experience enable him to offer valuable insights that contribute meaningfully to the Company's growth.



Asit Oberoi

Non-Executive Director

Ms. Bhanupriya Nikhil Thakur, serves as a Non-Executive Independent Director on the Board of our Company. She is a qualified Company Secretary since 2015 and holds a Bachelor's degree in Law as well as a Master's degree in Commerce from Rashtrasant Tukadoji Maharaj Nagpur University.

Mrs. Bhanupriya brings with her over 10 years of professional experience in corporate compliance and governance, having previously served as Company Secretary with Bajaj Global Limited and Nagpur Smart and Sustainable City Development Corporation Limited (NSSC-DCL). Her expertise in legal and regulatory affairs adds significant value to the Board's oversight and governance functions.



Mrs. Bhanupriya Nikhil Thakur
Non-Executive Independent Director

Mr. Ayush Munnalal Sharma, serves as a Non-Executive Independent Director on the Board of our Company. He holds an LL.B. degree from Rashtrasant Tukadoji Maharaj Nagpur University, completed in 2011, and has been a member of the Bar Council of Maharashtra and Goa since the same year.

Mr. Sharma brings with him broad legal expertise, with a practice spanning corporate law, criminal law, civil litigation, and legal consulting. His multifaceted legal background supports the Board's governance framework and strategic decision-making processes.



Mr. Ayush Munnalal Sharma
Non-Executive Independent Director

Mr. Jaideep Narayan Pawar, serves as a Non-Executive Independent Director on the Board of our Company. He holds a Bachelor's degree in Engineering from the University of Pune and an MBA in Business Administration. He also holds a Post Graduate Diploma in Business Analysis and Skills Execution from Symbiosis Institute of Business Management, Pune (2002), and has completed the Senior Executive Leadership Program at Harvard Business School.

With over 11 years of experience in sales and business development, Mr. Pawar brings strategic insight and leadership expertise that contribute to the Company's growth initiatives and market expansion efforts.



Mr. Jaideep Narayan Pawar
Non-Executive Independent Director

Strategic Human Capital Foundation

At Virtual Galaxy Infotech Limited (VGIL), human capital is recognized as the driving force behind the company's long-term growth, innovation, and competitive edge. As of March 2025, the organization comprises over 340 skilled professionals—reflecting VGIL's strong emphasis on technical excellence, domain specialization, and adaptive organizational practices. The company's human resource and organizational development strategies are purposefully structured, future-oriented, and closely aligned with its core business goals and strategic expansion plans.

5.3 Workforce Composition

VGIL's workforce comprises a dedicated team of seasoned technologists, domain experts, project managers, and support professionals—all centrally stationed at the company's headquarters in Nagpur. From this single hub, the company delivers end-to-end technology solutions to clients across India and international markets.

While services are primarily managed remotely from Nagpur, VGIL ensures responsiveness and seamless execution by deploying technical resources on-site at client locations when required. This model allows the company to maintain efficiency, ensure consistent service quality, and support complex project implementations across geographies.

The strength of VGIL's talent pool is reflected in the following core attributes:

- **Technical Depth:** A specialized team of R&D engineers drives innovation in key emerging technologies such as artificial intelligence, machine learning, blockchain, and cloud computing.
- **Domain Expertise:** Teams bring in-depth experience across BFSI, ERP, e-Governance, and digital payments, ensuring industry-specific and regulatory-compliant solutions.
- **Diversity:** Professionals from varied academic, cultural, and professional backgrounds contribute to a vibrant, inclusive workplace that encourages collaboration and innovation.
- **Agility:** Project-focused teams are structured for rapid adaptation, enabling VGIL to meet evolving client needs and navigate fast-changing technology landscapes.

5.4 Talent Acquisition and Workforce Expansion

A] Workforce Growth Plans

Aligned with its strategic vision, VGIL plans to expand its workforce to 500 employees by FY 2027-28, supporting its ambitious growth targets in India and overseas markets. This expansion will be driven by:

- Increased R&D headcount to support product innovation.
- Scaling implementation teams for domestic and international projects.
- Strengthening support functions to manage larger operations.

B] Recruitment Strategy

VGIL's recruitment process is rigorous, merit-based, and designed to attract high-calibre talent:

- **Campus Engagement:** Partnerships with top engineering and management institutes for campus hiring

- **Lateral Hiring:** Targeted recruitment of experienced professionals for leadership and specialist roles.
- **Diversity and Inclusion:** Policies to ensure fair representation and equal opportunity across gender, ethnicity, and background.

C] Learning, Development, and Skill Enhancement

Continuous Learning Culture

VGIL fosters a culture of continuous learning and professional development:

- **Technical Training:** Regular upskilling in emerging technologies such as AI, blockchain, cybersecurity, and cloud platforms.
- **Domain Workshops:** Industry-specific training for BFSI, ERP, and e-Governance verticals.
- **Soft Skills Development:** Communication, leadership, project management, and client engagement workshops.

D] Knowledge Management

- **Internal Knowledge Portals:** Centralized repositories for technical documentation, best practices, and case studies.
- **Mentorship Programs:** Senior professionals mentor junior staff, accelerating knowledge transfer and leadership development.

E] Organizational Development and Change Management

Agile and Adaptive Organization

VGIL's organizational development strategy is rooted in agility and adaptability:

- **Project-Based Matrix Structure:** Enables rapid reallocation of resources based on project needs and market dynamics.
- **Change Management Framework:** Structured approach to managing technological and process changes, ensuring minimal disruption and maximum adoption.

Leadership Development

- **Succession Planning:** Identification and grooming of high-potential employees for leadership roles.
- **Leadership Training:** Executive education, external certifications, and exposure to cross-functional projects.

F] Health, Safety, and Well-being

Employee Wellness

VGIL prioritizes the physical and mental well-being of its employees:

- **Wellness Programs:** Regular health check-ups, stress management workshops, and fitness initiatives.
- **Safe Work Environment:** Compliance with occupational health and safety standards.

G] Social Responsibility

- **Community Engagement:** Employees participate in social initiatives, such as the 2024 blood donation camp in association with Lions Clubs International, reflecting a culture of giving back to society.
- **Ethical Conduct:** Strict adherence to ethical standards and anti-harassment policies.

H] Diversity, Equity, and Inclusion

VGIL is committed to building a diverse and inclusive workplace:

- **Gender Diversity:** Initiatives to increase female participation in technology and leadership roles.
- **Equal Opportunity:** Policies to ensure unbiased recruitment, promotion, and compensation.
- **Cultural Sensitivity:** Training and awareness programs to foster respect and collaboration across backgrounds.

I] Awards, Recognition, and Employer Branding

VGIL's commitment to human capital excellence is reflected in its industry recognition and employer branding:

- **Awards:** Multiple accolades for leadership, innovation, and technology, including "Best CEO of the Year" and "Financial Services Tech of the Year" in 2024.
- **Employer Value Proposition:** Reputation as an employer of choice for technology professionals seeking challenging roles, career growth, and a culture of innovation.

J] Alignment with Business Strategy and Future Outlook

Human resource and organisational development at VGIL is integral to the company's business strategy. As VGIL pursues aggressive growth in domestic and international markets, its ability to attract, develop, and retain top talent will remain a critical success factor. The company's structured HR policies, robust learning ecosystem, and commitment to employee well-being position it strongly to scale operations, drive innovation, and sustain its leadership in the technology solutions sector.

VGIL's future HR vision includes:

- **Scaling to 500+ employees by FY 2027-28.**
 - **Global talent acquisition to support export revenue targets and international delivery.**
 - **Continued investments in R&D, leadership, and digital HR transformation.**
- Through these initiatives, VGIL aims to build a resilient, future-ready workforce capable of delivering on its vision of technological excellence and digital transformation for clients worldwide.

6. Operational Infrastructure

VGIL operates from its Head Office located in Nagpur, Maharashtra - Housing the main development center and corporate functions

The Company is developing an additional facility at MIHAN Special Economic Zone (SEZ) in Nagpur, with a planned investment from IPO proceeds. This expansion will enhance the Company's development capabilities and support its growth objectives.

7. Financial Transformation and Performance

Virtual Galaxy Infotech Limited (VGIL) has demonstrated a robust financial transformation over the last several years, underpinned by strategic investments in technology, operational scalability, and a diversified product portfolio. The company's financial results for the year ended 31 March 2025, highlight a period of accelerated growth, improved profitability, and enhanced financial resilience. This section provides a detailed analysis of VGIL's financial performance, segmented by revenue streams, profitability, capital structure, and forward-looking projections, while contextualizing these results within the company's broader transformation journey.

7.1 Revenue from Operations

VGIL's revenue from operations for FY 2024-25 reached ₹120.14 crores, marking a 95.5% year-on-year (YoY) growth compared to ₹61.46 crores in FY 2023-24. This exceptional increase reflects the company's successful market expansion, strong demand for its flagship solutions (E-Banker, V-Pay, IBS ERP), and deepening penetration in both domestic and international markets.

- **Banking & Finance Segment:** Remained the primary revenue driver, contributing ₹110.2 crores (91.72% of total revenue), up from ₹56.25 crores in the previous year.
- **ERP Segment:** Revenue nearly tripled to ₹9.44 crores from ₹3.22 crores, demonstrating the growing adoption of IBS ERP across manufacturing and processing industries.
- **E-Governance Segment:** Contributed 0.49 crores, reflecting steady demand from government digitalization projects.
- **Export Revenue:** Increased to ₹8.84 crores (7.36% of total revenue), with significant contributions from Africa and Asia Pacific, in line with VGIL's export-led growth strategy.

7.2 Profitability and Operational Efficiency

7.2.1 EBITDA and Operating Margins

VGIL reported an EBITDA of ₹55.55 crores for FY 2024-25, up from ₹30.97 crores in FY 2023-24, reflecting a 79.37% YoY growth. The EBITDA margin stood at 46.24%, demonstrating the company's ability to scale operations efficiently while maintaining strong cost controls.

- **Margin Analysis:** The slight moderation in margin (from 50.4% in FY 2023-24) is attributed to increased investments in R&D, workforce expansion, and technology upgrades, all of which are essential for sustaining long-term growth.

7.2.2 Net Profit and PAT Margins

Profit after tax (PAT) for FY 2024-25 was ₹32.12 crores, representing a 97% YoY growth from ₹16.30 crores in the previous year. The PAT margin remained robust at 26.73%, underscoring VGIL's operational discipline and effective financial management.

- **Cost Structure:** The company's cost structure is optimized through a combination of in-house development, offshore delivery, and strategic use of technology, resulting in lower SG&A expenses and higher profitability.

7.2.3 Segmental Profitability

- **Banking & Finance:** High-margin segment due to proprietary product offerings and deep domain expertise.
- **ERP:** Improved margins driven by increased scale and industry-specific customizations.
- **E-Governance:** Margins remain stable, with growth potential linked to government digitalization initiatives and World Bank-funded projects.

7.3 Capital Structure and Financial Stability

7.3.1 Equity and Debt

VGIL's capital structure remains healthy and well-balanced:

- **Authorized Share Capital:** ₹25.00 crores
- **Paid-up Share Capital:** ₹18.30 crores
- **Debt-to-Equity Ratio:** Improved to 0.43x, reflecting prudent financial management and reduced leverage.

7.3.2 IPO and Fund Utilization

The company's IPO in May 2025 was a landmark event, raising ₹93.29 crores with an oversubscription of 231 times and a listing premium of 26.73% over the issue price. The proceeds are being strategically deployed as follows:

- **Infrastructure Expansion (MIHAN SEZ Development Center):** ₹34.27 crores
- **Technology Infrastructure (GPU, servers, storage):** ₹5.05 crores
- **Human Capital and Product Upgrades:** ₹18.90 crores
- **Business Development and Marketing:** ₹14.06 crores
- **Debt Repayment:** ₹3.00 crores
- **General Corporate Purposes:** Remaining balance

This capital infusion strengthens VGIL's balance sheet, supports operational scalability, and funds innovation-driven growth.

7.4 Financial Ratios and Key Metrics

- **EBITDA Margin:** 46.24%
- **PAT Margin:** 26.7%
- **Return on Equity (ROE):** Improved due to higher net profits and efficient capital deployment.
- **Debt-to-Equity Ratio:** 0.43x (reflecting reduced leverage)
- **Working Capital Cycle:** Efficiently managed, supporting scalability.

7.5 Awards, Recognition, and Market Validation

VGIL's financial transformation is complemented by industry recognition, which validates its business model and market leadership:

- Best CEO of the Year – Asia Leadership Awards 2024
- Financial Services Tech of the Year – Asia Leadership Awards 2024
- Best Regulatory Reporting Core Banking Solution – Elets BFSI Leadership Summit 2024
- Best Integrated ERP Solution for Sugar Industry – Indian Achievers Award 2024
- Global Excellence in Integrated MIS for Banking & Finance – CIO Forum 2024

These accolades reinforce VGIL's reputation for innovation, operational excellence, and financial disciplines.

7.6 Risk Management and Financial Controls

7.6.1 Risk Identification and Mitigation

VGIL employs a comprehensive risk management framework to identify, assess, and mitigate financial and operational risks:

- Operational Risks: Technology adoption, project execution, and client retention.
- Market Risks: Regulatory changes, economic volatility, and competitive pressures.
- Financial Risks: Credit risk, liquidity management, and forex exposure (for export revenues).

7.6.2 Internal Controls and Compliance

- Robust internal audit mechanisms
- Compliance with Accounting Standards, Companies Act 2013, and SEBI LODR regulations
- Regular board oversight and audit committee reviews

7.6.3 Growth Drivers

- Expansion into Africa, Middle East, and Asia Pacific
- Increased adoption of SaaS and cloud-based solutions
- Product innovation in cybersecurity, AI, and digital payments
- Scaling export revenues
- Workforce expansion to 500 employees by FY 2027-28

7.6.4 Capital Allocation and Investment Strategy

- Continued investment in R&D and product development
- Infrastructure scaling at MIHAN SEZ and data center upgrades
- Strategic marketing and business development for new geographies

VGIL's financial transformation over FY 2024-25 is marked by exceptional revenue growth, improved profitability, and strengthened capital structure. The company's ability to scale its business model, invest in innovation, and efficiently manage costs has resulted in robust financial health and market validation. The successful IPO and prudent capital deployment further position VGIL for sustained growth and resilience.

With a clear strategic roadmap, strong balance sheet, and a diversified, technology-driven product portfolio, VGIL is well-placed to achieve its ambitious growth targets, expand its global footprint, and deliver long-term value to shareholders and stakeholders. The company's disciplined approach to financial management, risk mitigation, and operational excellence will remain central to its continued success in the rapidly evolving digital finance and technology landscape.

Virtual Galaxy Infotech Limited (VGIL) stands at a pivotal juncture in its corporate evolution, having successfully transitioned from a regional IT firm to a publicly listed SaaS solutions provider.

The company's strategic initiatives and future outlook reflect a comprehensive roadmap designed to capitalize on emerging opportunities in the global fintech and banking technology landscape while positioning VGIL as a market leader in digital transformation solutions.

8 IPO Proceeds Utilization and Capital Allocation Strategy

8.1.1 Strategic Capital Deployment Framework

With the successful listing of VGIL on 19th May 2025, the company has reached a significant milestone in its growth journey. The capital raised through the Initial Public Offering marks the beginning of a transformative phase, providing the financial foundation to implement VGIL's long-term strategic vision. While the IPO proceeds have not yet been utilized, their deployment will follow a structured and phased approach, aligned with clearly defined priorities that support scalability, innovation, and global expansion.

The capital allocation strategy has been carefully designed across five key focus areas, each aimed at reinforcing VGIL's market position and enabling sustainable value creation:

A] Infrastructure Expansion and Development Hub

A major portion of the proposed investment is earmarked for the establishment of a new, state-of-the-art development facility at a prominent Special Economic Zone (SEZ). This future hub is intended to become VGIL's primary export delivery center, supporting operational scalability and international service delivery.

B] Technology Infrastructure Enhancement

Planned investments in advanced GPU, server, and storage systems will enhance the company's data center infrastructure. These upgrades will strengthen VGIL's capabilities in delivering AI-driven solutions, real-time processing, and scalable SaaS offerings.

C] Human Capital Development

A significant portion of the proceeds is allocated for expanding VGIL's technology talent base and enhancing its product development capabilities. This investment reflects the company's strategic belief that a skilled workforce is fundamental to maintaining innovation and competitive edge, with the flexibility to respond to emerging opportunities and operational needs.

D] Business Development and Market Expansion

The company intends to deploy part of the proceeds toward intensified business development and marketing initiatives. These efforts will focus on increasing VGIL's presence in key international markets, including Africa, the Asia-Pacific region, and the Middle East.

E] Financial Optimization and Corporate Flexibility

A planned portion of the funds will be utilized to strengthen the balance sheet through partial debt repayment. The remaining proceeds will be reserved for general corporate purposes, providing VGIL

8.1.2 Strategic Infrastructure Development at MIHAN SEZ

The establishment of VGIL's new development center at MIHAN Special Economic Zone represents a cornerstone initiative that will fundamentally transform the company's operational capabilities and market reach. This investment is strategically designed to address multiple growth objectives:

B] Scalable Infrastructure:

The facility is designed to accommodate VGIL's ambitious workforce expansion plans, providing the physical infrastructure necessary to support the growth from 350+ current employees to 500+ employees by FY 2027-28.

C] Technology Innovation Hub:

The MIHAN facility will house advanced R&D capabilities, including specialized teams focused on artificial intelligence, machine learning, blockchain technology, and cybersecurity solutions. This concentration of technical expertise will accelerate product development and innovation cycles.

8.2 Technology Innovation and Product Development Strategy

8.2.1 Advanced Technology Integration Roadmap

VGIL's technology innovation strategy encompasses a comprehensive approach to integrating cutting-edge technologies that will define the future of financial services and enterprise solutions. The company's targeted investment in technology workforce enhancement and product upgrades supports an ambitious technology roadmap that spans multiple innovative domains.

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A] Artificial Intelligence and Machine Learning Enhancement:

VGIL is significantly expanding its AI/ML capabilities to enhance the intelligence and automation features of its core products. The E-Banker core banking solution will incorporate advanced AI-powered analytics for predictive risk management, automated compliance monitoring, and intelligent customer service capabilities. These enhancements will enable banks to provide more personalized services while reducing operational costs and improving regulatory compliance.

B] Blockchain Technology Integration:

The company is developing blockchain-based solutions to enhance security, transparency, and trust in financial transactions. This technology will be particularly valuable for cross-border payments, supply chain finance, and regulatory reporting, positioning VGIL at the forefront of distributed ledger technology adoption in the financial services sector.

C] Cloud-Native Architecture Development:

VGIL is transitioning its product architecture to cloud-native frameworks that enable seamless scalability, enhanced security, and improved performance. This architectural evolution supports the company's SaaS strategy and enables rapid deployment of solutions across multiple geographic markets.

8.2.2 Emerging Product Development Initiatives

VGIL's product development strategy encompasses both the enhancement of existing solutions and the creation of entirely new product categories to address evolving market needs and capture new revenue opportunities.

A] Comprehensive Cybersecurity Solutions:

The company is developing specialized cybersecurity products for the BFSI and government sectors, addressing the critical need for advanced threat detection, incident response, and compliance monitoring. These solutions will leverage VGIL's deep domain expertise in financial services to provide industry-specific security frameworks that address unique regulatory and operational requirements.

B] Hospital Management Solutions:

VGIL is expanding beyond its traditional BFSI focus with the development of hospital management solutions that leverage the company's expertise in complex system integration, regulatory compliance, and user experience design. This diversification represents a strategic expansion into the healthcare technology sector, which offers significant growth potential and synergies with VGIL's existing capabilities.

C] Advanced Analytics and Business Intelligence:

The company is developing sophisticated analytics platforms that leverage big data, machine learning, and real-time processing capabilities to provide actionable insights for financial institutions and enterprises. These solutions will enable clients to make data-driven decisions, optimize operations, and enhance customer experiences.

8.2.3 V-SOC (Virtual Security Operations Center) Development

A key component of VGIL's technology innovation strategy is the development and enhancement of its Virtual Security Operations Center (V-SOC), which represents a comprehensive approach to cybersecurity monitoring and incident response.

A] 24/7 Security Monitoring:

The V-SOC provides continuous monitoring of client systems, leveraging advanced threat detection algorithms and machine learning models to identify and respond to security incidents in real-time. This capability is particularly critical for financial institutions that face sophisticated cyber threats and strict regulatory requirements.

B] Automated Incident Response:

The V-SOC incorporates automated incident response capabilities that can neutralize threats and implement containment measures without human intervention, reducing response times and minimizing potential damage from security incidents.

C] Compliance and Reporting:

The V-SOC provides comprehensive compliance monitoring and reporting capabilities that help clients maintain adherence to regulatory requirements while providing audit trails and documentation necessary for regulatory examinations.

8.3 International Expansion and Market Development Strategy

8.3.1 Geographic Market Expansion Framework

VGIL's international expansion strategy represents a carefully orchestrated approach to capturing global market opportunities while leveraging the company's core competencies and established success in emerging markets. The company's current international presence includes successful deployments in Tanzania, Malawi, providing a strong foundation for accelerated expansion.

Africa Market Penetration:

VGIL has established a strong foothold in the African market, with 11 international projects in the BFSI domain and a growing presence in the SACCO (Savings and Credit Cooperative Organizations) sector. The company's presence of more than a decade in Tanzania has created valuable market knowledge and partner networks that support expanded operations across East and Southern Africa.

Asia Pacific Market Entry:

The company is strategically expanding into the Asia Pacific region, targeting markets with similar cooperative banking structures and emerging digital payment needs. This expansion leverages VGIL's specialized expertise in cooperative banking solutions and digital payment platforms.

Middle East Market Development:

VGIL is exploring opportunities in the Middle East, where the combination of traditional banking infrastructure and emerging fintech requirements creates significant demand for the company's integrated solutions.

8.3.2 Export Revenue Growth Strategy

The company has established an ambitious target to increase export revenues to approximately 40% of total revenue by FY 2027-28, representing a substantial increase from the current 7.30% of total revenue.

This growth strategy encompasses multiple dimensions:

A] Product Localization:

VGIL is adapting its core products to meet the specific regulatory, cultural, and operational requirements of international markets. This includes compliance with local banking regulations, integration with regional payment systems, and support for local languages and currencies.

B] Partnership Development:

The company is establishing strategic partnerships with local technology firms, system integrators, and consulting organizations to accelerate market entry and provide local support capabilities. Current partnerships include two channel partners in Tanzania and one for Israel.

C] Direct Sales Expansion:

VGIL is expanding its direct sales capabilities through the establishment of regional offices and the deployment of international business development teams. The MIHAN SEZ facility will serve as the primary hub for export delivery and support services.

8.3.3 World Bank and International Development Projects

VGIL's successful execution of World Bank-funded projects has established the company as a trusted partner for international development initiatives. This track record provides a foundation for pursuing additional multilateral and bilateral development projects across emerging markets.

A] Maharashtra Agriculture Competitiveness Project (MACP):

VGIL's successful implementation of e-Auction Software in 20 APMCs under the World Bank-assisted MACP project demonstrates the company's capability to deliver complex, internationally-funded projects that meet stringent quality and compliance requirements.

B] Reserve Bank of Malawi- MAIIC Project:

The company's engagement with the Reserve Bank of Malawi for the MAIIC (Malawi Agricultural and Industrial Investment Corporation) project represents significant international validation of VGIL's capabilities in financial sector digitalization.

C] Future Development Opportunities:

VGIL's proven track record positions the company to pursue additional development bank projects across Africa, Asia Pacific, and other emerging markets, providing both revenue opportunities and market access channels.

8.4 Financial Projections and Revenue Growth Strategy

8.4.1 Comprehensive Financial Growth Roadmap

Virtual Galaxy Infotech Limited (VGIL) has developed a forward-looking financial roadmap that aligns with its strategic objectives and evolving market opportunities. The company's growth strategy is underpinned by a strong commitment to expanding revenue, enhancing profitability, and evolving into a more scalable and sustainable enterprise.

A] Revenue Growth Outlook

The Company has outlined a progressive and sustainable revenue growth plan, supported by its expanding footprint in domestic and international markets, increasing demand for digital transformation solutions, and deepening presence in the BFSI, ERP, and E-Governance segments. The focus remains on driving value through sector-specific offerings, customer-centric innovation, and geographic diversification.

B] EBITDA Outlook

VGIL's operating model continues to benefit from increased operational efficiency and scale. Strategic investments in technology, talent, and infrastructure are expected to deliver healthy EBITDA margins while preserving agility and cost discipline.

C] Profitability Vision

Consistent bottom-line growth remains a core focus, supported by the company's ability to optimize costs, improve productivity, and retain high-value clients. Profit after tax is expected to grow in line with revenue, driven by improved operating leverage and disciplined financial management.

8.4.2 Revenue Model Evolution and Diversification

VGIL's revenue growth strategy encompasses both the scaling of existing revenue streams and the development of new monetization models that leverage the company's technological capabilities and market position.

A] SaaS Revenue Expansion:

The Company is accelerating the transition of its client base to subscription-based SaaS models, which provide predictable recurring revenue and higher customer lifetime value. This transition is supported by the enhanced cloud infrastructure and the MIHAN SEZ facility's capabilities.

B] Geographic Revenue Diversification:

VGIL is focused on strengthening its position in the domestic market while simultaneously expanding its global footprint. This balanced approach is aimed at capturing emerging opportunities across both markets—leveraging the strong demand for digital transformation solutions in India and tapping into high-growth international regions. By diversifying its revenue base, VGIL seeks to build a more resilient and sustainable business model with enhanced profitability.

C] Product Revenue Diversification:

The development of new product categories, including cybersecurity solutions and hospital management systems, provides additional revenue streams that leverage VGIL's core competencies while serving new market segments

8.4.3 Investment and Capital Allocation Strategy

The company's financial strategy encompasses prudent capital allocation across growth initiatives, operational excellence, and shareholder value creation.

A] Infrastructure Investment:

The ₹34.27 crore MIHAN SEZ investment represents approximately 1.4x the company's current annual PAT, demonstrating significant commitment to long-term growth capabilities.

B] Technology Investment:

The ₹5.05 crore technology infrastructure investment and ₹18.90 crore workforce and product development investment totaling ₹23.95 crores represent approximately 75% of current annual PAT, indicating substantial reinvestment in innovation and capabilities.

8.5 Human Resource Development and Organizational Scaling Strategy

8.5.1 Workforce Expansion and Talent Acquisition Strategy

VGIL's human resource strategy represents one of the most ambitious aspects of its growth plan, with targets to expand the workforce from 350+ employees to 500+ employees by FY 2027-28. This nearly three-fold expansion requires a comprehensive approach to talent acquisition, development, and retention.

A] Strategic Hiring Framework:

The workforce expansion will focus on critical areas including:

- **R&D and Product Development:** Expansion of the current 100+ R&D engineers to support new product development and technology innovation initiatives
- **International Business Development:** Addition of specialized teams for international market development and client management
- **Technology and Infrastructure:** Enhancement of technical teams to support the MIHAN SEZ facility and advanced technology initiatives

B] Talent Acquisition Strategy:

VGIL is implementing a multi-channel talent acquisition approach:

- **Campus Recruitment:** Partnerships with premier engineering and management institutes to access fresh talent
- **Experienced Professional Hiring:** Targeted recruitment of industry veterans for leadership and specialized roles
- **International Talent:** Leveraging the MIHAN SEZ facility to attract global talent and support international operations

8.5.2 Organizational Development and Culture

The rapid scaling of the organization requires careful attention to organizational development, culture preservation, and leadership development to maintain VGIL's innovative and entrepreneurial spirit.

A] Leadership Development:

VGIL is investing in comprehensive leadership development programs to ensure adequate management capacity for the expanded organization. This includes succession planning, executive education, and cross-functional exposure for high-potential employees.

B] Cultural Preservation:

As the organization scales, maintaining the entrepreneurial culture and innovation mindset that has driven VGIL's success becomes critical. The company is implementing structured programs to preserve cultural values while accommodating organizational growth.

C] Performance Management:

Implementation of scalable performance management systems that align individual contributions with organizational objectives while maintaining the high-performance standards that characterize VGIL's workforce.

8.5.3 Technology Workforce Enhancement

The investment in technology workforce enhancement represents a strategic commitment to maintaining technological leadership and innovation capabilities.

A] Specialized Skill Development:

Investment in training and development programs for emerging technologies including AI/ML, blockchain, cybersecurity, and cloud computing. This ensures that VGIL's technical teams remain at the forefront of industry developments.

B] Certification and Process Excellence:

Continued investment in obtaining, maintaining and enhancing VGIL's quality certifications as the organization scales.

C] Innovation Culture:

Development of innovation labs, hackathons, and research initiatives that encourage creativity and breakthrough thinking among technical teams.

8.6 Product Portfolio Expansion and Market Penetration Strategy

8.6.1 Core Product Enhancement and Evolution

VGIL's product portfolio strategy encompasses both the continuous enhancement of existing flagship products and the development of new solutions that address emerging market needs and technological capabilities.

A] E-Banker Evolution:

The company's flagship AI-based core banking solution continues to evolve with enhanced artificial intelligence capabilities, improved user interfaces, and expanded functionality. Current enhancements include:

- **Advanced AI Analytics:** Integration of machine learning algorithms for predictive analytics, risk assessment, and customer behavior analysis
- **Enhanced Mobile Capabilities:** Development of advanced mobile banking features and tablet banking solutions for field operations
- **Regulatory Compliance Automation:** Automated compliance monitoring and reporting capabilities that adapt to evolving regulatory requirements

B] V-Pay Platform Expansion:

The digital payment platform is being enhanced with additional services and capabilities:

- **UPI Cloud Sound Box Solution:** Innovative payment acceptance devices that enable banks to grow CASA deposits while providing merchant services
- **Enhanced Payment Gateway:** Advanced payment processing capabilities that support multiple payment methods and channels
- **Financial Services Integration:** Integration with insurance, mutual funds, and other financial services to create a comprehensive fintech ecosystem

8.6.2 New Product Category Development

VGIL's expansion into new product categories represents a strategic diversification that leverages the company's core competencies while addressing new market opportunities.

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- **Financial Services Integration:** Integration with insurance, mutual funds, and other financial services to create a comprehensive fintech ecosystem

8.6.2 New Product Category Development

VGIL's expansion into new product categories represents a strategic diversification that leverages the company's core competencies while addressing new market opportunities.

A] Cybersecurity Solutions: The development of comprehensive cybersecurity products for BFSI and government sectors addresses the critical need for advanced security solutions in an increasingly digital world. These solutions include:

- **Threat Detection and Response:** Advanced threat intelligence and automated response capabilities
- **Compliance Monitoring:** Specialized compliance tools for financial services and government regulations
- **Security Operations Center (SOC) Services:** Managed security services that provide 24/7 monitoring and incident response

B] Hospital Management Solutions: The entry into healthcare technology represents a significant market expansion opportunity:

- **Electronic Health Records (EHR):** Comprehensive patient management and medical record systems
- **Hospital Operations Management:** Administrative and operational systems for healthcare facilities
- **Compliance and Regulatory Reporting:** Healthcare-specific compliance and reporting capabilities

8.6.3 Industry-Specific Solution Development

VGIL's strategy includes the development of specialized solutions for specific industry verticals, leveraging the company's experience with IBS-ERP solutions across multiple sectors.

A] Enhanced ERP Offerings:

The company is expanding its ERP capabilities across multiple industries:

- **Sugar Industry:** Building on the "Best Integrated ERP Solution for the Sugar Industry" award, VGIL is developing additional specialized modules
- **Manufacturing Sectors:** Enhanced solutions for steel, textiles, fertilizers, and other manufacturing industries
- **Government and Public Sector:** Specialized ERP solutions for government agencies and public sector organizations

B] Vertical-Specific Banking Solutions:

Development of specialized banking solutions for specific segments:

- **Cooperative Banking:** Enhanced solutions specifically designed for cooperative banks and societies
- **Microfinance:** Specialized solutions for microfinance institutions and SACCOs

8.7 Risk Management and Strategic Challenges

8.7.1 Comprehensive Risk Assessment Framework

VGIL's strategic planning incorporates a comprehensive risk management framework that identifies, assesses, and mitigates potential challenges to the company's growth objectives and operational excellence.

A] Market Risks:

The company faces several market-related risks that require active management:

- **Regulatory Changes:** Evolving banking and financial services regulations could impact product requirements and market demand
- **Economic Conditions:** Economic volatility in target markets could affect client spending and expansion plans
- **Competition:** Increasing competition from both established players and new entrants could pressure margins and market share

B] Operational Risks:

Scaling operations rapidly introduces several operational challenges:

- **Technology Adoption:** Ensuring clients can successfully adopt and utilize VGIL's advanced technology solutions
- **Quality Maintenance:** Maintaining quality standards while rapidly scaling operations
- **Talent Acquisition and Retention:** Successfully recruiting and retaining the skilled professionals needed for growth

8.7.2 Risk Mitigation Strategies

VGIL has implemented comprehensive mitigation strategies to address identified risks and ensure sustainable growth.

A] Regulatory Compliance Management:

The company maintains a dedicated compliance team that monitors regulatory developments and ensures products remain compliant with evolving requirements. Regular engagement with regulatory bodies and industry associations provides early insight into regulatory changes.

B] Diversified Market Approach:

The geographic diversification strategy reduces dependence on any single market while the product diversification into cybersecurity and healthcare reduces sector-specific risks.

C] Technology Investment and Innovation:

Significant investment in R&D ensures VGIL maintains technological leadership and can adapt to changing market requirements. The investment in technology workforce specifically addresses the need for advanced technical capabilities.

D] Customer Support and Success:

Strong customer support and proven implementation capabilities help ensure client success and reduce adoption risks. The company's track record of successful implementations provides confidence in its ability to manage complex deployments.

8.7.3 Strategic Challenge Management

VGIL faces several strategic challenges that require proactive management and strategic responses.

A] Scaling Challenges:

The rapid growth from 350+ to 500+ employees presents significant organizational challenges including:

- **Organizational Culture:** Maintaining entrepreneurial culture and innovation mindset while scaling
- **Management Systems:** Implementing scalable management and operational systems
- **Communication and Coordination:** Ensuring effective communication across a larger, geographically distributed organization

B] International Expansion Complexities:

Achieving export revenue requires managing multiple international markets with varying:

- **Regulatory Requirements:** Different banking and financial services regulations in each market
- **Cultural Considerations:** Adapting products and services to local business practices and preferences
- **Currency and Economic Risks:** Managing foreign exchange exposure and economic volatility in emerging markets

C] Technology Evolution:

Staying ahead of rapidly evolving technology trends while maintaining product stability and reliability requires:

- **Continuous Innovation:** Ongoing investment in emerging technologies and research
- **Product Lifecycle Management:** Balancing innovation with product stability and client needs
- **Talent Development:** Ensuring technical teams remain current with evolving technologies

9. Competitive Advantages and Market Positioning

Virtual Galaxy Infotech Limited (VGIL) has established a formidable competitive position in the financial technology and enterprise solutions market through a combination of distinctive strengths, strategic market positioning, and sustained innovation. The company's competitive advantages are multifaceted, spanning technological excellence, domain expertise, operational efficiency, and market leadership across specialized segments.

9.1 Technological Excellence and Innovation Leadership

9.1.1 Advanced Technology Stack and Architecture

VGIL's competitive advantage is fundamentally rooted in its sophisticated technology architecture that integrates cutting-edge technologies with proven enterprise-grade frameworks. The company operates on a comprehensive technology stack that includes Microsoft Windows and Linux platforms, .NET Framework, Java Spring, JBoss application servers, Oracle and PostgreSQL databases, along with advanced analytics capabilities through Python, Tableau, and Power BI.

The technological sophistication extends to artificial intelligence and machine learning integration, with VGIL's flagship E-Banker solution leveraging AI-powered algorithms for real-time decision making, predictive analytics, and automated compliance monitoring. This AI-driven approach enables the platform to process over 30 billion transactions annually with an exceptional 99.9% system uptime and average transaction processing time of 10 milliseconds.

9.1.2 Comprehensive Certification Portfolio

VGIL's technological excellence is further validated through multiple international certifications:

- ISO-IEC-20000-1-2018 for IT Service Management,
- ISO-IEC 27001-2022 for IT Security Management and
- ISO-IEC-23001-7-2023 for IT – MPEG Systems Technologies

These certifications ensure that VGIL's technology solutions meet the highest international standards for quality, security, and service delivery, providing a significant competitive advantage in sectors with stringent compliance requirements such as banking and government.

9.2 Domain Expertise and Market Specialization

9.2.1 Deep Banking and Financial Services Expertise

VGIL has developed unparalleled domain expertise in the Banking and Financial Services (BFS) sector over its 27-year operational history. The company's specialization in cooperative banking, NBFCs, and emerging market financial institutions has created a distinctive competitive moat that is difficult for generalist competitors to replicate.

The company's BFSI segment contributed ₹110.2 crores in FY 2024-25, representing 91.52% of total revenue, demonstrating the strength of its market positioning and client confidence in its specialized solutions. This deep domain focus enables VGIL to understand the nuanced regulatory, operational, and technological requirements of different types of financial institutions

9.2.2 Regulatory Compliance Excellence

VGIL's competitive advantage is significantly enhanced by its comprehensive understanding of banking regulations and compliance requirements. The company has received recognition for "Best Regulatory Reporting Core Banking Solution" at the Elets BFSI Leadership Summit 2024, validating its expertise in regulatory technology (RegTech) solutions.

The company's solutions are designed to address complex regulatory requirements including RBI guidelines, NPCI standards, Anti-Money Laundering (AML) protocols, and Know Your Customer (KYC) regulations, ensuring that clients can maintain compliance while optimizing their operations.

9.3 Award-Winning Market Recognition and Industry Leadership

9.3.1 Prestigious Industry Awards and Recognition

VGIL's market position has been validated through numerous prestigious industry awards in 2024, establishing the company as a recognized leader in financial technology:

- "Best CEO of the Year" – Asia Leadership Awards 2024
- "Financial Services Tech of the Year" – Asia Leadership Awards 2024
- "Best Regulatory Reporting Core Banking Solution" – Elets BFSI Leadership Summit 2024
- "Global Excellence in Integrated MIS for Banking & Finance" – CIO Forum 2024
- "Best Integrated ERP Solution for the Sugar Industry" – Indian Achievers Award 2024
- "Outstanding Achievement in Financial Technology Advancement" – Times Applaud 2024
- Leading IT Solutions Provider of the Year – Sardar Patel Unity Awards 2025
- Digital Transformation Leader – International Grandeur awards 2025

These awards represent external validation of VGIL's technological excellence, innovation capabilities, and market leadership, providing significant competitive advantages in business development and client acquisition.

9.3.2 Industry Recognition and Thought Leadership

The company's leadership has been recognized for their vision and expertise, with Mr. Sachin Pande receiving the "Best CEO of the Year" award and the company being featured in multiple industry publications as a "Top 10 Most Recommended Banking Technology Solution Provider". This recognition enhances VGIL's brand equity and market positioning significantly.

9.4 Exceptional Financial Performance and Market Validation

9.4.1 Outstanding Financial Growth Trajectory

VGIL's competitive position is strongly validated by its exceptional financial performance, particularly in FY 2024-25. The company achieved revenue from operations of ₹120.14 crores, representing a remarkable 95.5% year-on-year growth. This extraordinary growth demonstrates the market demand for VGIL's solutions and the company's ability to scale operations effectively.

The company's profitability metrics further reinforce its competitive advantages:

- EBITDA of ₹55.55 crores with a 46.24% margin
- Profit After Tax of ₹32.12 crores with a 26.73% margin
- 97% year-on-year growth in PAT

These metrics demonstrate VGIL's operational efficiency and pricing power in the market, indicating strong competitive positioning and customer value delivery.

9.4.2 Successful IPO and Market Validation

The company's IPO success represents unprecedented market validation, with the offering being oversubscribed by 231 times and listing at a 26.76% premium over the issue price. This overwhelming investor response demonstrates strong market confidence in VGIL's business model, competitive position, and growth prospects.

The successful raising of ₹93.29 crores through the IPO provides VGIL with significant financial resources to invest in technology advancement, market expansion, and competitive positioning enhancement.

9.5 Comprehensive Client Base and Market Penetration

9.5.1 Extensive Client Portfolio and Market Reach

VGIL has built an impressive client base of over 150+ financial institutions, including banks, cooperative societies, NBFCs, and government organizations across more than 15 Indian states and multiple international markets. This extensive client portfolio provides VGIL with significant competitive advantages including recurring revenue streams, market insights, and reference credibility.

9.5.2 High Client Retention and Expansion

VGIL's competitive advantage is enhanced by strong client retention rates and account expansion within existing clients.

The high client retention rate reflects the mission-critical nature of VGIL's solutions and the switching costs associated with core banking systems, providing the company with predictable revenue streams and competitive protection.

9.6 Regulatory and Institutional Recognition

9.6.1 RBI and NABARD Recognition

VGIL's competitive position is significantly strengthened by regulatory recognition from key Indian financial institutions. VGIL's E-Banker CBS software is highly esteemed and recognized by the RBI, providing substantial credibility and competitive advantage in the Indian banking market.

On May 11, 2023, NABARD organized a prestigious VC event where all DCCBs of Maharashtra participated, and NABARD expressed their utmost appreciation for VGIL's E-Banker CBS. NABARD specifically highlighted that VGIL has successfully implemented CBS in the highest number of DCCBs in Maharashtra, representing a remarkable competitive achievement.

9.6.2 World Bank Project Validation

VGIL's competitive credibility is further enhanced by its successful execution of four World Bank-funded projects, including the Maharashtra Agriculture Competitiveness Project (MACP). The company successfully launched e-Auction Software and achieved implementation in 20 APMCs under the World Bank-assisted MACP project.

This international development bank validation provides VGIL with significant competitive advantages in pursuing additional multilateral development projects and establishing credibility with international clients.

9.7 Competitive Performance Against Market Leaders

9.7.1 Success Against Established Competitors

VGIL has demonstrated remarkable success in competing against established market leaders in the core banking space. The company's competitive analysis shows success over its major competitors in the industry.

The company's competitive success is evidenced by its market share growth in both India and Africa, with the platform managing remarkable number of accounts in India and Africa.

9.7.2 Differentiated Value Proposition

VGIL's competitive advantage stems from its specialized focus on cooperative banking and emerging markets, where larger competitors often lack the domain expertise and localized solutions required. The company's cost-effective implementation model, rapid deployment capabilities, and comprehensive local support provide significant competitive differentiation.

The company's hybrid deployment model supporting both on-premise and SaaS offerings provides clients with flexibility that many competitors cannot match, particularly important for institutions with specific regulatory or infrastructure requirements.

9.8 International Market Leadership and Expansion

9.8.1 Strong International Presence

VGIL has established a strong international competitive position, particularly in the African market with successful deployments in Tanzania, Malawi. The company has maintained its presence in Tanzania for more than a decade, demonstrating the sustainability of its international competitive advantages.

The company's export revenue of ₹8.84 crores (7.36% of total revenue) in FY 2024-25 provides a foundation for international expansion, with strategic plans to achieve remarkable export revenue by FY 2027-28.

9.8.2 International Development Project Expertise

VGIL's competitive position in international markets is strengthened by its proven track record in executing complex international development projects, including the Reserve Bank of Malawi - MAIC project. This expertise provides the company with competitive advantages in pursuing additional development bank funding and international institutional clients.

9.9 International Development Project Expertise

9.9.1 Scalable Technology Infrastructure

VGIL owns a data center in Central India and its availed data center infrastructure facility, providing the company with significant competitive advantages in terms of cost control, service quality, and data sovereignty. The data center supports both Infrastructure-as-a-Service (IaaS) and Software-as-a-Service (SaaS) offerings, enabling the company to serve diverse client requirements efficiently.

The company's cloud-ready architecture enables rapid scaling to accommodate business growth and supports the ambitious target of expanding from 350+ employees to 500 employees by FY 2027-28.

9.9.2 Comprehensive Technology Capabilities

VGIL's competitive advantage includes end-to-end technology capabilities spanning software development, system integration, data center management, cybersecurity, and ongoing support services. This comprehensive capability set reduces client dependency on multiple vendors and provides VGIL with higher revenue per client and stronger competitive protection.

9.10 Strategic Vision and Future-Ready Positioning

9.10.1 Emerging Technology Integration

VGIL's competitive positioning for the future is strengthened by its strategic investments in emerging technologies including artificial intelligence, machine learning, blockchain, and cybersecurity. The company's intentions of allocation of funds for technology workforce enhancement and product upgrades from IPO proceeds demonstrates its commitment to maintaining technological leadership.

The company's development of comprehensive cybersecurity solutions, hospital management systems along with its diversified product portfolio represents strategic diversification that expands its addressable market while leveraging core competencies.

9.10.2 Vision for Market Leadership

VGIL's strategic vision positions the company to become a global leader in specialized fintech solutions, with particular focus on cooperative banking, emerging markets, and regulatory technology.

10. Strategic Outlook

Virtual Galaxy Infotech Limited (VGIL) stands at the pinnacle of its 27-year journey, having successfully transformed from a regional IT firm established in 1997 to a publicly listed, globally recognized SaaS solutions provider. The company's and strategic outlook represent the culmination of decades of sustained innovation, strategic evolution, and an unwavering commitment to digital empowerment across financial and governance ecosystems. This comprehensive analysis of VGIL's future trajectory, strategic vision, and market positioning demonstrates the company's readiness to capitalize on emerging opportunities while maintaining its core strengths and competitive advantages.

10.1 TranSformational Journey and Market Position

10.1.1 Corporate Evolution and Milestone Achievements

VGIL's transformation represents one of the most remarkable success stories in the Indian technology sector. From its incorporation on September 12, 1997, by first-generation entrepreneurs Mr. Avinash Shende and Mr. Sachin Pande, the company has evolved through distinct phases of growth, each marked by significant technological advancement and market expansion.

The company's IPO debut on May 19, 2025, on the NSE EMERGE SME Platform at a 26.76% premium over the issue price, with an oversubscription of 231 times, represents the ultimate validation of its business model and growth trajectory. This overwhelming investor response, with bids worth over ₹14,400 crores for a ₹93.29 crore public issue, underscores market confidence in VGIL's strategic vision and execution capabilities.

The company's financial performance trajectory demonstrates sustained excellence, with revenue from operations reaching ₹120.14 crores in FY 2024-25, representing a remarkable 95.5% year-on-year growth. This exceptional growth, coupled with EBITDA of ₹55.55 crores (46.24% margin) and PAT of ₹32.12 crores (26.73% margin), establishes VGIL among the top-performing technology companies in India.

10.1.2 InduStry Recognition and Market Validation

VGIL's market position has been validated through numerous prestigious industry awards and recognitions that establish the company as a leader in financial technology and enterprise solutions. The comprehensive award portfolio includes:

Leadership Excellence Recognition:

- "Best CEO of the Year" – Asia Leadership Awards 2024
- "Financial Services Tech of the Year" – Asia Leadership Awards 2024
- "Best Regulatory Reporting Core Banking Solution" – Elets BFSI Leadership Summit 2024
- "Global Excellence in Integrated MIS for Banking & Finance" – CIO Forum 2024
- "Best Integrated ERP Solution for the Sugar Industry" – Indian Achievers Award 2024
- Leading IT Solutions Provider of the Year – Sardar Patel Unity Awards 2025
- Digital Transformation Leader – International Grandeur awards 2025

These accolades represent external validation of VGL's technological excellence, innovation capabilities, and market leadership, providing significant competitive advantages in business development and establishing the company's reputation as a trusted technology partner.

10.2 Strategic Vision and Market Leadership

10.2.1 Comprehensive Strategic Framework

VGL's strategic outlook is anchored by a comprehensive vision to become a world-class provider of high-quality future.

Information Technology Business Solutions. The company's strategic framework encompasses multiple dimensions of growth and market expansion, positioning VGL to empower businesses globally with innovative, scalable, and secure IT solutions, transforming the way they operate, and driving digital excellence for a smarter, more connected

The strategic vision extends beyond traditional product development to encompass transformative force in the global financial technology landscape, empowering businesses and governments with innovative solutions that drive economic progress and improve quality of life across communities. This forward-thinking approach positions VGL not merely as a software provider, but as a strategic partner in driving digital transformation and shaping the future of finance and governance.

11.2.2 Technology Leadership and Innovation Roadmap

VGL's strategic outlook prioritizes continuous innovation and excellence through emerging technologies including artificial intelligence, machine learning, blockchain, and cloud computing. The company's commitment to technological leadership is evidenced through its quality certifications, positioning VGL among the elite organizations globally that have achieved the highest level of process maturity and quality assurance.

The company's technology roadmap encompasses several transformative initiatives:

A] Artificial Intelligence and Machine Learning Integration:

Enhanced AI capabilities across all product lines, with particular focus on predictive analytics, automated compliance monitoring, and intelligent customer service capabilities for the E-Banker platform.

B] Blockchain Technology Implementation:

Advanced security features for financial transactions, supply chain transparency, and enhanced regulatory compliance capabilities across all solutions.

C] Cloud Computing Advancement:

Expansion of cloud-native architecture supporting both Infrastructure-as-a-Service (IaaS) and Software-as-a-Service (SaaS) offerings through VGIL's Central India's first private data center.

10.3 Financial Projections and Growth Strategy

10.3.1 Ambitious Revenue Growth Targets

VGIL has set forth an assertive yet realistic growth trajectory, underpinned by its strong operational foundation, expanding product portfolio, and widening market reach. The company's strategic roadmap through FY 2027–28 reflects its confidence in scaling operations, entering new geographies, and capitalizing on emerging opportunities in fintech, enterprise technology, and digital payments.

With a focus on sustained business expansion and operational efficiency, VGIL aims to enhance profitability while maintaining healthy margins. The growth strategy includes strengthening recurring revenue streams, launching new solution verticals, and deepening engagement with both domestic and international markets. This forward-looking approach positions the Company to deliver consistent value to its stakeholders over the long term.

10.3.2 Export Revenue Growth Strategy

A cornerstone of VGIL's strategic outlook is its ambition to significantly expand its international footprint, with a clear emphasis on increasing the share of export-driven business over the coming years. This export-led growth strategy reflects the Company's intent to diversify revenue sources and strengthen its presence in global markets. Key components of this strategy include entering new geographies, deepening engagements in existing markets such as Africa, and tailoring solutions to meet the evolving needs of international clients across the BFSI and enterprise sectors.

B] Product Localization:

Adaptation of core products to meet specific regulatory, cultural, and operational requirements of international markets, including compliance with local banking regulations and integration with regional payment systems.

C] Strategic Partnerships: Establishment of channel partnerships with local technology firms and system integrators to accelerate market entry and provide comprehensive local support capabilities.

10.4 Operational Excellence and Infrastructure Development

10.4.1 MIHAN SEZ Development Center

The strategic establishment of VGIL's new development center at MIHAN Special Economic Zone, supported by a ₹34.27 crore investment from IPO proceeds, represents a cornerstone initiative for operational scaling and international expansion. This state-of-the-art facility will serve multiple strategic objectives:

A] Export-Oriented Operations: The MIHAN SEZ facility will function as VGIL's primary export delivery hub, leveraging Special Economic Zone benefits to enhance cost competitiveness and operational efficiency for international clients.

B] Technology Innovation Hub: The facility will house advanced R&D capabilities, including specialized teams focused on artificial intelligence, machine learning, blockchain technology, and cybersecurity solutions.

C] Scalable Infrastructure: The facility is designed to accommodate VGIL's ambitious workforce expansion plans, providing the physical infrastructure necessary to support growth from 350+ current employees to 500+ employees by FY 2027-28.

10.4.2 Technology Infrastructure Enhancement

VGIL's strategic infrastructure development encompasses comprehensive technology modernization through targeted investments from IPO proceeds:

A] Advanced Computing Infrastructure:

₹5.05 crores allocated for acquiring high-performance GPU, server, and storage systems at the company's data center, enhancing capabilities for AI-powered solutions, real-time processing, and scalable SaaS offerings.

B] Human Capital Development:

₹18.90 crores allocated for strengthening the technology workforce and upgrading existing products, supporting advanced technology integration and innovation capabilities.

C] Business Development and Marketing:

₹14.06 crores allocated for aggressive business development and marketing activities to accelerate market penetration, particularly in international markets.

10.5 Product Portfolio Evolution and Market Expansion

10.5.1 Core Product Enhancement Strategy

VGIL's strategic outlook encompasses both the continuous enhancement of existing flagship products and the development of new solutions addressing emerging market needs:

A] E-Banker Evolution: The company's flagship AI-based core banking solution will incorporate enhanced artificial intelligence capabilities, improved user interfaces, and expanded functionality to maintain technological leadership and competitive advantage.

B] V-Pay Platform Expansion: The digital payment platform will be enhanced with additional services including UPI Cloud Sound Box solutions, advanced payment gateway capabilities, and comprehensive financial services integration.

C] IBS-ERP Enhancement: The enterprise resource planning solution will be expanded with industry-specific modules, advanced analytics capabilities, and cloud-native architecture to serve diverse manufacturing and processing industries.

10.5.2 New Product Category Development

VGIL's strategic diversification encompasses the development of entirely new product categories that leverage core competencies while addressing new market opportunities:

A] Comprehensive Cybersecurity Solutions: Development of specialized cybersecurity products for BFSI and government sectors, addressing critical security requirements and compliance frameworks.

B] Hospital Management Solutions: Strategic expansion into healthcare technology representing significant market diversification while leveraging VGIL's expertise in complex system integration and regulatory compliance.

Advanced Analytics and Business Intelligence: Development of sophisticated analytics platforms leveraging big data, machine learning, and real-time processing capabilities to provide actionable insights for financial institutions and enterprises.

10.6 International Expansion and Global Market Penetration

10.6.1 Africa Market Leadership

VGIL has established a strong competitive position in the African market with successful deployments in Tanzania, Malawi, and Ethiopia. The company's 11-year relationship in Tanzania has created valuable market knowledge and partner networks supporting expanded operations across East and Southern Africa.

The company's international presence includes 11 SACCO banks managing 1.1 lakh accounts in Africa, demonstrating successful market penetration and the scalability of VGIL's solutions in emerging markets. This established presence provides a foundation for accelerated expansion across the continent.

10.6.2 World Bank and Development Finance Integration

VGIL's strategic positioning in international development finance is strengthened by its successful execution of four World Bank-funded projects, including the Maharashtra Agriculture Competitiveness Project (MACP) and Reserve Bank of Malawi – MALLC project. This track record provides significant competitive advantages in pursuing additional multilateral development projects and establishing credibility with international development institutions.

The company's proven capability in delivering complex, internationally-funded projects that meet stringent quality and compliance requirements positions VGIL to pursue additional development bank opportunities across emerging markets, providing both revenue diversification and market access channels.

10.07 Strategic Conclusion and Investment Thesis

A] Comprehensive Value Proposition

VGIL's strategic outlook represents a compelling investment thesis anchored by exceptional financial performance, technological excellence, and comprehensive market positioning. The company's transformation from a regional IT firm to a publicly listed SaaS solutions provider demonstrates proven ability to execute strategic vision while adapting to market evolution.

The company's financial projections combined with export revenue targets and workforce expansion to 500+ employees, reflect ambitious yet achievable growth objectives supported by substantial market opportunities and competitive advantages.

B] Long-term Strategic Vision

VGIL's long-term strategic vision encompasses becoming a global leader in specialized fintech solutions with particular focus on cooperative banking, emerging markets, and regulatory technology. The company's comprehensive product portfolio, international expansion capabilities, and technology innovation framework provide a solid foundation for sustained competitive advantage and value creation.

The strategic vision extends beyond financial performance to encompass meaningful social impact through technology-enabled financial inclusion, digital governance, and community development initiatives. This comprehensive approach positions VGIL as a responsible corporate citizen and sustainable business aligned with broader developmental objectives.

C] Poised for Sustainable Growth

Virtual Galaxy Infotech Limited stands at the threshold of unprecedented growth and market expansion, anchored by 27 years of operational excellence, technological innovation, and strategic vision. The company's successful IPO with 231 times oversubscription and 97% profit growth in FY 2024-25 provide compelling validation of its strategic positioning and execution capabilities.

VGIL's comprehensive strategic outlook encompasses aggressive growth targets, international expansion, technology leadership, and sustainable business practices that position the company to capitalize on significant market opportunities while maintaining competitive advantages. The company's commitment to innovation, operational excellence, and stakeholder value creation ensures continued success in the rapidly evolving global technology landscape.

As VGIL embarks on this next phase of growth as a public entity, the company remains committed to its core values of innovation, customer-centricity, and operational excellence while expanding its global footprint and enhancing stakeholder value through responsible business practices and comprehensive governance frameworks. The strategic initiatives and future outlook outlined above provide a robust roadmap for achieving VGIL's vision of becoming a world-class provider of innovative technology solutions that empower businesses and governments to thrive in an increasingly digital world.

NOTICE OF 28TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty Eighth (28th) Annual General Meeting ('AGM') of Virtual Galaxy Infotech Limited (VGINFOTECH) will be held on Friday, August 01, 2025 at 9.30 a.m. (IST) through Video Conferencing ('VC')/ Other Audio-Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the company for the financial year ended March 31, 2025, together with the reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Asit Oberoi (DIN: 09089783), who retires by rotation, and being eligible, offers himself for re-appointment.

3. Appointment of Statutory Auditors of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s K. K. Mankeshwar & Co., Chartered Accountants (Firm Registration No. 106009W) be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the thirty-third AGM to be held in the year 2030, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS

4. To consider, and if thought fit, pass the following resolution as an ORDINARY RESOLUTION:

Appointment of M/s. PGBP & Associates LLP, Practising Company Secretaries as Secretarial Auditors and fix their remuneration

"RESOLVED THAT pursuant to the provisions of Regulation 24A & other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with Circulars issued thereunder from time to time and Section 204 and other applicable provisions of the Companies Act, 2013, if any read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("the Act"), M/s. PGBP & Associates LLP (UIN: L2022MH012600) be and are hereby appointed as Secretarial Auditors of the Company for a period of 5(five) consecutive years, from April 1, 2025 to March 31, 2030 ('the Term'), on such terms & conditions, including remuneration as may be determined by the Board of Directors (hereinafter referred to as the 'Board' which expression shall include any Committee thereof or person(s) authorized by the Board).

RESOLVED FURTHER THAT approval of the Members is hereby accorded to the Board to avail or obtain from the Secretarial Auditor, such other services or certificates or reports which the Secretarial Auditor may be eligible to provide or issue under the applicable laws at a remuneration to be determined by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution and for matters connected therewith or incidental thereto.”

5. To consider, and if thought fit, pass the following resolution as an ORDINARY RESOLUTION:

a) Entering into material Related Party Transactions with Virtual Galaxy Fintech Private Limited, Associate/ Group Company

“RESOLVED THAT pursuant to Regulation 23(4) and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) read with relevant circulars issued by the Securities and Exchange Board of India from time to time, applicable provisions of the Companies Act, 2013 read with Rules made thereunder (“the Act”), Company’s Policy on Related Party Transactions and further pursuant to the recommendation/ approval of the Audit Committee and the Board of Directors, consent of Members be and is hereby accorded to enter into and/or continue to enter into contract(s)/transaction(s) Virtual Galaxy Fintech Private Limited a Related Party in terms of Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, in the nature of a) sale, purchase, ease or supply of goods or business assets or property or equipment; b) availing or rendering of services including the use of Trademark, etc.; c) transfer of any resources, services or obligations to meet business objectives/requirements, etc. (“Related Party Transactions”), upto an amount of INR 20,00,00,000.00 (in words Rupees Twenty crores), on such terms and conditions as the Audit Committee and/or Board of Directors may deem fit.

RESOLVED FURTHER THAT the Board of Directors and the Audit Committee be and is hereby authorized to delegate all or any of its powers in terms of the foregoing resolution, to any Committee of Directors and/or Director(s) and/or official(s) of the Company, and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, including but not limited to finalizing the terms and conditions of the contract(s)/ transaction(s), executing necessary documents and settling issues that may arise for the Related Party Transactions with Virtual Galaxy Fintech Private Limited, without being required to seek further consent or approval of Members, to the end and intent that they shall be deemed to have accorded their approval thereto expressly by the authority of aforesaid resolution.”

b) Entering into material Related Party Transactions with Paynext Private Limited, Associate/ Group Company

“RESOLVED THAT pursuant to Regulation 23(4) and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) read with relevant circulars issued by the Securities and Exchange Board of India from time to time, applicable provisions of the Companies Act, 2013 read with Rules made thereunder (“the Act”), Company’s Policy on Related Party Transactions and further pursuant to the recommendation/ approval of the Audit Committee and the Board of Directors, consent of Members be and is hereby accorded to enter into and/or continue to enter into contract(s)/transaction(s) Paynext Private Limited a Related Party in terms of Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, in the nature of a) sale, purchase, ease or supply of goods or business assets or property or equipment; b) availing or rendering of services including the use of Trademark, etc.; c) transfer of any resources, services or obligations to meet business objectives/requirements, etc. (“Related Party Transactions”), upto an amount of INR 20,00,00,000.00 (in words Rupees Twenty crores), on such terms and conditions as the Audit Committee and/or Board of Directors may deem fit.

Notice

RESOLVED FURTHER THAT the Board of Directors and the Audit Committee be and is hereby authorized to delegate all or any of its powers in terms of the foregoing resolution, to any Committee of Directors and/or Director(s) and/or official(s) of the Company, and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, including but not limited to finalizing the terms and conditions of the contract(s)/transaction(s), executing necessary documents and settling issues that may arise for the Related Party Transactions with Paynext Private Limited, without being required to seek further consent or approval of Members, to the end and intent that they shall be deemed to have accorded their approval thereto expressly by the authority of aforesaid resolution.”

BY ORDER OF THE BOARD OF THE DIRECTORS FOR,
VIRTUAL GALAXY INFOTECH LIMITED
Sd/-
ANJALI VINAY PADHYE
Company Secretary & Compliance Officer

Registered Office:
3, Central Excise Colony, Behind Mahatme Eye Bank,
Chhatrapati Sq., Ring Road,
Nagpur, Maharashtra, India, 440015

Place: Nagpur
Date: 9th July 2025

NOTES:

a. The Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of Item Nos. 5 of the accompanying Notice, is annexed hereto. Further, disclosures in relation to Item Nos. 2 & 3 of the Notice, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and 'Secretarial Standard 2 on General Meetings' issued by the Institute of Company Secretaries of India ("SS-2") forms an integral part of this Notice.

b. Ministry of Corporate Affairs ("MCA") vide its General Circular No. 09/2024 dated September 19, 2024 read with circulars issued earlier on the subject ("MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/CFD-PaD2/P/CIR/2024/133 dated October 3, 2024 read with the circulars issued earlier on the subject ("SEBI Circulars"), have permitted to conduct the Annual General Meeting ("AGM") virtually, without physical presence of Members at a common venue.

In compliance with the MCA Circulars and SEBI Circulars, the provisions of the Act and the SEBI Listing Regulations, the 28th AGM of the Company is being held virtually.

In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at <https://www.vgipl.com/>. The Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

c. Since this AGM is held through Video Conference/Other Audio-Visual Means ("VC/OAVM"), route map to the venue is not required and therefore, the same is not annexed to this Notice.

d. Members attending the meeting through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act. Members holding equity shares as on 25th July 2025 ("Cut-off date") may join the AGM anytime 30 minutes before the scheduled time by following the procedure outlined in the Notice. A person who is a Member as on the Cut-off date shall be eligible to attend and vote on resolutions proposed at the AGM. Any person who is not a Member as on the Cut-off date shall treat this Notice for informational purpose only.

e. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nominations and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

f. Appointment of Proxy and Attendance Slip:

Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.

g. Corporate shareholders/institutional shareholders intending to send their authorised representative(s) to attend / vote at the 28th AGM are requested to send from their registered e-mail address, scan copy of the relevant Board Resolution/ Authority Letter, etc. authorizing their representative(s) to attend / vote, to the Scrutinizer on his e-mail ID at csvarunnashine@gmail.com with a copy marked to evoting@nsdl.com and investors@vgipl.in

h. The Company has appointed M/s. SAND & Associates, Practising Company Secretaries (UIN: P2017MH060400) as the Scrutinizer for scrutinizing the remote e-voting process as well as voting at the AGM in a fair and transparent manner.

i. E-voting:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the EGM/AGM will be provided by NSDL.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Tuesday, 29th July, 2025 at 09:00 A.M. (IST) and ends on Thursday, 31st July, 2025 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the record date (cut-off date) i.e. Friday, 25th July 2025, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 25th July 2025.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step I: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<p>1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name ore-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name ore-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/ideasDirectReg.jsp</p> <p>4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name ore-Voting service</p>

Type of shareholders	Login Method
	<p>5. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience</p> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 20px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.</p> <p>2.After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit thee-Voting service providers' website directly.</p> <p>3.If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click</p>

Type of shareholders	Login Method
	<p>service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see thee-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers</p>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click one-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name ore-Voting service provider i.e. NSDL and you will be redirected toe-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>



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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method fore-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click one-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csvarunnashine@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 - 4886 7000 or send a request to (Name of NSDL Official) at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (Company email id).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (Company email id). If you are an individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.

j. Inspection of documents:

The statutory registers maintained under Section 170 and Section 189 of the Act and other documents referred in the Notice convening this AGM shall be made available for inspection by Members during the remote e-voting period and during the proceedings of the 28th AGM. Members may seek inspection of documents by accessing to the NSDL e-voting platform at <https://www.evoting.nsdl.com> during the aforementioned period.

k. Declaration of results of voting:

After conclusion of the meeting, the Scrutinizer will submit the report on votes cast in favour or against and invalid votes, if any, to the Chairman or any other person authorized by him, who shall countersign the same, and the result of the voting will be declared within the time stipulated under the applicable laws. The voting results along with the Scrutinizer's report, will be hosted on the Company's website, <https://www.vgipl.com> website of NSDL, [https:// www.evoting.nsdl.com/](https://www.evoting.nsdl.com/), displayed on the Notice Board of the Company at the Registered Office and will be simultaneously forwarded to the Stock Exchange i.e. National Stock Exchange of India Limited.

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

Item No. 3 Appointment of Statutory Auditors of the Company

M/s K. K. Mankeshwar & Co., Chartered Accountants (ICAI Registration No. 106009W), is proposed to be appointed as Statutory Auditor at this Annual General Meeting for a term of five consecutive years, commencing from conclusion of the 28th AGM till conclusion of the 33rd AGM.

Considering that the casual vacancy caused by the resignation of M/s RKAS & Co., Chartered Accountants on 04th June 2025, the Board of Directors at its meeting held on June 06, 2025, upon recommendation of the Audit Committee, have recommended for approval of the members, appointment of M/s. K. K. Mankeshwar & Co., Chartered Accountants, as Statutory Auditor of the Company for a term of five consecutive years, to hold office from the conclusion of the 28th AGM till the 33rd AGM and payment of audit fee (excluding applicable taxes and reimbursement of out-of-pocket expenses) as per mutual agreement.

M/s K. K. Mankeshwar & Co., Chartered Accountants has given consent to act as Statutory Auditor and confirmed that their appointment, if made, shall be within the limits specified under Section 143 of the Companies Act, 2013 and that they are not disqualified to be appointed as Statutory Auditor.

Brief profile, terms & conditions of appointment and the proposed fee of the proposed statutory auditor, are as follows:

- a. Brief profile: K. K. Mankeshwar & Co. Chartered Accountants ('KKM') was established in the year 1933 by Late Mr. K. K. Mankeshwar. KKM is the oldest Chartered Accountants firm in Central India. Initially proprietorship concern, KKM is now a partnership firm with 3 (three) branches across India and Head Office at Nagpur. The Audit Firm also has valid Peer Review Certificate.
- b. Term of Appointment: First term of five consecutive years, from conclusion of 28th AGM till conclusion of 33rd AGM.
- c. Proposed Fee: As per mutual agreement with the Management of the company along with applicable taxes and reimbursement of out-of-pocket expenses for audit of financial statements for each of the financial years starting from 2025-26 upto FY 2029-30. The Audit Committee and/or the Board of Directors be authorized to decide and finalize the fee for the tenure of M/s K. K. Mankeshwar & Co., Chartered Accountants as Statutory Auditor.

Item No. 4: Appointment of M/s. PGBP & Associates LLP, Practicing Company Secretaries as Secretarial Auditors and fix their remuneration

Pursuant to the Regulation 24A & other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with provisions of Section 204 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Companies Act, 2013, if any ("the Act"), the Audit Committee and the Board of Directors at their respective meetings held on June 06, 2025 have approved subject to approval of Members, appointment of M/s. PGBP & Associates LLP, Peer Reviewed Firm of Company Secretaries in Practice (UIN: L2022MH012600) as Secretarial Auditors for a term of 5 (Five) consecutive years from April 1, 2025 till March 31, 2030.

Credentials of the Secretarial Auditor:

M/s. PGBP & Associates LLP (UIN: L2022MH012600), a Secretarial Audit Firm, established in the year 2022, is a reputed firm of Company Secretaries. The Firm provides comprehensive advisory, compliance, and audit services under Corporate Laws, SEBI Regulations, FEMA, and allied legal frameworks with a strong focus on ethical practices, the firm assists businesses in managing secretarial and legal requirements, enabling them to grow with confidence in a constantly evolving legal environment.

The firm is Peer reviewed in terms of the guidelines issued by the ICSI.

M/s. PGBP & Associates LLP, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified by the Institute of Companies Secretaries of India. They have further confirmed that they are not disqualified to be appointed as Secretarial Auditors in term of provisions of the Companies Act, 2013, the Companies Secretaries Act, 1980 and Rules and Regulations made thereunder and the SEBI Listing Regulations read with SEBI Circular dated December 31, 2024.

Terms and conditions of appointment & remuneration:

a) **Term of appointment:** 5(Five) consecutive years commencing from April 1, 2025 upto March 31, 2030.

b) **Remuneration:** PGBP & Associates LLP have agreed to their appointment as Secretarial Auditor of the Company for a remuneration mutually agreed with the Board of Directors of the Company along with other out-of-pocket expenses in connection with the Secretarial audit for Financial Years ending March 31, 2026 upto March 31, 2030. The proposed remuneration is based on knowledge, expertise, industry experience, time and efforts required to be put in by the Secretarial auditor, which is in line with the industry benchmark. The payment for services in the nature of certifications and other professional work will be in addition to the Secretarial audit fee and shall be determined by the Audit Committee and/or the Board of Directors.

Fee for subsequent year(s): As determined by the Audit Committee and/or the Board of Directors.

c) **Basis of recommendations:**

The Audit Committee and the Board of Directors have approved & recommended the aforementioned proposal for approval of Members taking into account the eligibility of the firm, qualification, experience, independent assessment & expertise of the Partners in providing Secretarial audit related services, competency of the staff and Company's previous experience based on the evaluation of the quality of audit work done by them in the past.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.4.

Basis the rationale and justification provided above; the Board recommends Ordinary resolution under Item No. 4 of the accompanying Notice for approval of Members.

BY ORDER OF THE BOARD OF THE DIRECTORS FOR,
VIRTUAL GALAXY INFOTECH LIMITED

Sd/-

ANJALI VINAY PADHYE

COMPANY SECRETARY & COMPLIANCE OFFICER

Registered Office:

3, Central Excise Colony, Behind Mahatme Eye Bank,
Chhatrapati Sq., Ring Road,
Nagpur, Maharashtra, India, 440015

Place: Nagpur

Date: 9th July 2025

ANNEXURE ON DIRECTORS LIABLE TO RETIRE BY ROTATION AND SEEKING RE-APPOINTMENT

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, the following information is furnished about the Directors proposed to be re-appointed:

Brief profile of Mr. Asit Oberoi:

Asit Oberoi, aged 59 years, is the Non-Executive Director of our Company. He is a Chartered Accountant and a member of the Institute of Chartered Accountants of India (ICAI) since 1990.

He has over 9 years of working experience at Yes Bank Ltd as a senior group president. His leadership qualities and strategic mindset enable him to provide valuable insights and guidance, contributing significantly to our Company's growth and governance.

NAME OF DIRECTOR	Mr. Asit Oberoi
DIN	09089783
Age (in Years)	59 years
Breif resume and nature of expertise in specific functional areas Refer brief	Refer brief profile as stated above
No. of Equity Shares held in the Company	16,437 (Asit Oberoi jointly with Divya Oberoi)
Names of listed entities (Including this listed entity) in which the person holds the Directorship and the Membership of Committees of the board*	1) Party Cruisers Limited – Director
Disclosure of relationship between Directors interse	Not Related
Names of listed entities from w h i c h the person has resigned in the three (3) years	Not Applicable

*Does not include foreign Companies and private Companies.

DIRECTORS' REPORT

TO
THE MEMBERS OF THE COMPANY

Your Directors feel great pleasure in presenting 28th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2025.

1. FINANCIAL HIGHLIGHTS

(figures in Lakhs)

S. NO.	PARTICULARS	CURRENT YEAR ENDED 31st MARCH, 2025	PREVIOUS YEAR ENDED 31st MARCH, 2024
1	Revenue from Operations	12,014.35	6,146.39
2	Other Income	28.85	5.70
3	Total Income	12,043.20	6,152.10
4	Profit before Depreciation & Amortization Expenses	5298.19	2815.98
5	Less: Depreciation and Amortization Expenses	764.78	592.68
6	Profit before Tax	4,533.41	2,223.30
7	Less: Provision for Tax	1,321.58	618.16
8	Profit after Tax	3,211.83	1,605.14
9	Earnings per share (EPS)	17.55	14.59

2. Review of Operations And Future Prospects (Rs. in Lakhs)

Your company during the year under review has reported total revenue of Rs.12,014.35 Lakhs which is comparatively significant than last year's total revenue of Rs. 6,146.39 Lakhs. The net profit of the year under review is amounting to Rs. 3,211.83 Lakhs as against Profit of Rs.1,605.14 Lakhs reported in the Previous Year.

3. RESERVES AND SURPLUS (Rs. In Lakhs):

The company has reserves and surplus of Rs. 7,489.27 lakhs in the present financial year (FY 2024-25) as against the Reserve and Surplus of Rs. 3,256.83 lakhs during the previous financial year (FY 2023-24).

4. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Subsequent to the end of the financial year, there has been a material development affecting the financial position of the Company. The Company received approval from the National Stock Exchange of India Limited (NSE) vide letter dated 16th May 2025 for the listing of its equity shares under the SME IPO on the NSE Emerge Platform. The equity shares of Virtual Galaxy Infotech Limited were listed on 19th May 2025.

This transition to a publicly listed SME entity is a significant milestone that is expected to enhance the Company's visibility in financial markets, improve access to capital, and strengthen its corporate governance and compliance framework. Other than the aforementioned development, there have been no further material changes or commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

5. CHANGE IN MANAGEMENT

In view of the appointments of Directors in the Board of the Company, following is the revised Composition of the Board;

S.NO.	Name of Directors	Designation	DIN/PAN	Status
1.	Sachin Purushottam Pande	Managing Director	02181154	Promoter
2.	Avinash Narayanrao Shende	Chairman & Executive Director	02179381	Promoter
3.	Asit Oberoi	Non Executive Director	09089783	Non Promoter
4.	Bhanupriya Nikhil Thakur	Independent Woman Director	08276607	Non Promoter
5.	Ayush Munnalal Sharma	Independent Director	06628387	Non Promoter
6.	Jaideep Narayan Pawar	Independent Director	06628387	Non Promoter
7.	Avinash Narayanrao Shende	Chief Financial officer	ABJPS2570H	Promoter
8.	Anjali Vinay Padhye	Company Secretary and Compliance Officer	AHJPR4575K	Non Promoter

6. DIVIDEND AND RESERVES

With a view to conserve the resources for future business operations of the Company and to develop and diversify the existing business, your directors have not recommended any Dividend for the Financial Year 2024-25.

Your Company has transferred the entire profit available for appropriation for the current Financial Year to the General Reserve.

7. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, there is no unclaimed/unpaid dividend within the meaning of the provisions of Section 125 of the Companies Act, 2013.

8. SHARE CAPITAL OF THE COMPANY

The authorized Share Capital of the Company is ₹25,00,00,000 (Rupees Twenty-Five Crore Only) divided into 2,50,00,000 (Two Crore Fifty Lakh) Equity Shares of Rs.10/- (Rupees Ten Only) each. During the year Company has not made any changes in its Authorized Share Capital.

The paid-up Share Capital of the Company is Rs. 18,29,86,350.00 (Rupees Eighteen Crores Twenty Nine Lacs Eighty-Six Thousand Three Hundred Fifty Only).

During the year the Company has issued 11,98,945 (Eleven Lakhs Ninety-Eight Thousand Nine Hundred Forty-Five) equity shares of Rs.10/- (Rupees Ten Only) each and at a premium of Rs.136/- (Rupees One Hundred Thirty-Six only). Further the company has issued 60,99,530 (Sixty Lakh Ninety-Nine Thousand Five Hundred Thirty Only) bonus equity shares of Rs.10/- (Rupees Ten Only) each.

We are pleased to inform all stakeholders that after the closure of the financial year 2024-25, your Company has successfully completed its Initial Public Offering (IPO), marking a significant milestone in its growth journey. The IPO received an overwhelming response, with a subscription of 231 times, amounting to approximately ₹14,440 Crores. This has been one of the largest responses to an IPO in the IT segment within the SME space, reflecting the strong investor confidence in the Company's business model, growth prospects, and leadership.

The overwhelming response to the IPO enabled the Company to successfully issue 65,70,000 equity shares, raising ₹93.29 crores through the offering, and resulting in an increase in the Company's paid-up share capital to ₹24,86,86,350.

Pursuant to the successful completion of the IPO process, the equity shares of the Company were listed on the NSE Emerge Platform (the SME Platform of the National Stock Exchange of India Limited) on 19th May 2025. With this, your Company has transitioned into an SME Listed Company, enhancing its visibility in the financial markets, strengthening its corporate governance practices, and paving the way for greater transparency and access to capital.

9. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT UNDER SECTION 186 OF THE COMPANIES Act, 2013.

Particulars of loans given, security provided, investments made and guarantees given during the year as covered under section 186 of the Companies Act, 2013 ("the Act") form part of the notes to the financial statements of the Company as attached to this annual report.

10. PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTY TRANSACTION

The particulars of transactions entered into with the related parties referred in section 188(1) and applicable rules of the act have been given in Annexure – I to this report in Form AOC-2. The Company in place Policy on Materiality of Related Party Transactions which is available on the Company's website – <https://www.vgipl.com/>

11. MANAGEMENT DISCUSSIONS AND ANALYSIS

The Management Discussion and Analysis Report on the operations of the Company, as required under Regulation 34 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and as approved by the Board of Directors, is provided in a separate section and forms an integral part of this Report.

12. ANNUAL RETURN

The Annual Return of the Company will be placed on the website of the company pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules 2014, the web link of the same is at <https://www.vgipl.com/>.

13. PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

14. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3) (c) of the Companies Act, 2013:

- a) That in the preparation of the Annual Accounts for the year ended 31st March, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The Annual Accounts have been prepared on a going concern basis;
- e) That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) That the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. CORPORATE GOVERNANCE REPORT

As per the provisions of Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions related to Corporate Governance are not applicable to the company being listed on SME Exchange.

16. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING / OUTGO:

Details regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are stated below:

Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, details regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo for the year under review are as follows:

A. Conservation of Energy

a) Steps taken or impact on conservation of energy – The Operations of the Company do not consume energy intensively. However, Company continues to implement prudent practices for saving electricity and other energy resources in day-to-day activities.

b) Steps taken by the Company for utilizing alternate sources of energy – Though the activities undertaken by the Company are not energy intensive, the Company shall explore alternative sources of energy, as and when the necessity arises.

B. Technology Absorption

a) The efforts made towards technology absorption – The Company continues to take prudential measures in respect of technology absorption, adaptation and take innovative steps to use the scarce resources effectively.

b) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Not Applicable

C. The Particulars of Foreign Exchange and Outgo for the year under review are:

PARTICULARS	YEAR ENDED 31ST MARCH, 2025	YEAR ENDED 31ST MARCH, 2024
FOREIGN EXCHANGE EARNING	884.25	449.54
FOREIGN OUTGO	4.00	–

17. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

During the year under review, two Directors of the Company viz., Mr. Sachin Pande and Mr. Avinash Shende were in receipt of remuneration exceeding the limits as prescribed under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with the approval of shareholders in the Extra Ordinary General meeting held on 14th September, 2024.

The necessary disclosure with respect to the remuneration of Directors and employees as required under Section 197(12) of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as Annexure –II Managerial Remuneration to this Report.

18. CASH FLOW STATEMENTS

As required by Regulation 34(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Cash Flow Statement is appended.

19. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and Regulation 16 (1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

20. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board received a declaration from all the directors under Section 164 and other applicable provisions, if any, of the Companies Act, 2013 that none of the directors of the company is disqualified under the provisions of the Companies Act, 2013 ("Act") or under the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

I. APPOINTMENT & RESIGNATION OF DIRECTORS:

During the financial year 2024-25, the following Directors have been appointed at the Board of the company:

S.No.	Name of Directors	Designation	DIN/PAN	Date of Appointment
1.	Asit Oberoi	Non Executive Director	09089783	22/08/2024
2.	Bhanupriya Nikhil Thakur	Independent Woman Director	08276607	12/06/2024
3.	Ayush Munnalal Sharma	Independent Director	06628387	19/07/2024
4.	Jaideep Narayan Pawar	Independent Director	07221800	12/09/2024

II. KEY MANAGERIAL PERSONNEL

During the year under review, the following Key Managerial Personnel have been appointed at the Board of the company:

S.No.	Name of Directors	Designation	DIN/PAN	Date of Appointment
1	Sachin Purushottam Pande	Managing Director	02181154	14/09/2024
2.	Avinash Narayanrao Shende	Chief Financial officer	ABJPS2570H	14/09/2024

21. MEETINGS OF THE BOARD

The Board of Directors met 22 (Twenty-Two) times during the year under review on the following dates: 01 April 2024, 09 April 2024, 25 April 2024, 01 May 2024, 04 May 2024, 27 May 2024, 01 June 2024, 03 June 2024, 12 June 2024, 15 June 2024, 19 June 2024, 19 July 2024, 22 July 2024, 22 August 2024, 12 September 2024, 13 September 2024, 16 September 2024, 21 October 2024, 25 October 2024, 29 October 2024, 24 January 2025 and 29 March 2025. The gap between two board meetings was within the time prescribed under the Act and SEBI Listing Regulations.

NAME OF DIRECTOR	CATEGORY	NUMBER OF MEETINGS WHICH DIRECTOR WAS ENTITLED TO ATTEND	MEETINGS ATTENDED
Avinash Narayanrao Shende	Chairman & Executive Director	22	22
Sachin Purushottam Pande	Managing Director	22	22
Bhanupriya Nikhil Thakur	Independent Woman Director	13	13
Jaideep Narayan Pawar	Independent Director	7	6
Asit Oberoi	Non-Executive Director	8	4
Ayush Munnalal Sharma	Independent Director	10	10

22. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 25th March, 2025 to review, among other things, the performance of non-independent directors and the Board as whole, evaluation of the performance of the Chairman and the flow of communication between the Board and the management of the Company.

23. COMMITTEES OF THE BOARD

The Company's Board has the following Committees:

- ☑ Audit Committee
- ☑ Nomination and Remuneration Committee
- ☑ Stakeholders' Relationship Committee
- ☑ Corporate Social Responsibility Committee

(a) AUDIT COMMITTEE:

The Board at its Meeting held on 13th September, 2024 constituted the Audit Committee. During the financial year 2024 – 2025, (4) meetings of Audit Committee were held on 20th October, 2024 and 23rd October, 2024, 24th January, 2025 & 25th March, 2025.

The table below highlights the composition and attendance of the Members of the Committee. The requisite quorum was present at all the Meetings:

	NAME OF MEMBERS	DESIGNATION	MEETINGS ATTENDED
1.	Mrs. Bhanupriya Nikhil Thakur	Chairman	4
2.	Mr. Ayush Munnalal Sharma	Member	4
3.	Mr. Asit Oberoi	Member	1

The Company Secretary has acted as the Secretary to the Committee.

All the recommendations made by the Audit Committee were accepted by the Board of Directors. The terms of reference of the Audit Committee shall include but not limited to the following:

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of the audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters.

(b) NOMINATION AND REMUNERATION COMMITTEE

The Board at its Meeting held 13th September, 2024 constituted the Nomination and remuneration Committee (hereinafter referred as “NRC”). During the financial year 2024-25, 1 (One) meeting of NRC was held on 16th September, 2024

1.	Mr. Ayush Munnalal Sharma	Chairman	1
2.	Mrs. Bhanupriya Nikhil Thakur	Member	1
3.	Mr. Asit Oberoi	Member	1

The Company Secretary has acted as the Secretary to the Committee.

The broad terms of reference of the NRC, as approved by the Board, are in compliance with Section 178 of the Companies Act, 2013 which are as follows:

- (a) 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;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) 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.”
- (d) To discharge such other duties and responsibilities as assigned to the Committee from time to time by the Board of Directors or as may be required under applicable laws or regulations.

(c) Stakeholders' Relationship Committee

The Board at its Meeting held 13th September, 2024 constituted the Stakeholders' Relationship Committee (hereinafter referred as "SRC"). During the financial year 2024-25, 1 (One) meeting of SRC was held on 24th January, 2025

The SRC comprises of:

	NAME OF MEMBERS	DESIGNATION	MEETINGS ATTENDED
1.	Mr. Jaideep Pawar	Chairman	1
2.	Mr. Avinash Shende	Member	1
3.	Mr. Sachin Pande	Member	1

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

This committee addresses all grievances of Shareholders/Investors and its terms of reference include the following:

- Resolving the grievances of the security holders of the Company, 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;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services rendered by the registrar and share transfer agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- Formulate procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- Approve, register, refuse to register transfer or transmission of shares and other securities;

- g) Sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
- h) Allotment and listing of shares;
- i) Authorise affixation of common seal of the Company;
- j) Issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- k) Approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
- l) Dematerialize or rematerialize the issued shares;
- m) Ensure proper and timely attendance and redressal of investor queries and grievances;
- n) Carry out any other functions contained in the Companies Act, 2013 (including Section 178) and/or equity listing agreements (if applicable), as and when amended from time to time; and
- o) Further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

(d) Corporate Social Responsibility Committee:

Our Board has constituted the Corporate Social Responsibility Committee vide Board Resolution dated September 13, 2024 pursuant to section 135 of the Companies Act, 2013. The Committee met Once during the FY 2024-2025 on 24th January, 2025

The CSR Committee comprises of:

S.NO.	NAME OF MEMBERS	DESIGNATION	MEETINGS ATTENDED
1	Mr. Avinash Shende	Chairman	1
2	Mr. Jaideep Pawar	Member	1
3.	Mr. Sachin Pande	Member	1

The scope of Corporate Social Responsibility Committee shall include but shall not be restricted to the following:

- a) To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- b) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- c) To monitor the CSR policy of the Company from time to time; and
- d) Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

24. DETAILS OF FRAUD REPORT BY AUDITOR:

During the year under review, no frauds were reported by the auditors to the Audit Committee or the Board under Section 143(12) of the Act read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

25. AUDITORS

(a) STATUTORY AUDITORS:

M/s. RKAS & Co., Chartered Accountants [Firm Registration No. 135727W] were appointed as Statutory Auditor of the Company by the members at their 24th Annual General Meeting held on 30th November, 2021, for a period of 5 years.

M/s RKAS & Co. has resigned as the Statutory Auditor of the company on 04th June 2025 as the firm does not possess the Peer Review Certificate issued by ICAI, which is Mandatory to audit the books of Listed Company as per the guidelines prescribed by SEBI (LODR Regulations).

The Casual vacancy caused by resignation of previous Auditors have been filled by M/s K. K. Mankeshwar & Co., Chartered Accountants (Firm Registration No. 106009W) on 06th June 2025 by the Board on recommendation of the Audit Committee.

Further being eligible M/s K. K. Mankeshwar & Co., offers themselves for reappointment for a term of 5 years from the conclusion of this Annual General Meeting to the conclusion of the 33rd Annual General Meeting to be held in the year 2030

(b) SECRETARIAL AUDITOR:

Pursuant to the provisions of Regulation 24A & other applicable provisions of the SEBI Listing Regulations read with Section 204 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee and the Board of Directors at their respective meetings held on 06th June 2025 have approved & recommended for approval of Members, appointment of M/s PGBP & Associates LLP, Practicing Company Secretaries (UIN: L2022MH012600) as Secretarial Auditor for a term of upto 5 (Five) consecutive years, to hold office from April 1, 2025 upto March 31, 2030.

(c) INTERNAL AUDITOR:

Pursuant to the provisions of applicable provisions of the SEBI Listing Regulations read with Section 138 of the Companies Act 2013, the Audit Committee and the Board of Directors at their respective meetings held on 12th June 2025 have recommended and approved, appointment of M/s RKAS & Co., Chartered Accountants (Firm Registration Number 135727W) as Internal Auditor for a term of upto 5 (Five) consecutive years, to hold office from April 1, 2025 upto March 31, 2030.

26. STATUTORY AUDITORS' REPORT

The Auditor's Report for the FY 2024-25 as well financial statements of the Company is attached to this Annual Report. The notes on Financial Statements referred to in the Annual Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

27. SECRETARIAL AUDIT:

During the year under review, the provisions relating to Secretarial Audit under Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 were not applicable to the Company, as the Company did not meet the prescribed thresholds for applicability.

However, subsequent to the closure of the financial year, the equity shares of the Company have been listed on the NSE Emerge Platform, making the Company a SME Listed Entity. In view of the mandatory requirement under the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is now obligatory for listed entities to conduct a Secretarial Audit.

Accordingly, based on the recommendation of the Audit Committee and the approval of the Board of Directors at its meeting held on 06th June 2025, the Company proposes to appoint M/s PGBP & Associates LLP, Practicing Company Secretaries, as the Secretarial Auditor of the Company for a term of five consecutive financial years commencing from FY 2025-26 to FY 2029-30, subject to the approval of the shareholders at the ensuing Annual General Meeting.

The Company has satisfactory Internal Control Systems, which are continuously evaluated by professional statutory auditors of repute. The Company continues to improve the present Internal Control Systems by implementation of appropriate policy and processed.

28. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Company has in place adequate internal financial controls commensurate with nature and size of the business activity and with reference to the financial statements. The controls comprise of policies and procedures for ensuring orderly and efficient conduct of the Company's business, including adherence to its 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.

The Company has satisfactory Internal Control Systems, which are continuously evaluated by professional statutory auditors of repute. The Company continues to improve the present Internal Control Systems by implementation of appropriate policy and processed.

29. RISK MANAGEMENT POLICY

The Company is exposed to inherent uncertainties owing to the sectors in which it operates. A key factor in determining a Company's capacity to create sustainable value is the risks that the company is willing to take (at strategic and operational levels) and its ability to manage them effectively. Many risks exist in a company's operating environment and they emerge on a regular basis. The Company's Risk Management processes focus on ensuring that these risks are identified on a timely basis and addressed.

The Process of Risk Management include following steps:

- 1) Risk Identification and Impact Assessment
- 2) Risk Evaluation
- 3) Risk Reporting and Disclosures
- 4) Risk Mitigating and Monitoring

30. DETAILS OF SUBSIDIARY, ASSOCIATES AND JOINT VENTURES

The company does not have any Subsidiary, Associate and Joint Venture as on 31st March, 2025..

31. COMPLIANCE WITH SECRETARIAL STANDARD

During the period under review, the Company has complied with the Secretarial Standard –1 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India.

32. POLICY ON CORPORATE SOCIAL RESPONSIBILITY

The Company allocated the required CSR budget of ₹ 48,29, 686.40 for FY 2024–25 as per Section 135 of the Companies Act, 2013. However, the funds could not be deployed due to the non-availability of suitable implementation partners who met the Company's due diligence, compliance, and impact standards.

Challenges included gaps in regulatory compliance (e.g., CSR-1 registration, 12A/80G certification), limited availability of credible agencies in priority sectors and geographies, and lack of robust governance structures among prospective partners. In view of these constraints, and to uphold fiduciary responsibility, the CSR Committee decided to defer disbursement.

To ensure effective deployment going forward, the Company is developing a vetted partner network, exploring joint CSR initiatives, and evaluating in-house execution models. Any unspent amount will be dealt with as per statutory provisions

33. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

During the year there were no significant material orders passed by the Regulators / Courts / Tribunals except the Income Tax Order as mentioned below which would impact the going concern status of the Company and its future operations. Your Board takes this opportunity to thank all its employees for their dedicated service and firm commitment to the goals of the Company. Your Board also wishes to place on record its sincere appreciation for the wholehearted support received from members, clients, bankers and all other business associates. We look forward to continued support of all these partners in progress.

Order by Income Tax Authorities:

In the matter of the assessment for A.Y. 2015–16, the Assessing Officer (AO) passed an ex-parte order u/s 147 r.w.s. 144 of the Income Tax Act, 1961 dated 28.03.2022, determining the assessed income at ₹40,67,80,792/-. Upon review of the facts and submissions, and considering the grievance raised by the appellant, the ex-parte nature of the assessment has been recognized. Accordingly, in the interest of justice and to ensure a fair and proper determination of income, the Commissioner (Appeals) set aside the assessment order passed by the AO and remanded the matter back for a de novo assessment. Consequently, the income determined in the original order has been annulled and will be reassessed afresh.

Initial Public Offering:

After the closure of Financial Year under review, the Company vide the letter dated 16th May 2025 has received the approval of National Stock Exchange for Listing of Equity Shares of Virtual Galaxy Infotech Limited (SME IPO). The equity shares of the Company were listed on the NSE Emerge Platform (the SME Platform of the National Stock Exchange of India Limited) on 19th May 2025. With this, your Company has transitioned into a SME Listed Company, enhancing its visibility in the financial markets, strengthening its corporate governance practices, and paving the way for greater transparency and access to capital.

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

The Company is committed to providing a healthy environment to all employees and thus does not tolerate any sexual harassment at the workplace. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review:

Number of Sexual Harrassment Complaints Received: NIL

Number of Complaints Disposed of: NIL

Number of Cases pending for more than 90 days: NIL

35. COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961

In accordance with the provisions of the Maternity Benefit Act, 1961, as amended, and pursuant to the disclosures required under Section 134 of the Companies Act, 2013, the Company affirms its commitment to ensuring a safe, equitable, and supportive work environment for all women employees.

The Company has implemented all necessary measures to comply with the provisions of the Maternity Benefit (Amendment) Act, 2017, including:

- (a) Extension of paid maternity leave from 12 to 26 weeks for eligible women employees;
- (b) Option for work-from-home post-maternity leave, where the nature of work permits;

36.DETAILS OF APPLICATION MADE OR PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE 2016

During the year under the review, there were no applications made or proceedings pending in the name of the company under the insolvency and bankruptcy code, 2016.

36. DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE-TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS.

During the year under the review, there has been no one-time settlement of loans taken from banks and financial institutions.

37. ACKNOWLEDGEMENT

The Board of Directors wishes to express its gratitude and record its sincere appreciation for the commitment and dedicated efforts put in by all the employees. Your Directors take this opportunity to express their grateful appreciation for the encouragement, cooperation and support received by the Company from the local authorities, bankers, clients, suppliers and business associates. The directors are thankful to the esteemed shareholders for their continued support and the confidence reposed in the Company and its management.

**BY ORDER OF THE BOARD OF THE DIRECTORS FOR,
VIRTUAL GALAXY INFOTECH LIMITED**

Sd/-
Sachin Purushottam Pande
Managing Director
DIN: 02181154

Sd/-
Avinash Narayanrao Shende
Director
DIN : 02179381

Registered Office:

3, Central Excise Colony, Behind Mahatme Eye Bank,
Chhatrapati Sq., Ring Road,
Nagpur, Maharashtra, India, 440015

Place: Nagpur

Date: 9th July 2025

ANNEXURE I
RELATED PARTIES TRANSACTIONS (AOC 2)

(Pursuant to clause [h] of sub-section 134 of the Companies Act, 2013 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 the section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

I. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS: NOT APPLICABLE

During the financial year under review, no contracts, arrangements or transactions were entered by the Company which were not at arm's length basis. Hence the said clause is not applicable to the Company.

II. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTION AT ARM'S LENGTH BASIS:

Name(s) of the related party and nature of relationship	Nature of contract/ arrangement/ transaction	Duration of the contracts/ arrangement /transaction	Salient terms of the contracts or arrangement or transaction including the value, if any	Date(s) of the approval by the board, if any	Amount paid as advances, if any
Paynext Private Limited (Body Corporate in which Directors are Interested)	Purchases	For the financial year 2024-25	The Company made purchases as per its requirements in the ordinary course of the Business of the Company, namely for sale of Software, Software Switch Development, etc The total value of transaction during the FY 2024-25 was Rs. 654.87 Lakhs.	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.	NIL
	Sales	For the financial year 2024-25	The Company made sales/ rendered services namely IT Software,		NIL

			<p>Development & Implementation to the Related party as per the requirement of the party.</p> <p>The total value of transaction during the FY 2024-25 was to Rs. 821.26 Lakhs.</p>		
<p>M/s Virtual Galaxy Fintech Private Limited (Body Corporate in which Directors are Interested)</p>	Capital Purchases	For the financial year 2024-25	<p>The Company made purchases of capital nature as per its requirements and other terms are as per the invoice, work description and Policy of the Company.</p> <p>The total value of transaction during the FY 2024-25 was Rs. 992.48 Lakhs.</p>	<p>Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.</p>	NIL
	Revenue Purchases	For the financial year 2024-25	<p>The Company made purchases as per its requirements in the ordinary course of the Business of the Company namely Software IT Development, Installation and Configuration</p> <p>The total value of transaction during the FY 2024-25 amounted to Rs. 731.15 Lakhs</p>		NIL

	Sales	For the financial year 2024-25	<p>The Company made sales/rendered services namely Software IT Development Installation and Configuration to the Related party as per the requirement of the party</p> <p>The total value of transaction during the FY 2024-25 was Rs. 180.30 Lakhs.</p>		NIL
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BY ORDER OF THE BOARD OF THE DIRECTORS FOR,
VIRTUAL GALAXY INFOTECH LIMITED

Sd/-
Sachin Purushottam Pande
Managing Director
DIN: 02181154

Sd/-
Avinash Narayanrao Shende
Director
DIN : 02179381

ANNEXURE – II MANAGERIAL REMUNERATION

RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION DISCLOSURES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION), RULES, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Sr. No.	Name of Director/KMP	Designation	Ratio of the Remuneration of each Director to Median Remuneration of Employees
1)	Sachin Pande	Managing Director (KMP)	40.00
2)	Avinash Shende	Chairman, Executive Director, Chief Financial Officer (KMP)	40.00
3)	*Asit Oberoi	Professional Non-Executive Director	3.00
4)	Bhanupriya Thakur	Non-Executive Independent Director	NA
5)	Jaideep Pawar	Non-Executive Independent Director	NA
6)	Ayush Sharma	Non-Executive Independent Director	NA
7)	Anjali Padhye	Company Secretary (KMP)	4.95

(Explanation: (i) the expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values).

2. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, and Company Secretary in the financial year:

Sr. No.	Name of Director/ KMP	Designation	% increase in remuneration in the financial year
1)	Sachin Pande	Managing Director (KMP)	143.78
2)	Avinash Shende	Chairman, Executive Director, Chief Financial Officer (KMP)	143.78
3)	*Asit Oberoi	Professional Non-Executive Director	NA
4)	Bhanupriya Thakur	Non- Executive Independent Director	NA
5)	Jaideep Pawar	Non- Executive Independent Director	NA
6)	Ayush Sharma	Non- Executive Independent Director	NA
7)	Anjali Padhye	Company Secretary (KMP)	43.63

3. The percentage increase in the median remuneration of employees in the financial year: -9.64%
The negative change in the median remuneration is primarily attributable to a shift in the employee composition during the year. The Company onboarded a significant number of freshers and budding talents as part of its long-term growth and talent development strategy. These new recruits, who typically join at entry-level compensation bands, have temporarily lowered the overall median remuneration figure. This strategic hiring move reflects the Company's focus on building a strong foundation for the future while continuing to invest in capability-building and innovation.

4. The number of permanent employees on the rolls of Company: 338 (as on 31st March 2025)

5. Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

- During the financial year, the average salary of employees other than managerial personnel saw a decrease of 3.42%, whereas there was an increase in managerial remuneration.
- This increase is attributable to the re-designation of existing promoter-directors as Managing Director & CTO and Chairman, Executive Director & CFO, respectively, with expanded responsibilities. The revision was part of a broader organizational strengthening undertaken in view of the Company's transition to a listed entity.
- To ensure leadership continuity, compliance, and accountability in a publicly listed environment, the enhanced roles and remuneration of the managerial personnel were aligned with this critical phase. The shareholders, in the Extra-Ordinary General Meeting held on 14th September 2025, approved their appointments and remuneration by Special Resolution. Accordingly, the said remunerations are in line with the provisions of Section 197 of the Companies Act, 2013.

6. Affirmation that the remuneration is as per the Remuneration Policy of the Company:
It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company

7.Details of employees who received remuneration in excess of Rupees one crore and two lakh rupees:

- During the year, two of the employees (Mr. Avinash Shende & Mr. Sachin Pande) of the employees received remuneration in excess of ₹ one crore and two lakh rupees; or more per annum or eight lakh and fifty thousand rupees per month; per month for part of the year. In accordance with the provisions of Section 197 of the Act read with Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, therefore there is no information available to disclose.

- During the year, none of the employees received remuneration in excess of that drawn by the Whole-time director and none of the employees hold two percent of the equity shares of the Company.

Note:

1. Mr. Asit Oberoi was appointed as a Professional Non-Executive Director with effect from August 22, 2024, and is paid a remuneration of ₹18.00 lakhs per annum. The remuneration is in accordance with the provisions of Section 197 of the Companies Act, 2013 read with Schedule V and applicable rules thereunder, as well as Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2.Non-Executive Independent Directors are not entitled to any remuneration except sitting fees, which are paid in accordance with the provisions of Section 197(5) of the Companies Act, 2013 and Regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The sitting fees are paid on a pro-rata basis for attending meetings of the Board and its Committees.

**BY ORDER OF THE BOARD OF THE DIRECTORS FOR,
VIRTUAL GALAXY INFOTECH LIMITED**

Sd/-
Sachin Purushottam Pande
Managing Director
DIN: 02181154

Sd/-
Avinash Narayanrao Shende
Director
DIN : 02179381

ANNEXURE III MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Developments

The Indian Information Technology (IT) industry continues to be a global leader, driven by innovations in digital transformation, AI, machine learning, and cloud computing. With the government's Digital India initiatives, there has been robust growth in e-governance, financial inclusion, and enterprise digitization.

The ERP and BFSI software markets, specifically, are seeing heightened demand for tailored, cloud-native, and secure solutions that support compliance, scalability, and business intelligence. The SME segment in India is also increasingly embracing digital solutions, opening new avenues for regional and domain-specific IT service providers.

VGIL, with over two decades of industry experience and a portfolio focused on BFSI, ERP, and e-governance, is strategically positioned to leverage these macro trends.

2. Company Overview

Virtual Galaxy Infotech Limited (VGIL), founded in 1997 and headquartered in Nagpur, Maharashtra, offers IT products and services including software development, consulting, infrastructure setup, cloud computing, and digital transformation. Its proprietary ERP and core banking software, especially its flagship product "e-Banker", has been deployed in multiple locations, primarily in the cooperative and rural banking sectors.

The company is ISO-IEC-20000-1-2018, ISO-IEC 27001-2022 and ISO-IEC-23001-7-2023 certified, underlining its commitment to quality, security, and service management.

As of March 31, 2025, VGIL had 340 employees and had completed over 100 active projects across 15 Indian states and African markets like Tanzania and Malawi.

3. Financial Performance Overview

Virtual Galaxy Infotech Limited demonstrated robust financial growth over the past three fiscal years, with a sharp uptick in both revenue and profitability. Revenue from operations increased steadily from ₹43.44 crore in FY 2021-22 to ₹63.58 crore in FY 2023-24, followed by a significant leap to ₹101.37 crore in the first nine months of FY 2024-25. The company's profit after tax also witnessed remarkable improvement, growing from ₹0.40 crore in FY 2021-22 to ₹16.54 crore in FY 2023-24, and further rising to ₹27.42 crore in just the first three quarters of FY 2024-25. This strong earnings growth reflects better operating efficiencies, higher project execution, and a favorable business mix. The company's net worth more than doubled post-IPO, and borrowings remained stable, resulting in a healthier debt-to-equity ratio. These figures underscore the company's strong financial foundation and its capacity to fund future growth through both internal accruals and strategic investments.

4. Key Financial Ratios:

Key Financial Performance	March 31, 2025	March 31, 2024
Revenue from Operations	12,014.35	6,146.39
EBITDA	5,555.30	6,146.39
EBITDA Margin(%)	46.24%	50.38%
PAT	3,211.83	1,630.19
PAT Margin(%)	26.73	26.52%
Return on equity(%)	46.97%	49.72%
Return on capital employed(%)	36.04%	30.53%
Debt-Equity Ratio (times)	0.43	0.94
Net fixed asset turnover ratio	1.03	2.03
Current Ratio (times)	1.23	0.99

5. IPO and Capital Market Developments

In May 2025, Virtual Galaxy Infotech Limited marked a significant milestone by launching its SME IPO on the NSE Emerge platform. The IPO, priced between ₹135 and ₹142 per share, was met with overwhelming investor enthusiasm, garnering over 231 times subscription—among the highest seen on the exchange. The listing debuted at ₹189, reflecting a strong 33% premium and reaffirming investor confidence in the company's business model and future prospects.

The IPO raised ₹93.29 crore through a fresh issue, with no offer-for-sale component, enabling the company to strengthen its balance sheet and fund critical expansion projects. The primary deployment of proceeds includes the establishment of a new IT campus at MIHAN-SEZ in Nagpur, strategic product enhancement through skilled manpower acquisition, IT infrastructure investment (including high-end servers and storage systems), marketing initiatives to scale brand visibility, and partial repayment of existing debt. This infusion of capital has significantly boosted VGIL's financial position, enabling sustainable growth and positioning the company for its next phase of scale and innovation.

5. Business Strategy and Outlook



Virtual Galaxy Infotech has laid out a clear and ambitious growth strategy focused on infrastructure expansion, workforce augmentation, and product innovation. In the short- to medium-term, the company aims to complete the construction of its integrated technology campus within the MIHAN-SEZ, which is expected to become a hub for software development, research, and client

delivery. In tandem, VGIL plans to expand its team by onboarding over 1,000 new professionals within the next two years, ensuring robust delivery capabilities and scaling its proprietary platforms.

The business is also sharpening its focus on enhancing its flagship ERP and core banking products with AI, analytics, and cybersecurity features tailored for cooperative banks and government clients. On the international front, the company is actively exploring market opportunities in Africa and Southeast Asia, leveraging its early success in Tanzania and Malawi. In the long term, VGIL envisions becoming a leading provider of indigenous enterprise technology solutions across developing economies, fostering digital empowerment and financial inclusion at scale.

6. Opportunities and Threats

Virtual Galaxy Infotech Limited is well-positioned to benefit from the increasing demand for digital transformation solutions, particularly in the cooperative banking, ERP, and e-governance segments. With government initiatives like Digital India and financial inclusion programs, there is significant opportunity to expand its customer base among rural banks, state-run enterprises, and SMEs. Additionally, its early foray into African markets presents a gateway to replicate its success in other underserved regions. However, the company also faces certain threats. The rapidly evolving IT landscape is marked by intense competition from both established players and agile startups offering cloud-native, AI-driven solutions. Execution risks related to the MIHAN-SEZ infrastructure development, talent acquisition challenges in Tier II cities, and a potential over-dependence on a specific client segment or region could also impact performance. VGIL must remain agile, invest in R&D, and diversify its client portfolio to mitigate these risks while capitalizing on emerging opportunities.

7. Risk Management

Virtual Galaxy Infotech Limited has implemented a structured and proactive risk management framework designed to identify, evaluate, and mitigate key risks across operational, financial, legal, technological, and strategic domains. Given the dynamic nature of the IT industry and the company's ongoing infrastructure and product expansion, risk oversight is critical. The company's Audit Committee and internal audit functions conduct regular reviews to ensure compliance with regulatory norms and internal policies. Specific risks, such as project execution delays, cybersecurity threats, and customer concentration, are monitored closely, with contingency plans in place. Post-IPO, the company has further strengthened its governance framework, with enhanced transparency and accountability mechanisms to protect stakeholder interests.



8. Human Resources and Internal Controls

VGIL places strong emphasis on building a capable and motivated workforce as a core pillar of its growth strategy. With plans to significantly expand headcount in the coming years, especially in the new MIHAN-SEZ facility, the company is investing in training, career development, and retention programs. The organization promotes a performance-driven culture supported by fair appraisal systems and employee engagement initiatives. Simultaneously, internal controls across financial reporting, operations, and IT systems are robust and reviewed regularly. These systems are designed to ensure accuracy in reporting, safeguard assets, and support regulatory compliance, and are periodically evaluated by internal auditors and external consultants for effectiveness.

9. Cautionary Statement

This Management Discussion and Analysis report contains forward-looking statements that reflect the company's current views regarding future events and financial performance. These projections are based on a variety of assumptions and are subject to significant risks and uncertainties, many of which are beyond the company's control. Actual results may differ materially due to factors such as changes in economic conditions, competitive pressures, client preferences, regulatory changes, and execution challenges. The company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Annexure – IV

MD AND CFO CERTIFICATION

To,
The Board of Directors
Virtual Galaxy Infotech Limited
3, Central Excise Colony,
Near Chhatrapati Square,
Ring Road, Nagpur – 440015

We, Sachin Purushottam Pande, Managing Director and Avinash Narayan Shende, Chief Financial Officer of Virtual Galaxy Infotech Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow of the Company and all the notes on accounts and the Board's report for the year ended March 31, 2024, and that to the best of our knowledge and belief–

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements present a true and fair view of the Company's affairs and comply with the existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;

3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;

4. We have indicated to the Auditors and the Audit committee that:

- there have been no significant changes in internal control over financial reporting during the year
- there have been no significant changes in accounting policies during the year; and
- there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Virtual Galaxy Infotech Limited

sd/-
Sachin Pande
Managing Director
DIN – 02181154

sd/-
Avinash Shende
Director
DIN-02179381

ANNEXURE V

POLICY ON CODE OF CONDUCT AND ETHICS FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

INTRODUCTION:

The Code of Conduct for Board of Directors and Senior Management Personnel sets forth Virtual Galaxy Infotech Limited (“the Company”) core values, and shared responsibilities into practice. The objective of this document is to communicate the **CODE of CONDUCT** of the Directors and Officers (hereinafter referred to as ‘Members’) of the Company which sets as guidelines to bring transparency, professionalism, accountability and responsibility in the individual behaviour whilst conducting their duties, specifically under Regulation 17 of SEBI (Listing Obligations and Discloser Requirements) Regulation, 2015 (“The Regulations”). The Code is aimed to prevent any wrong doing and to promote ethical conduct at the Board and Senior Management level.



APPLICABILITY:

The code shall apply to all the Members of the Company across all of its units, offices and branches in India or elsewhere.

All the concerned are expected to read and understand this Code and to uphold standards set out under this, in his/her day-to-day activities.

As the principles set out under this are general in character, Officers should also review the Company's other applicable Policies and Procedures for more specific instructions. In case of any difficulty in interpretation or allied matters they may contact the Compliance Officer. This Code is in addition to and not in derogation with any Act, law, rules and regulations, and all other applicable Policies and Procedures adopted by the Company that governs the conduct of its officers.

ADDITIONAL CODES FOR INDEPENDENT DIRECTOR:

Guidelines of Professional Conduct:

An independent director shall;

- a) uphold ethical standards of integrity and probity
- b) act objectively and constructively while exercising his duties;
- c) exercise his responsibilities in a bona fide manner in the interest of the company.
- d) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- e) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- f) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- g) refrain from any action that would lead to loss of his independence;
- h) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- i) assist the company in implementing the best corporate governance practices.

Role And Functions:

The independent directors shall;

- a) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- b) bring an objective view in the evaluation of the performance of board and management;
- c) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) satisfy themselves on the integrity of financial information and those financial controls and the systems of risk management are robust and defensible;
- e) safeguard the interests of all stakeholders, particularly the minority shareholders;
- f) balance the conflicting interest of the stakeholders;
- g) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- h) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

Duties:

The independent directors shall:

- a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- b) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- c) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the company;
- f) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- g) keep themselves well informed about the company and the external environment in which it operates;
- i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- j) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- j) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- k) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- l) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- m) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.



CONFLICT OF INTEREST:

Conflict of interest is a situation where personal interest may, in any, way, interfere with the interests or benefits of the Company influencing the exercise of independent judgment while discharging one's duties and responsibilities. The Members shall avoid any situation that would lead to or tend to lead to any conflict of interest and is considered to be prejudicial to the interest of the Company. The Members are expected to make a suitable disclosure to the Board of Directors of the Company and shall abstain from participating in any discussion for such transaction which involves or appears to involve conflict of interest. The Members (including their relatives) are expected not to derive any improper personal gain/ benefit from the Company which shall include making or influencing decision by any means in any transaction of the Company. The Members shall not indulge in the insider trading (as defined by the Securities and Exchange Board of India or other respective authorities from time to time) in the Company's shares, products or services.

CONFIDENTIALITY OF INFORMATION:

Confidentiality of information means all the information of the Company which are not meant for public dissemination. This may include information on business, trade, trade secrets, technical, commercial, proprietary or privileged information and information relating to its customers, employees, mergers / de-mergers and acquisitions, stock splits, dividend, issue of bonus shares, investments and discussions and deliberations relating to business issues and decisions, between and among its members in formal meetings or otherwise, and will include all such information which should not be made available to the public at the given point of time without following rules, procedure of the law and of the Company under the authority of its management.

AFFIRMATION AND COMPLIANCE:

The Members of the Company shall affirm compliance with this Code on an annual basis, (as per Annexure-A).

AMENDMENT

The foregoing code of conduct is not an end to itself and is subject to modification from time to time. Any change in the Code shall be approved by the Board. The Board shall have the right to withdraw and/or amend any part of this Code or the entire Code, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment/modification in the Act or the rules framed thereunder or the SEBI Listing Regulations and/or any other laws in this regard shall automatically apply to this Code.

BY ORDER OF THE BOARD OF THE DIRECTORS FOR, VIRTUAL GALAXY INFOTECH LIMITED

Sd/-
Sachin Purushottam Pande
Managing Director
DIN: 02181154

Sd/-
Avinash Narayanrao Shende
Director
DIN : 02179381

K.K. MANKESHWAR & Co.
CHARTERED ACCOUNTANTS

7, Kingsway, Nagpur – 440 001
Ph: 91-712-6629946/ 47/2554223
Fax No.: 91-712-6629948/6613404
Email: mail@kkmindia.com

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Virtual Galaxy Infotech Limited
(Formerly known as Virtual Galaxy Infotech Private Limited)
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of Virtual Galaxy Infotech Limited (Formerly known as Virtual Galaxy Infotech Private Limited) ("the Company"), which comprise the standalone balance sheet as at 31st March 2025, and the statement of Profit and Loss, and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant 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 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, and its Profit and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (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 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 on the Financial Statements.

Emphasis of Matter (EoM)

We draw attention to the Note 2.37 of the Notes to Accounts of the Financial Statement which states that the Company was listed on 19th of May 2025, on National Stock Exchange's Emerging Platform subsequent to the reporting period. Our opinion is not modified in respect of this matter.

Other Matter

The comparative financial information of the company for the year ended March 31st, 2024, included in these financial statements, have been audited by previous auditor. The report of the previous auditor on the comparative financial information dated 09th April 2024 expressed an unmodified opinion.

Our opinion is not modified in respect of this matter

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.

We draw attention to the Note 2.30 of the Notes to Accounts of the Financial Statement which highlights the changes in the number of weighted average equity shares considered for calculation of basic earnings per share for the period ended 31st March 2025.

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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility 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.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the 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 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 statements 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 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 controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- 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 knowledge user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in planning the scope of our audit work and in evaluating the results of or works and to evaluate the effect of the any identified misstatements in 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, and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements. And;

g) With respect to the other matters to be included in the Auditors Report in accordance with the requirement of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the company has paid remuneration to its director.

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 did not have any pending litigation having impact on its financial position in its financial statements.

With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For K. K. Mankeshwar & Co.,
Chartered Accountants
Firm Registration No: 106009W
Peer Review No: 020613

sd/-
CA Ashwin Mankeshwar
Partner
M No.046219

UDIN: 25046219BMLMSR5664
Place: Nagpur
Date: 12th June, 2025

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in the Independent Auditors' Report to the Members of the Company on the Financial Statements for the period ended 31st March 2025, and on the basis of information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

1. In respect of the Company's fixed assets:

a) A) The Company has maintained proper records, showing full particulars, including quantitative details and situation of the fixed assets.

B) The company is maintaining proper records showing full particulars of intangible assets.

b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us, the records examined by us and based on the examination we report that there are no immovable properties in the name of company, hence this clause is not applicable.

d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year. Therefore, the reporting as per paragraph 3(i) (d) of the order is not required.

e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

2.a) We are informed that inventories have been physically verified by the management during the year and also at the end of the year. In our opinion, the frequency of verification is reasonable. In our opinion and according to the explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

b) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories. The discrepancies noticed on verification between physical stocks and book records were not more than 10% in each class and have been properly dealt with in the books of accounts.

c) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements,

statements on analysis of the debtors and creditors along with other stipulated financial information filed by the Company with such banks are in agreement with the books of account of the Company of the respective quarters and no material discrepancies have been observed.

3. During the period, the Company has not made investments, provided any guarantee and security and granted any loans and advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties hence clause 3(iii)a to 3(iii)f is not applicable to the company.

4. In our opinion and according to the Information and explanations given to us, the Company has complied with the provision of Section 185 and 186 of the Act, with respect to loans and investments made and securities offered as Lien.

5. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

6. The maintenance of cost records has not been specified by the Central Government under sub section (i) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the order is not applicable to the company.

7. According to the records, information and explanations, provided to us, the Company is generally regular in depositing with appropriate authorities undisputed amounts including P.F., E.S.I.C., T.D.S., P.T., G.S.T. if any, and other statutory dues applicable to it, and no undisputed amounts payable were outstanding as on 31st March 2025 for a period of more than six months from the date they become payable up to the date of our report.

8. According to the information and explanations given to us and the records of the Company examined by us, as at 31st March 2025, there were no such transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

9. 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 willful defaulter by any bank or financial institution or government or any government authority.

c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

d) Accordingly, to the information and explanation given to us and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short term basis have been used for long term purposes by the company.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

10. a) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) The Company has made private placement of shares during the year. For such allotment of shares, the Company has complied with the requirements of section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised. The Company has not made preferential allotment or private placement of convertible debentures (fully or partly or optionally) during the year.

11. a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

b) No report under Section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

c) According to the information and explanations given to us including the representation made to us by the Management of the Company, there are no whistle-blower-complaints received by the Company during the year.

12. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with related parties are in compliance with Sections 177 and 188 of the Act, where applicable. Further, details of such related party transactions have been disclosed in the Standalone Financial Statements, as required Accounting Standards, Related Party Disclosures specified in under Section 133 of the Act.

14. a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of section 138 of the Companies Act 2013.

b) Since the Company is not required to have the internal audit system hence the clause 3(xiv)(b) is not applicable to the company.

15. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with them and accordingly, provisions of Section 192 of the Act are not applicable to the Company.

16. a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) & (b) of the Order is not applicable.

b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c) & (d) of the Order is not applicable.

17. The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

18. There has been no resignation of the Statutory Auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the plans of the Board of Directors and Management, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company.

We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. With respect to provisions of section 135 of the Companies Act, 2013 with regard to Corporate Social Responsibility the company has not transferred any unspent amount to a Fund specified in Schedule VII to the Companies Act.

21. The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the company. Accordingly no comment has been included in respect of said clause under this report.

For K. K. Mankeshwar & Co.,
Chartered Accountants
Firm Registration No: 106009W
Peer Review No: 020613

CA Ashwin Mankeshwar
Partner
M No.046219

UDIN: 25046219BMLMSR5664
Place: Nagpur
Date: 12th June, 2025

ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF VIRTUAL GALAXY INFOTECH LIMITED (FORMERLY KNOWN AS VIRTUAL GALAXY INFOTECH PRIVATE LIMITED)

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

We have audited the internal financial controls over financial reporting of Virtual Galaxy Infotech Limited as of 31st March 2025 in conjunction with our audit of the Standalone financial statements of the Company for the period ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K. K. Mankeshwar & Co.,
Chartered Accountants
Firm Registration No: 106009W
Peer Review No: 020613

sd/-
CA Ashwin Mankeshwar
Partner
M No.046219

UDIN: 25046219BMLMSR5664
Place: Nagpur
Date: 12th June, 2025

ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF VIRTUAL GALAXY INFOTECH LIMITED (FORMERLY KNOWN AS VIRTUAL GALAXY INFOTECH PRIVATE LIMITED)

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

We have audited the internal financial controls over financial reporting of Virtual Galaxy Infotech Limited as of 31st March 2025 in conjunction with our audit of the Standalone financial statements of the Company for the period ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K. K. Mankeshwar & Co.,
Chartered Accountants
Firm Registration No: 106009W
Peer Review No: 020613

CA Ashwin Mankeshwar
Partner
M No.046219

UDIN: 25046219BMLMSR5664
Place: Nagpur
Date: 12th June, 2025

FOLLOWED BY
FINANCIAL STATEMENTS &
Notes to Accounts
FINANCIAL STATEMENTS &
Notes to Accounts

VIRTUAL GALAXY INFOTECH LIMITED



AUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 01ST APRIL 2024 TO 31ST MARCH 2025



AUDITED BY:

K.K. MANKESHWAR & CO.,

CHARTERED ACCOUNTANTS

VIRTUAL GALAXY INFOTECH LIMITED
(Formerly known as Virtual Galaxy Infotech Private Limited)
Balance Sheet as on 31st March 2025

(Fig in ₹ in Lakhs)

PARTICULARS	Note No.	31st March 2025	31st March 2024
I. EQUITY AND LIABILITIES :			
1 SHAREHOLDERS' FUNDS			
Share Capital	2.01	1,829.86	1,100.02
Reserves and Surplus	2.02	7,489.27	3,256.83
Money Received Against Share Warrants		-	-
Sub-total		9,319.13	4,356.85
2 Share Application Money Pending Allotment		-	42.85
Minority Interest		-	-
3 NON-CURRENT LIABILITIES			
Long-Term Borrowings	2.03	3,222.97	3,415.25
Other Long-Term Liabilities	2.04	-	710.39
Long Term Provisions	2.05	68.26	51.07
Deferred tax Liability (Net)	2.12	84.45	-
Sub-total		3,375.68	4,176.71
4 CURRENT LIABILITIES			
Short-Term Borrowings	2.06	749.58	448.71
Trade Payable	2.07	431.69	1,074.20
Other Current Liabilities	2.08	358.75	865.10
Short-Term Provisions	2.09	1,583.75	626.05
Sub-total		3,123.77	3,014.06
TOTAL EQUITIES AND LIABILITIES		15,818.58	11,590.47
II. ASSETS:			
1 NON-CURRENT ASSETS			
Property, Plant & Equipment			
Tangible Assets	2.10	4,512.82	1,884.47
Tangible Asset Under Development - WIP	2.10	4,092.15	3,049.06
Intangible Assets	2.10	2,324.77	1,146.31
Intangible Asset under Development - WIP	2.10	720.92	1,265.48
Sub-total		11,650.66	7,345.32
Non Current Investments	2.11	-	52.50
Deferred tax Assets (Net)	2.12	-	2.56
Long Term Loans and Advances	2.13	-	-
Other Non Current Assets	2.14	338.67	206.15
Sub-total		338.67	261.21
2 CURRENT ASSETS			
Current Investments		-	-
Inventories	2.15	7.45	10.77
Trade Receivables	2.16	2,228.60	2,503.63
Cash and Cash Equivalents	2.17	255.74	218.73
Short-Term Loans and Advances	2.18	1,129.15	976.17
Other Current Assets	2.19	208.31	274.64
Sub-total		3,829.25	3,983.94
TOTAL ASSETS		15,818.58	11,590.47
Significant Accounting policies	1.00		

The notes referred to above form an integral part of the Financial Statements
As per our Report Attached of even date

For K. K. Mankeshwar & Co
Chartered Accountants
Firm Registration No: 106009W
Peer Review No: 020613

For VIRTUAL GALAXY INFOTECH LIMITED

SD/-
CA Ashwin Mankeshwar
Partner
M No. 046219

SD/-
A.N.Shende
Executive Director
DIN- 02179381

SD/-
S.P.Pande
Managing Director
DIN- 02181154

UDIN:250462198MLMSR5664
Place: Nagpur
Date: 12th June 2025

SD/-
A.V.Padhye
Company Secretary
Membership No. A23773

VIRTUAL GALAXY INFOTECH LIMITED
(Formerly known as Virtual Galaxy Infotech Private Limited)
Profit and Loss for the period ended 31st March 2025

(Fig in ₹ in Lakhs)

PARTICULARS		Note No.	31st March 2025	31st March 2024
I.	Revenue from operations	2.20	12,014.35	6,146.39
II.	Other income	2.21	28.85	5.70
III.	Total Income (I + II)		12,043.20	6,152.10
IV.	LESS : EXPENDITURE			
	Cost of Material Consumed	2.22	4,619.79	2,003.57
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.23	3.32	(3.37)
	Employee benefit expenses	2.24	1,070.70	710.31
	Finance costs	2.25	257.10	247.59
	Depreciation and amortization expenses	2.26	764.78	592.68
	Other Expenses	2.27	794.09	378.02
	Total Expenses		7,509.79	3,928.80
V.	Profit before exceptional and extraordinary items and tax		4,533.41	2,223.30
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		4,533.41	2,223.30
VIII.	Extraordinary items		-	-
IX.	Profit before tax (VII - VIII)		4,533.41	2,223.30
X.	Tax expense :			
	a) Current tax expenses		1,234.56	620.09
	b) Current tax relating to prior years (net)		-	-
	c) Deferred tax charge/(credit)	2.12	87.02	(1.93)
	Net tax expenses/(benefit)		1,321.58	618.16
XI.	Profit/ (Loss) for the period from continuing operations (IX-X)		3,211.83	1,605.14
XII.	Profit/ (loss) for the period (XI + XIV)		3,211.83	1,605.14
XIII.	Earning per equity share :	2.30	17.55	14.59

As per our Report Attached of even date

For K. K. Mankeshwar & Co
Chartered Accountants
Firm Registration No: 106009W
Peer Review No: 020613

For VIRTUAL GALAXY INFOTECH LIMITED

SD/-
CA Ashwin Mankeshwar
Partner
M No. 046219

UDIN:25046219BMLMSR5664
Place: Nagpur
Date: 12th June 2025

SD/-
A.N.Shende
Executive Director
DIN- 02179381

SD/-
S. P. Pande
Managing Director
DIN- 02181154

SD/-
A.V.Padhye
Company Secretary
Membership No. A23773

VIRTUAL GALAXY INFOTECH LIMITED
(Formerly known as Virtual Galaxy Infotech Private Limited)
Cash Flow Statement as on 31st March 2025

		(Fig in ₹ in Lakhs)	
Sr.No.	Particulars	As at 31st March 2025	As at 31st March 2024
1	Cash Flow Operating activities		
	(a) Net Profit/ (Loss) before exceptional items and taxes	4,533.42	2,223.30
	Adjustments :		
	Depreciation & amortization	764.78	592.68
	Interest and Finance costs	257.10	247.59
	Interest income	(17.06)	(3.28)
	(Profit)/Loss on Sale of Fixed Assets	-	-
	Increase/(Decrease) in Short Term Provisions	957.70	489.63
	Increase/(Decrease) in Long Term Provisions	17.19	51.07
	Operating Profit before Working Capital changes	6,513.13	3,600.99
	(b) Working capital changes:		
	- (Increase)/Decrease in Inventories	3.32	(3.37)
	- (Increase)/Decrease in Trade Receivables	275.03	(175.85)
	- (Increase)/Decrease in Short Term Loans & Advances	(152.98)	(75.32)
	- Increase/(Decrease) in Trade Payables	(644.92)	164.89
	- Increase/(Decrease) in Other Current Liabilities	(503.96)	293.91
	- (Increase)/Decrease in Other Current Assets	66.33	(105.65)
	Net cash from Operating Activities	5,555.95	3,699.60
	Less: Tax Paid	(1,234.56)	(620.09)
	Net cash from Operating Activities	4,321.39	3,079.52
2	Cash Flow from Investing Activities		
	(a) Increase in Property, Plant & Equipments -		
	- (Increase)/Decrease in Tangible Assets	(3,058.75)	-
	- (Increase)/Decrease in Tangible Assets - WIP	(1,043.09)	(2,148.82)
	- (Increase)/Decrease in Intangible Assets	(1,512.85)	(306.57)
	- (Increase)/Decrease in Intangible Assets - WIP	544.56	(764.40)
	(b) (Increase)/Decrease in Other Non-current assets	(132.53)	7.76
	(c) (Increase)/Decrease in Other Non-current Investments	52.50	100.00
	(d) (Increase)/Decrease in Other Long term Loans & Advances	-	-
	(e) Interest Received	17.06	3.28
	Net cash from Investing Activities	(5,133.08)	(3,108.76)
3	Cash Flow from Financing Activities		
	(a) Increase/(Decrease) in Long Term Borrowings		
	- Proceeds from Long term borrowings	1,219.21	756.54
	- Repayment of Long term borrowings	(1,411.49)	(746.52)
	(b) Increase/(Decrease) in Other Long Term Liabilities	(710.39)	173.99
	(c) Increase/(Decrease) in Short Term Borrowings	300.86	42.67
	(d) Increase/(Decrease) in Share Application Money Pending Allotment	(42.85)	42.85
	(e) Increase/(Decrease) in Share Issue	1,750.46	-
	(f) Interest and other Finance costs	(257.10)	(247.59)
	Net cash from Financing Activities	848.70	21.93
	Net increase/(decrease) in cash and cash equivalents	37.01	(7.30)
	Add : Cash and cash equivalents at the beginning of the period	218.73	226.04
	Cash and cash equivalents at the end of the period	255.74	218.73

As per our Report Attached of even date

NOTES

1. The above statement has been prepared following Indirect Method as per AS - 3.
2. Proceeds of long term and other borrowings are shown net of repayments.
3. Cash and Cash Equivalents represent Cash, Fixed deposits and Bank Balances only.

For K. K. Mankeshwar & Co
Chartered Accountants
Firm Registration No: 106009W
Peer Review No: 020613

For VIRTUAL GALAXY INFOTECH LIMITED

SD/-
CA Ashwin Mankeshwar
Partner
M No. 046219

SD/-
A. N. Shende
Executive Director
DIN- 02179381

SD/-
S.P. Pande
Managing Director
DIN- 02181154

UDIN:25046219BMLMSR5664
Place: Nagpur
Date: 12th June 2025

SD/-
A. V. Padhye
Company Secretary
Membership No. A23773

NOTE "1"– SIGNIFICANT ACCOUNTING POLICIES

1. Company over view:

Virtual Galaxy Infotech Limited (Formerly known as Virtual Galaxy Infotech Private Limited) was incorporated on 12th September 1997. The company operates global organization possessing an experienced and dedicated team of dynamic professionals, capable of offering innovative, high-quality software products, solutions & specialized software services, in the domain of Banking & Finance, ERP, E-Governance, Web Service, Cloud Computing, Data Management & System Integration.

Basis of Preparation of Financial Statements:

The Financial Statements are prepared on an accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 133 read with rule 7 of the Companies (Accounts) Rules, 2014 and the other relevant provisions of the Company's Act, 2013. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Company's Act, 2013 based on the nature of the products and the time between the acquisition of assets for processing and their realization of cash and cash equivalents. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in the accounting policy hitherto in use

Use of Estimates

The preparation of financial statements require estimates and assumptions to be made that affect the reported balances of assets as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accounting estimates could change from period to period. Actual results could differ from these estimates.

The following significant accounting policies are adopted in preparation of these financial statements - .

A. Property, Plant & Equipment

Tangible assets are shown under gross block are valued at cost of acquisition inclusive of inward freight, duties, taxes and other incidental expenses related to its acquisition. All such direct costs are capitalized when the tangible assets are ready to use.

B. Depreciation

Depreciation on all tangible assets is provided on Written down value Method in accordance with Schedule II of the Companies Act, 2013. Management has not charged the depreciation to the Software Development called V-Pay, since it is developing stage.

C. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been change in the estimate of recoverable amount.

D. Inventory Valuation

Inventories are valued at lower of cost or net realizable value, whichever is lower. Inventories are valued at FIFO basis and includes all purchase related expenses.

E. Revenue Recognition

- a. Sales are recognized when goods are supplied and are recorded net of discounts. Sales values are presented net of Goods and Service tax in the statement of profit and loss account.
- b. Income from other receipts are recognized on completion and on acceptance by the customers.
- c. Interest income is recognized using proportion method, based on rates implicit in the transactions.

F. Income from Investments

Current investments are carried at lower of cost and Quoted/Fair value, computed category wise. Long-Term Investments are stated at cost. Provision for diminution in the value of Long-term Investments is made only if such a decline is other than temporary.

G. Taxes on Income – Current and Deferred

Income Taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", (AS 22) issued by The Institute of Chartered Accountants of India. Tax expense comprises both current tax and deferred tax. Current tax is measured at the amount expected to be paid or recovered from the tax authorities using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequence attributable to timing difference between taxable income and accounting income that are measure at relevant enacted tax rates. At each Balance sheet date the company reassesses unrealized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case maybe.

H. Employee Benefits

Gratuity and all the other retirement benefits is accounted for on accrual basis. Company's contribution to provident fund and other fund is charges to Profit and Loss account. PFs are treated as defined contribution plans. PF Contribution is made to the Regional Provident Fund Commissioner.

I. Provisions and Contingencies

- a. Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- b. Contingent liabilities are not recognized but are disclosed in the Notes when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.
- c. Contingent assets are neither recognized nor disclosed in the financial statements

J. Foreign currency transactions and translations

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are restated at the exchange rate prevalent on the Balance Sheet date and gain/ loss on such restatement is charged to the Statement of Profit and Loss.

K. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

L Earnings per Share

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

M. Cash and cash equivalents (for purposes of Cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

N. Cash Flow Statements

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of the past or the future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flow from operating, Investing and Financing activities of the company are segregated accordingly. Amounts in the financial statements are rounded off to the nearest rupee.

VIRTUAL GALAXY INFOTECH LIMITED
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Note 2: Notes on accounts as per revised schedule VI

SHARE HOLDERS FUND

The Company has only one class of shares, referred to as equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The right of the shareholders is governed by the Articles and Association and the Companies Act.

2.01 SHARE CAPITAL

A.

PARTICULARS	(Fig in ₹ in Lakhs)	
	31st March 2025	31st March 2024
AUTHORISED CAPITAL : 2,50,00,000 Equity Shares of ₹ 10/- each	2,500.00	2,500.00
ISSUED, SUBSCRIBED & PAID UP CAPITAL : 1,21,99,105 Equity Shares Of ₹ 10/- Each	1,219.91	1,100.02
60,99,530 Bonus Equity Shares of ₹ 10/- each	609.95	-
	1,829.86	1,100.02

(Note - The Company has issued further share capital of Rs. 1,19,89,450 and bonus issue of Rs. 6,09,95,300 during the reporting period which has increased the capital of the Company.)

B Details of Share Holding of more than 5% shares are set out below

Name of shareholder	No. of share held	No. of share held
Avinash N. Shende % of Share holding	49,63,799 40.69%	51,00,000 46.36%
Sachin P. Pande % of Share holding	49,63,799 40.69%	51,00,000 46.36%

(Note - The Company has issued further 11,98,945 number of shares and bonus issue of 60,99,530 shares in the ratio 1:2 i.e. during the reporting period which has increased the capital of the Company.)

Note No. 2.1 (a) The Reconciliation of the No. of Shares outstanding at the beginning and at the end of the period

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the Previous reporting period
Equity Shares:		
Shares outstanding at the beginning of the year	1,10,00,160.00	1,10,00,160.00
Equity Shares Issued during the year	11,98,945.00	-
Bonus Equity Shares Issued during the year	60,99,530.00	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	1,82,98,635.00	1,10,00,160.00

Note No. 2.1 (b) The changes in the shareholding of the promoters:

Particulars	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
Avinash N. Shende % of Share holding % Change during the year	74,45,698 40.69% (5.67%)	51,00,000 46.36% 0.00%
Sachin P. Pande % of Share holding % Change during the year	74,45,698 40.69% (5.67%)	51,00,000 46.36% 0.00%

2.02 RESERVES AND SURPLUS

PARTICULARS	31st March 2025	31st March 2024
Retained Earnings		
Opening Balance	3,256.83	1,651.68
Add: Profit for the period	3,211.83	1,605.14
Less: Utilized for Bonus Issue	609.95	-
Less: Transfer to reserve, if any	-	-
Closing Balance	5,858.71	3,256.83
Securities Premium		
Securities Premium Reserve	1,630.57	-
Total	7,489.27	3,256.83

VIRTUAL GALAXY INFOTECH LIMITED
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2.03 LONG TERM BORROWINGS

(Fig. in ₹ in Lakhs)

PARTICULARS	31st March 2025	31st March 2024
Secured		
Term Loans		
From Banks	752.43	1,220.80
From Other Parties	-	-
Unsecured		
Loans From Related Parties	897.04	142.54
Other Loans and Advances Payable	1,103.00	1,506.87
From Banks - Unsecured	-	8.49
From Other Parties - Unsecured	470.50	536.55
Total	3,222.97	3,415.25

Details of Long Terms Loans from Bank availed by company are stated as under:

Long term loans are from Bank of Maharashtra, Shankarnagar Nagpur branch are secured by way of Property Held by Both Directors of the Company and Hypothecation of all fixed asset as appering in the balance sheet of the company.

2.04 OTHER LONG TERM LIABILITIES:

PARTICULARS	31st March 2025	31st March 2024
Unsecured Loan		
From NBFC	-	-
From Director	-	-
From Others	-	-
Creditors for Fixed Assets*	-	710.39
Total	-	710.39

* Creditor for fixed asset contains amounts payable to parties for Software developments.

2.05 LONG TERM PROVISIONS:

PARTICULARS	31st March 2025	31st March 2024
Provision for Employee Benefits	68.26	51.07
Total	68.26	51.07

2.06 SHORT TERM BORROWINGS:

PARTICULARS	31st March 2025	31st March 2024
Secured		
Loan Payable on Demand		
From Banks - Short Term	749.58	436.21
From Other Parties - Short Term	-	12.50
From Related Parties - Short Term	-	-
Total	749.58	448.71

Details of Cash Credit (Secured- Short Term) availed from bank.

1) Working capital loan is availed from Bank of Maharashtra, Shankarnagar Nagpur branch of ₹ 7.50 crores secured against the Hypothecation of Stocks and Receivables and collaterally secured by way of equitable mortgage on the properties held by both the directors of the company.

2) Overdraft facility availed from Pusad Urban Credit Co-opertative Bank, secured against Fixed Deposit.

2.07 TRADE PAYABLES

PARTICULARS	31st March 2025	31st March 2024
Trade Payable - MSME	-	-
Trade Payable - Others	431.69	1,074.20
Trade Payable - Disputed MSME	-	-
Trade Payable - Disputed Other	-	-
Total	431.69	1,074.20

VIRTUAL GALAXY INFOTECH LIMITED
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2.08 OTHER CURRENT LIABILITIES:

(Fig in ₹ in Lakhs)

PARTICULARS	31st March 2025	31st March 2024
Interest accrued and due	-	1.08
Statutory Dues Payable	135.30	375.52
Advance from Customers	79.61	168.80
Audit Fees Payable	5.40	1.50
Rent Payable	0.96	1.41
Employees Payable	137.48	316.79
Total	358.75	865.10

2.09 SHORT TERM PROVISIONS:

PARTICULARS	31st March 2025	31st March 2024
Provision for Employee Benefits - Short Term	8.61	5.97
Provision for Taxation	1,575.14	620.09
Total	1,583.75	626.05

2.11 NON CURRENT INVESTMENTS

(Fig in ₹ in Lakhs)

PARTICULARS	31st March 2025	31st March 2024
Investments in Equity Instruments	-	52.50
Total	-	52.50

2.12 DEFERRED TAX ASSETS/(LIABILITY)

PARTICULARS	31st March 2025	31st March 2024
Deferred Tax Asset/ (Liability)		
Depreciation as per Companies Act	764.78	592.68
Depreciation as per Income Tax Act	1,063.60	584.97
Difference in WDV	(298.82)	7.71
Deferred Tax Asset / (Liability)	(87.02)	1.93
Deferred Tax Asset / (Liability)	(87.02)	1.93
Net Deferred Tax Asset DTA at the beginning of the year	2.57	0.64
Net Deferred Tax Asset DTA Charged/(reversed) to Statement of profit and loss	(87.02)	1.93
Net Deferred Tax Asset/(Liability) as at Balance Sheet date	(84.45)	2.56

VIRTUAL GALAXY INFOTECH LIMITED
Depreciation & Amortization Schedule for FY 2024-2025

Note 2.10 - Property Plant and Equipments

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION				NET BLOCK	
	As on 1st April 2024	Additions for the year	Deductions during the year	As on 31st March 2025	As on 1st April 2024	Additions for the year	Deductions during the year	As on 31st March 2025	As on 31st March 2025	As on 31st March 2024
Property Plant And Equipments										
Land	-	-	-	-	-	-	-	-	-	-
Land and Buildings	4,561.93	3,049.06	-	7,610.99	2,618.99	426.59	-	3,105.58	4,505.41	1,882.94
Machinery	0.56	-	-	0.56	-	-	-	0.55	-	-
Motor Vehicles	27.61	4.97	-	32.58	26.92	1.46	-	29.13	4.19	0.69
Furniture and Fixtures	8.73	4.72	-	13.45	7.90	2.34	-	10.24	3.21	0.84
Office Equipments	3,049.06	4,019.15	3,049.06	4,092.15	-	-	-	-	4,092.15	3,049.06
Capital Work In-Progress	-	-	-	-	-	-	-	-	-	-
TOTAL	7,647.89	7,150.90	3,049.06	11,749.73	2,714.37	430.40	-	3,144.76	8,604.97	4,933.53

Note 2.10 - Other Intangible Assets

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION				NET BLOCK	
	As on 1st April 2024	Additions for the year	Deductions during the year	As on 31st March 2025	As on 1st April 2024	Additions for the year	Deductions during the year	As on 31st March 2025	As on 31st March 2025	As on 31st March 2024
Software	2,116.23	1,512.84	-	3,629.08	969.92	334.39	-	1,304.31	2,324.77	1,146.31
TOTAL	2,116.23	1,512.84	-	3,629.08	969.92	334.39	-	1,304.31	2,324.77	1,146.31

Note 2.10 - Intangible Assets Under Development

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION				NET BLOCK	
	As on 1st April 2024	Additions for the year	Deductions during the year	As on 31st March 2025	As on 1st April 2024	Additions for the year	Deductions during the year	As on 31st March 2025	As on 31st March 2025	As on 31st March 2024
Software Under Development	1,265.48	720.92	1,265.48	720.92	-	-	-	-	720.92	1,265.48
TOTAL	1,265.48	720.92	1,265.48	720.92	-	-	-	-	720.92	1,265.48
TOTAL	11,029.61	9,384.66	4,314.54	16,099.73	3,684.29	764.78	-	4,449.07	11,650.66	7,345.32

VIRTUAL GALAXY INFOTECH LIMITED
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2.13 LONG TERM LOANS AND ADVANCES:

(Fig in ₹ in Lakhs)

PARTICULARS	31st March 2025	31st March 2024
Unsecured, considered good		
Loans and Advances to Related Parties	-	-
Loans and Advances to Others	-	-
Total	-	-

2.14 OTHER NON-CURRENT ASSETS:

PARTICULARS	31st March 2025	31st March 2024
Security Deposits	338.67	206.15
Total	338.67	206.15

2.15 INVENTORIES:

PARTICULARS	31st March 2025	31st March 2024
Closing Stock	-	-
Raw materials	-	-
Finished Goods	7.45	10.77
Total	7.45	10.77

2.16 TRADE RECEIVABLES:

PARTICULARS	31st March 2025	31st March 2024
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured : Considered Good More than 6 Months	39.02	216.69
Other trade receivables		
Unsecured : Considered Good Less than 6 Months	2,189.58	2,286.94
Total	2,228.60	2,503.63

2.17 CASH AND CASH EQUIVALENTS:

PARTICULARS	31st March 2025	31st March 2024
Cash In Hand	0.68	0.13
With Banks in Current Accounts	15.16	2.44
Overdraft Account having Debit Balance	3.45	-
Bank deposits Maturity less than 12 Months	-	-
Bank deposits Maturity More than 12 Months	236.45	216.17
Total	255.74	218.73

2.18 SHORT TERM LOANS AND ADVANCES:

PARTICULARS	31st March 2025	31st March 2024
Unsecured Considered Good		
Others		
Advance to Creditors	603.70	277.17
Employee Advances	322.26	119.40
Loans & Advances to Related Parties	-	-
Loans & Advances to Others	203.19	579.59
Total	1,129.15	976.17

2.19 OTHER CURRENT ASSETS:

PARTICULARS	31st March 2025	31st March 2024
Balance With Statutory Authorities	208.31	274.64
Interest Accrued on Fixed Deposits	-	-
Total	208.31	274.64

VIRTUAL GALAXY INFOTECH LIMITED
(Formerly known as Virtual Galaxy Infotech Private Limited)

2.20 REVENUE FROM OPERATIONS:

(Fig in ₹ in Lakhs)

PARTICULARS	31st March 2025	31st March 2024
Sales of Goods and Services	11,130.11	5,696.86
Export Revenue	884.25	449.54
Total	12,014.35	6,146.39

2.21 OTHER INCOME :

PARTICULARS	31st March 2025	31st March 2024
Other Income	11.78	-
Interest Received	17.06	3.28
Profit on Sale of Shares	-	0.34
Foreign Exchange Gain / Loss	-	2.09
Total	28.85	5.70

2.22 COST OF MATERIAL CONSUMED :

PARTICULARS	31st March 2025	31st March 2024
Material Consumed		
Opening Stock Material	-	-
Purchase Of Material	4,619.79	2,003.57
Closing Stock Of Material	-	-
Total	4,620	2,004

2.23 CHANGES IN INVENTORIES OF STOCK IN TRADE:

PARTICULARS	31st March 2025	31st March 2024
Closing Stock at the end of the period	7.45	10.77
Less : Opening Stock at the beginning of the year	10.77	7.40
Total	3.32	(3.37)

2.24 EMPLOYEE BENEFITS EXPENSES:

PARTICULARS	31st March 2025	31st March 2024
Salaries, Allowances and other benefits	1,027.24	633.74
Contribution to Provident and other Funds	43.46	76.57
Total	1,070.70	710.31

2.25 FINANCE COSTS:

PARTICULARS	31st March 2025	31st March 2024
Finance Cost	246.87	216.87
Other Borrowing Cost	10.23	30.72
Total	257.10	247.59

VIRTUAL GALAXY INFOTECH LIMITED
(Formerly known as Virtual Galaxy Infotech Private Limited)

2.26 DEPRECIATION AND AMORTIZATIONS

(Fig in ₹ in Lakhs)

PARTICULARS	31st March 2025	31st March 2024
Depreciation	764.78	592.68
Amortizations	-	-
Total	764.78	592.68

2.27 OTHER EXPENSES:

PARTICULARS	31st March 2025	31st March 2024
<u>Direct Expenses</u>		
ATM Service Charges	1.35	12.37
Data Entry Charges	-	14.50
Domain Renewal Client	0.14	0.73
Technical Charges	60.49	87.11
Site Development Expenses	8.41	6.29
SMS Services	30.37	16.10
Total	100.76	137.09
<u>Indirect Expenses</u>		
Business Promotion Expenses	44.44	12.34
Electricity and Power Expenses	46.83	28.75
Gain/Loss on foreign exchange fluctuation	2.67	-
Indirect Taxes	6.09	3.58
Insurance Expenses	3.32	0.26
Internet and Telephone Charges	13.25	29.42
IPO Related Expenses	96.33	-
Legal & Professional Charges	70.16	42.85
Licence and Certifications	3.48	1.63
MIHAN SEZ Rent	53.09	-
Office Expenses	43.36	23.83
Parking Charges	2.64	-
Postage and Courier Expenses	0.96	4.14
Printing and Stationery	1.65	0.77
Penalties and Charges	11.74	-
Rent Expenses	28.78	9.06
Repair and Maintenance Expenses	22.41	2.14
ROC and Secretarial Expenses	12.44	1.61
Security Service Charges	1.98	0.44
SEZ Expenses	3.28	-
Travelling and Conveyance Expenses	218.12	78.14
Transportation Expenses	0.33	0.50
<u>Auditor Remuneration</u>		
a) Audit Fees	6.00	1.50
b) Taxation Matters	-	-
c) Company Law Matters	-	-
	693.33	240.93
Total	794.09	378.02

NOTE "2"- NOTES TO ACCOUNTS

Additional Disclosures

2.28 Contingent liabilities and commitments (to the extent not provided for)

(Fig in ₹ Lakhs)

Particulars	As on March 31st, 2025	As on March 31st, 2024
Income Tax –		
AY 2012-2013	15.12	15.12
AY 2014-2025	108.27	108.27
AY 2015-2016	-	3,608.71
(Company has filed the Appeal against the said demands)		
GST-		
FY 2018-2019	445.87	445.87
FY 2019-2020	449.32	449.32
FY 2020-2021	219.82	219.82
(Company has filed the Appeal against the said demands, The contingent liability of Rs. 3,608.71 lakhs for AY 2015–16 relates to an income tax order dated February 20, 2025 Was set aside, and remanded for reassessment. The liability remains unascertained pending fresh assessment as on the date of signing the report.)		

2.29 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(Fig in ₹ Lakhs)

Particulars	As on March 31st, 2025		As on March 31st, 2024	
	Principle	Interest	Principle	Interest
Principal amount remaining unpaid to any supplier as at the end of the accounting year;	Nil	Nil	Nil	Nil
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	Nil	Nil	Nil	Nil
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day;	Nil	Nil	Nil	Nil
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	Nil	Nil	Nil	Nil

(Note: The Company has not received any information from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006. Nonetheless, there are no amounts for a period beyond the stipulated period as specified under Micro, Small and Medium Enterprises Act, 06.)

2.30 Earnings per share (EPS)

Earnings per share is calculated in accordance with Accounting Standard 20 – “Earnings per share”, notified by the Companies (Accounting Standards) Rules, 2006.

(Fig in ₹ Lakhs)

Particulars	As on March 31 st , 2025	As on March 31 st , 2024
Profit available for share holders	3,211.83	1,605.14
Number of equity shares – Basic	1,82,98,635	1,10,00,160
Weighted average no. of equity shares – Basic	1,67,97,417	1,10,00,160
Earnings per share – Basic/Diluted	17.55	14.59

(The Company does not have any dilutive potential equity shares. Consequently the basic and diluted earnings per share of the Company remain the same.)

2.31 Capital-Work-in Progress (CWIP)

- Tangible Asset CWIP aging schedule

(Fig in ₹ Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Tangible CWIP	4,092.15	-	-	-	4,092.15
Total	4,092.15	-	-	-	4,092.15

- Intangible Asset CWIP aging schedule

(Fig in ₹ Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Intangible CWIP	720.92	-	-	-	720.92
Total	720.92	-	-	-	720.92

Statement of Related Party & Transactions :

2.32 List of Related Parties where Control exists and Relationships:

Sr. No	Name of the Related Party	Relationship
1	Avinash N Shende	Executive Director & Chief Financial Officer
2	Sachin P Pande	Managing Director
3	Anjali Padhye	Company Secretary
4	Sampada Pande	Spouse of the Director
5	Shilpa Shende	Spouse of the Director
6	Virtual Galaxy Insurance Brokerage Pvt Ltd*	Subsidiary Company
7	Paynext Private Limited	Enterprises over which parties listed in have significant influence and transactions are carried out during the year.
8	Virtual Galaxy Fintech Private Limited	Enterprises over which parties listed in have significant influence and transactions are carried out during the year.

2.33 Transactions with the Related Parties and the closing balances at the end of the reporting period :

(Fig in ₹ in Lakhs)

Transactions during the year:	For the Year/ Period Ended on	
	March 31, 2025	March 31, 2024
Salary Paid		
Avinash N Shende	120.00	49.22
Sachin P Pande	120.00	49.22
Shilpa Shende	18.00	15.24
Sampada Pande	18.00	15.24
Anjali Padhye	14.85	10.34
Loan Repaid to Directors		
Avinash N Shende	36.17	63.67
Sachin P Pande	16.33	36.17
Sampada Pande	-	50.17
Shilpa Shende	-	50.17
Loan Received from Directors		
Avinash N Shende	-	111.88
Sachin P Pande	-	52.50
Sampada Pande	-	36.17
Shilpa Shende	-	36.17
Purchases (Revenue and Capital Purchases)		
Paynext Private Limited (Capital)	-	-
Paynext Private Limited (Revenue)	654.87	287.37
Virtual Galaxy Fintech Private Limited (Capital)	992.48	1,423.58
Virtual Galaxy Fintech Private Limited (Revenue)	731.15	60.92
Sales		
Paynext Private Limited	821.26	432.30
Virtual Galaxy Fintech Private Limited	180.30	-

(Figures shown above are exclusive of GST and TDS.)

(Fig in ₹ in Lakhs)

Outstanding Balance (Receivables)/Payable	For the Year/ Period Ended on	
	March 31, 2025	March 31, 2024
Loan Balance		
Avinash Shende	90.04	126.21
Sachin Pande	-	16.33
Sampada Pande	-	-
Shilpa Shende	-	-
Trade (Receivable)/Payable		
Paynext Private Limited - Trade Payable	4.20	655.28
Paynext Private Limited - Trade (Receivable)	(1,032.07)	(145.12)
Virtual Galaxy Fintech Private Limited - Trade Payable	8.77	499.81
Virtual Galaxy Fintech Private Limited - Trade (Receivable)	-	-
Other Balances		
Virtual Galaxy Insurance Broker Pvt. Ltd.	-	(52.50)
Virtual Galaxy Fintech Private Limited	-	-
Paynext Private Limited	807.00	-

2.34 Trade Receivable – Ageing Schedule –

(Fig in ₹ Lakhs)

Particulars	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed						
Trade receivables - Considered good	2,189.58	39.02	-	-	-	2,228.60
Trade receivables - doubtful debt	-	-	-	-	-	-
Disputed						
Trade receivables - Considered good	-	-	-	-	-	-
Trade receivables - doubtful debt	-	-	-	-	-	-
TOTAL	2,189.59	39.02	-	-	-	2,228.60

2.35 Trade Payable – Ageing Schedule –

(Fig in ₹ Lakhs)

Particulars	Less Than 1 Years	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	402.21	29.48	-	-	431.69
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
TOTAL	402.21	29.48	-	-	431.69

2.36 The Company has not generally called for confirmation from Trade payables, Trade receivables, unsecured loans, Loans and advances, deposit from parties/deposit with the parties etc. Management has however, Confirmed that these accounts are scrutinized and that these are current and are recoverable and payables.

2.37 The company has converted from Private Limited to Public Limited during the reporting period and was listed on 19th of May 2025, on National Stock Exchange's Emerging Platform subsequent to the reporting period.

2.38 The Earnings per Share (EPS) figure provided in this report is calculated for a sixmonth period. This metric is derived by dividing the net income available to common shareholders by the weighted average number of shares outstanding during this timeframe.

2.39 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure under Schedule III of the Companies Act 2013.

2.40 Amounts in the financial statements are rounded off to the lakhs.

Sr. No.	Ratio	Numerator March 2025	Denominator March 2025	Numerator March 2024	Denominator March 2024	Current Period	Previous Period	% Variance	Reason for variance
a)	Current ratio	3,829.24	3,123.75	3,983.94	3,014.07	1.23	1.32	(7.26%)	NA
b)	Debt-equity ratio	3,972.54	9,319.14	4,574.35	4,356.84	0.43	1.05	(59.40%)	Variance due to Increase in Share holders fund due to Equity & Bonus issue.
c)	Debt service coverage ratio	5,555.30	148.53	3,063.56	214.94	37.40	14.25	162.42%	Variance due to changes in Profits before tax.
d)	Return on equity ratio	3,211.84	6,837.99	1,605.14	3,554.27	0.47	0.45	4.01%	NA
e)	Inventory turnover ratio	12,014.35	9.11	6,146.40	9.08	1,319.10	676.84	94.89%	Variance due to changes in turnover in the Current reporting period.
f)	Trade receivables turnover ratio	12,014.35	2,366.12	6,146.40	2,415.70	5.08	2.54	99.57%	Variance due to changes in turnover in the Current reporting period.
g)	Trade payables turnover ratio	4,619.79	751.74	2,003.57	991.76	6.15	2.02	204.20%	Variance due to better cash management practices, allowing it to pay suppliers more promptly.
h)	Net capital turnover ratio	12,014.35	705.49	6,146.40	969.87	17.03	6.34	168.72%	Variance due to decrease in Net Current Assets.
i)	Net profit ratio	3,211.84	12,014.35	1,605.14	6,146.40	0.27	0.26	2.37%	NA
j)	Return on capital employed	4,790.52	13,291.68	2,470.89	8,220.80	0.36	0.30	19.91%	NA
k)	Return on investment	3,211.84	9,319.14	1,605.14	4,356.84	0.34	0.37	(6.45%)	NA

Notes:

- For Debt-equity ratio (Total Debt/Shareholder's equity)** : Debt includes long term borrowings and short term borrowings and shareholder's equity includes share capital and reserves & surplus as on 31st March 2025.
- For Debt service coverage ratio (Earnings available for debt service/Debt Service)** : Earnings Available for Debt service includes Profit before taxes increased by depreciation and Finance cost excluding finance charges and debt service includes Finance cost excluding finance charges and includes principal repayment on loans availed.
- For return on equity ratio (Net Profit after taxes/ Average shareholder's equity)** : Average shareholder's equity is average of opening and closing of summation of share capital and reserves & surplus.
- For inventory turnover ratio (Sales/ Average inventory)** : Sales includes net revenue from operations excluding duty drawback and average inventory is average of opening & closing inventory.
- For trade receivables turnover ratio (Sales/ Average trade receivables)** : Sales includes net revenue from operations excluding duty drawback and average trade receivables is average of opening and closing trade receivables.
- For trade payables turnover ratio (Purchases/Average trade payables)** : Purchases includes purchases during the year and average trade payables is average of opening and closing trade payables.
- For net capital turnover ratio (Sales/ Average working capital)** : Sales includes net revenue from operations excluding duty drawback and average working capital is current assets less current liabilities.
- For return on capital employed (Earnings before interest and taxes/Capital employed)** : Earnings before interest and taxes includes profit before tax increased by finance cost excluding finance charges and capital employed includes share capital & reserves and surplus as increased by debt and deferred tax has been reduced from the derived figure.
- For return on investment (Net Profit after taxes/ Average shareholder's equity)** : Average shareholder's equity is average of opening and closing of summation of share capital and reserves & surplus.

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