

# VL E-GOVERNANCE & IT SOLUTIONS LIMITED

(Formerly Vakrangee Logistics Private Limited)

"Vakrangee Corporate House" | Plot No. 93 | Road No.16 |  
M.I.D.C. Marol | Andheri (East) | Mumbai-400093 | Maharashtra | India |  
Phone No. 022 67765100 | E-mail:- [info@vlegovernance.in](mailto:info@vlegovernance.in) |  
Web:- <https://vlegovernance.in/> | CIN:- L74110MH2016PLC274618

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Date: 15/05/2025

To,

<b>Department of Corporate Relationship BSE Ltd.</b> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400001	<b>Corporate Relationship Department National Stock Exchange of India Ltd.</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400051
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Dear Sir/Madam,

**Sub.: Monitoring Agency Report for the quarter ended March 31, 2025.**

**Ref.:** Scrip Code – 543958/VLEGOV

Pursuant to the Regulation 32(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 162A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, enclosed herewith is the Monitoring Agency Report for the quarter ended March 31, 2025 issued by CARE Ratings Limited, Monitoring Agency for the utilisation of the proceeds raised through preferential issue.

The aforesaid information is also being made available on the website of the Company at <https://vlegovernance.in/>.

Kindly acknowledge its receipt.

Thanking you,  
For **VL E- Governance & IT Solutions Limited**

**Nilesh Champalal Wadode**  
**Company Secretary & Compliance Officer**  
**ACS: 73702**

Encl.: A/a

# Monitoring Agency Report



**No. CARE/HO/GEN/2025-26/1015**

**The Board of Directors**

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

Plot No. 93, Vakrangee Corporate House,  
Road No. 16, MIDC Marol,  
Andheri (East), Mumbai,  
Maharashtra, 400093

May 15, 2025

Dear Sir/Ma'am,

**Monitoring Agency Report for the quarter ended March 31, 2025 - in relation to the Preferential Issue of VL E-Governance & IT Solutions Limited ("the Company")**

We write in our capacity of Monitoring Agency for the Preferential Issue for the amount aggregating to Rs.400.99 crore of the company and refer to our duties cast under Regulation 162A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended 03/31/2025 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated 02/25/2024.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully

A handwritten signature in blue ink, appearing to read "Ashish A Kambli".

**Ashish A Kambli**

Associate Director

[Ashish.K@careedge.in](mailto:Ashish.K@careedge.in)

**Report of the Monitoring Agency**

Name of the issuer: VL E-Governance & IT Solutions Limited

For quarter ended: March 31, 2025.

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: NIL

(b) Range of Deviation: NIL

**Declaration:**

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have a credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature: 

Name of the Authorized Signatory: Ashish A Kambli

Designation of Authorized person/Signing Authority: Associate Director

### 1) Issuer Details:

Name of the issuer	: VL E-Governance & IT Solutions Limited
Name of the promoter	: Vakrangee Holdings Private Limited; NJD Capital Private Limited; Dinesh Nandwana; Dinesh Nandwana HUF
Industry/sector to which it belongs	: IT - Software

### 2) Issue Details

Issue Period	: 18 months from date of allotment
Type of issue (public/rights)	: Share warrants issued to Non-Promoter Category
Type of specified securities	: Warrants convertible into equity shares
IPO Grading, if any	: Not applicable
Issue size (in crore)	: Rs. 630 crore (Note 1)

### Note 1:

The company offered 8,40,00,000 fully convertible share warrants, each convertible into 1 (One) Equity Share of face value of Rs. 10/- (Rupees ten Only) to the Non-Promoter group, on preferential basis, in one or more tranches, at an issue price of Rs 75/- (Rupees Seventy-five Only) each, for an aggregate amount of up to Rs.630 crore. Out of which subscription amount (25% of Rs.75) was received for 5,34,65,600 share warrants aggregating amount to Rs. 400.99 crore. Further, the company issued 25,00,000 equity shares to the two non-promoter investors who had also paid the balance 75% of the amount for conversion of warrants into equity shares aggregating to Rs.14.06 crore.

### 3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Chartered Accountant certificate*, Bank statements, Confirmation from Counterparty and FD receipts	The funds have been utilized in line with the objects during the quarter. However, majority of funds have been utilized for the payments to the related parties.	Nil
Whether shareholder approval has been obtained in case of material	Not applicable	Not applicable	Not applicable	Nil

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
deviations# from expenditures disclosed in the Offer Document?	e			
Whether the means of finance for the disclosed objects of the issue have changed?	Yes	Not applicable	The issue size has reduced from Rs.630.00 crore to Rs.400.99 crore due to undersubscription.	Nil
Is there any major deviation observed over the earlier monitoring agency reports?	No	Not applicable	No deviation except for the undersubscription of the issue.	Nil
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes	Approval letter from NSE and BSE	In Principal Approvals of NSE and BSE received on January 02, 2025.	Nil
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	Nil
Are there any favorable/unfavorable events affecting the viability of these object(s)?	Yes	Not applicable	Undersubscription in the issue may affect the viability of the objects.	Nil
Is there any other relevant information that may materially affect the decision making of the investors?	Yes	Financials of the company, Announcements on the exchange, Chartered Accountant Certificate*	<p><b>Contractual Assets Written Off:</b> During FY24, the company had written off the unbilled revenue of Rs. 162.30 crore related to a project of software development and technical support which was not certified by the vendor.</p> <p><b>Shareholding Pattern:</b> Promoter's holding diluted from 33.16% (pre-preferential issue) to 23.24% (March 31, 2025), with a post-warrant conversion expected to dilute to 15.81%.</p> <p><b>Receivables &amp; Advances:</b> As of March 31, 2024, trade receivables are Rs. 1,159.12 crore</p>	<p><b>Contractual Assets Written Off:</b> The write off is related to FY 2024 and same is duly disclosed in the Financials of the company. The investors have been aware of the same since the subscription of Preferential issue.</p> <p><b>Shareholding Pattern:</b> The dilution is with respect of new issue of shares on preferential basis. The investors have been aware of the same since the subscription of Preferential issue.</p> <p><b>Receivables &amp; Advances:</b> The Receivables &amp; Advances are related to</p>

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
			<p>out of which Rs.811 crore is outstanding for more than three years and advances to vendors are Rs. 1,327.57 crore, primarily linked to E-Governance and IT/ITES businesses.</p> <p><b>Management Changes:</b> There has been a change in the board of directors with the inclusion of new directors. Also, demise of promoter Mr. Dinesh Nandwana led to appointment of Mr. Sanjay Nandwana as MD, and Mr. Nishikant Hayatnagarkar as Chairman.</p> <p><b>Share price volatility:</b> The share price declined by 20% since the preferential issue announcement and 75% from its peak. The current price of Rs.48.45 as on April 30, 2025 is lower than warrant exercise price of Rs.75.</p>	<p>E-Governance and IT/ITES businesses and same is duly disclosed in the Financials of the company. The investors are been aware of the same since the subscription of Preferential issue.</p> <p><b>Management Changes:</b> The passing of our promoter, Chairman and Managing Director, Mr. Dinesh Nandwana marks a profound moment in company's journey. The demise of Mr. Dinesh Nandwana, led to appointment of Mr. Sanjay Nandwana as MD, and Mr. Nishikant Hayatnagarkar as Chairman. Their experience and united commitment to drive the company to the next level of growth. With experienced independent Directors, the Board of Company is dynamic in nature.</p> <p><b>Share price volatility:</b> The movement in Company's share price is purely due to market conditions and apparently market driven on which the Company neither has any control. Therefore, it shall not affect the decision making of the investors.</p>

\*Chartered Accountant certificate from B K G & Associates dated May 05, 2025

Where material deviation may be defined to mean:

- Deviation in the objects or purposes for which the funds have been raised
- Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.



#### 4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of firm arrangements made
1.	Execution of Large-scale e-Governance projects	As per Notice of Postal Ballot^, Management Confirmation, Board Resolution for revision in cost of objects & and Chartered Accountant Certificate*	50.00	30.00	Undersubscription by the allottees		Nil	
2.	Expansion of business		100.00	50.00				
3.	Repayment of Unsecured Loans/Creditors		70.00	70.00				
4.	Strategic Investment		150.00	75.00				
5.	Working Capital for existing & new projects		103.00	75.99				
6.	General Corporate Purpose		157.00	100.00				
TOTAL			630.00	400.99				

<sup>^</sup> Sourced from page 18 of the postal ballot notice.

\*Chartered Accountant certificate from B K G & Associates dated April 26, 2025.

&Board resolution for revision in cost of object.

(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Revised cost in Rs. Crore #	Total amount raised till Q4FY25	Amount utilized in Rs. Crore			Total unutilized amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
						As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Execution of Large-scale e-Governance projects	As per Postal Ballot Notice, Management Confirmation	50.00	30.00	114.31	0.00	0.00	0.00	44.09	-	Nil	

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Revised cost in Rs. Crore #	Total amount raised till Q4FY25	Amount utilized in Rs. Crore			Total unutilized amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
						As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
		and CA Certificate*									Nil	
2	Expansion of business	As per Postal Ballot Notice, Management Confirmation and CA Certificate*	100.00	50.00		0.00	0.00	0.00		-		
3	Strategic Investment	As per Postal Ballot Notice, Management Confirmation and CA Certificate*	70.00	75.00		0.00	0.00	0.00		-		
4	Working Capital for existing & new projects	As per Postal Ballot Notice, Management Confirmation and CA Certificate*	150.00	75.99		0.00	0.00	0.00		-		
5	Repayment of Unsecured Loans/Creditors	Confirmation from the Counterparty, Bank Statement, Management Confirmation and CA Certificate*	103.00	70.00		0.00	67.21	67.21		Payment of payables to related party Vakrangee Limited (Rs.16.12 crore)^ and repayment of unsecured loan to related party Vakrangee		



Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Revised cost in Rs. Crore #	Total amount raised till Q4FY25	Amount utilized in Rs. Crore			Total unutilized amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
						As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
										Finserve Limited (Rs.51.09 crore)^.		
6	General Corporate Purpose	Board Resolution <sup>§</sup> , Invoices, Bank Statement, Management Confirmation and CA Certificate*	157.00	100.00		0.00	3.01	3.01		Payment made towards general expenses, TDS, Salaries and purchase of Fixed Assets.		
<b>Total</b>			<b>630.00</b>	<b>400.99</b>	<b>114.31</b>	<b>0.00</b>	<b>70.22</b>	<b>70.22</b>	<b>44.09</b>			

#The revision in the cost was due to under-subscription and the same has been approved by passing a board resolution.

\*Chartered Accountant certificate from B K G & Associates dated April 26, 2025.

^ Confirmation received from Vakrangee Limited (Group company with common promoters) and Vakrangee Finserve Limited (Group company with common promoters).

§Board Resolution passed for the purchase of Fixed Assets through GCP.

(iii) Deployment of unutilized proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested* (Rs. Crore)	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
1	FDs of Kotak Mahindra Bank	5.00	28-01-2026	-	7.35%	5.00
2	FDs of Kotak Mahindra Bank	5.00	28-01-2026	-	7.35%	5.00
3	FDs of Kotak Mahindra Bank	5.00	28-01-2026	-	7.35%	5.00
4	FDs of Kotak Mahindra Bank	5.00	28-01-2026	-	7.35%	5.00
5	FDs of State Bank of India	5.00	22-01-2026	-	7.50%	5.00
6	FDs of State Bank of India	5.00	22-01-2026	-	7.50%	5.00
7	FDs of State Bank of India	5.00	22-01-2026	-	7.50%	5.00
8	FDs of State Bank of India	5.00	22-01-2026	-	7.50%	5.00
9	FDs of Union Bank of India	1.00	21-04-2026	-	7.30%	1.00

Sr. No.	Type of instrument and name of the entity invested in	Amount invested* (Rs. Crore)	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
10	FDs of Union Bank of India	1.00	21-04-2026	-	7.30%	1.00
11	FDs of Union Bank of India	1.00	21-04-2026	-	7.30%	1.00
12	Monitoring Account with UBI	1.09#	-	-	-	1.09
<b>TOTAL</b>		<b>44.09</b>				<b>44.09</b>

\*Verified from FD receipt from UBI, SBI, and Kotak Mahindra Bank, Dedicated monitoring account statement of Union Bank of India, Bank Statements of Kotak Mahindra Bank and SBI and Chartered Accountant certificate from B K G & Associates dated April 26, 2025.

#The balance as of March 31, 2025 stood at Rs. 1.12 crore out of which Rs.0.03 crore relates to interest received from FDs.

(iv) Delay in implementation of the object(s):

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Execution of Large-scale e-Governance projects	To be utilized within 12 months from the receipt of the funds.	On going	Not applicable	Nil	
Expansion of business		On going			
Repayment of Unsecured Loans/ Creditors		January 17, 2025 and February 18, 2025	No delay		
Strategic Investment		On going	Not applicable		
Working Capital for existing & new projects		On going	Not applicable		
General Corporate Purpose		On going	Not applicable		

**5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:**

Sr. No	Item Head^	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	Salaries/Remuneration and Director sitting fees of the Company	0.54	Salary voucher details, Bank Statement, Management confirmation, CA Certificate*	Utilized towards salaries and sitting fees of directors during the quarter under reporting	Nil
2	General expenses of the Company	0.24	Invoices, Bank Statement, Management confirmation, CA Certificate*	Utilized towards professional fees paid and advertising expenses paid during the quarter under reporting	
3	Rates and Taxes of the Company	0.24	TDS Challans, Bank Statement, Management confirmation, CA Certificate*	Utilized towards TDS on Salary paid by the company during quarter under reporting.	
4	Purchase of Fixed Assets	1.99	Board resolution for the purchase of the same through GCP#, Agreement for purchase of properties, invoice pertaining to advance paid for purchase of vehicle, Bank Statement, Management confirmation, CA Certificate*	Utilized towards purchase of properties and vehicle during the quarter under reporting.	
	<b>Total</b>	<b>3.01</b>			

\*Chartered Accountant certificate from B K G & Associates dated April 26, 2025.

#Board Resolution had been passed for the purchase of Fixed Assets through GCP.

^ Section from the offer document related to GCP:

“Up to 25% (twenty five percent) of the Issue Proceeds will be utilized for general corporate purposes, which includes, inter alia, meeting ongoing general corporate exigencies and contingencies, expenses of the Company as applicable in such a manner and proportion as may be decided by the Board from time to time, and/or any other general purposes as may be permissible under applicable laws”



**Disclaimers to MA report:**

- a) This Report is prepared by CARE Ratings Limited (hereinafter referred to as **"Monitoring Agency/MA"**). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.
- b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.
- c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.
- d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.
- e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.