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Date: 01st December 2025

To,
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051

Symbol: VGINFOTECH
ISIN: INE0VRH01015

Subject: Submission of Transcript of Investor(s)/ Analyst(s) Call

Dear Sir/Madam,

Pursuant to Regulation 30, read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and further to our earlier intimation regarding the Investor(s)/ Analyst(s) call of the Company scheduled to be held on Friday, November 28, 2025 at 12.30 p.m., we hereby inform you that below is the transcript of the Investor(s)/ Analyst(s) call held on November 28, 2025 at 12.30 p.m.

The transcript is also available on the Company's website at - https://www.vgipl.com/investors_info/investor-analyst-meet.

This is for the information of the Exchange and the Members.

Thanking you,

For **Virtual Galaxy Infotech Limited**

ANJALI VINAY PADHYE
Digitally signed by ANJALI VINAY PADHYE
Date: 2025.12.01 16:22:42 +05'30'

Anjali Vinay Padhye
Company Secretary & Compliance Officer

Transcript of Virtual Galaxy Infotech Limited
H1 FY'26 Earnings Conference Call
November 28, 2025

Moderator: Good afternoon, ladies and gentlemen and welcome to the Earnings Conference Call for H1 FY'26 of Virtual Galaxy Infotech Limited that is VGIL.

Virtual Galaxy Infotech Limited, founded in 1997 and headquartered in Nagpur by two visionary first-generation technocrats, is a next-generation technology powerhouse delivering a comprehensive suite of hybrid SaaS products, AI-driven platforms, cloud-native enterprise solutions across banking, BFSI, fintech, ERP, cyber security, and e-governance domains, with a robust product ecosystem including the eBanker Core Banking Solution, V-Pay Unified Digital Payments Platform, IBS ERP Suite, Cyber Sentinel, SIEM, and security operations, digital identity verification, conversational AI platforms such as Virtual VANI, and advanced e-governance solutions like e-autopsy and e-APMC, VGIL empowers institutions to modernize operations, enhance compliance, and scale securely. Its cloud-ready architectures, API layer integrations, AI ML automation, advanced analytics, and real-time digital transaction capabilities position VGIL as a leading innovator building future-ready digital infrastructure for banks, governments, and enterprises.

Let us begin with the introduction of the Management Team. VGIL is guided by two highly accomplished technocrats, Mr. Avinash Shende – Chairman, Executive Director and CFO, and Mr. Sachin Pande – Managing Director and CTO, each bringing over three decades of deep domain expertise in banking technology, enterprise systems, and digital transformation. Both leaders hold a B.E. in Computer Technology and an MBA in Information Technology, complemented by the prestigious Postgraduate Certificate Program in Senior Management from IIM Nagpur. Their strong academic foundation, combined with hands-on experience in architecting scalable platforms, managing large technology teams, and driving long-term product innovation, forms the strategic backbone of VGIL's sustained growth and global expansion. Their vision, disciplined governance approach, and commitment to building future-ready AI and cloud-led solutions continue to position VGIL as a trusted and resilient technology partner for the BFSI, FinTech, e-governance, and enterprise sectors.

We have with us today Mr. Avinash Shende – Promoter, Chairman and Executive Director and CFO, Mr. Shende, Overseas Operations and Finances at Virtual Galaxy Infotech. At this moment, all participants are in the listen-only mode. Later, we will conduct a question-and-answer session. At that time, you may click on the Q&A tab to ask a live question. Please note that this conference is being recorded.

I would now like to request Mr. Avinash Shende – Promoter, Chairman and Executive Director and CFO to give his opening remarks. Over to you, sir.

Avinash Shende: Thank you. Good afternoon, everyone. And thank you for joining the Virtual Galaxy Infotech Limited's H1 2026 Earnings Conference Call. I extend a warm welcome to all our shareholders, analysts, institutional participants, and prospective investors who have joined us today. Your presence and continued support inspire us to keep rising our standards of performance, innovation, and transparency.

VGIL, founded in 1997 and headquartered in Nagpur, has grown into a next-generation technology enterprise, delivering hybrid SaaS platform, AI-driven solutions, and cloud-native products across banking, BFSI, FinTech, ERP, cyber security, government tech, and e-governance domains. Our enhanced product ecosystem, which includes e-bankers, V-Pay, e-LOS, e-LMS, cyber security, IBS-ERP, digital identity verification platforms, audit flux in-flow, transact-flow, conversational AI, named as virtual wine, and government platforms such as e-autopsy and e-APNC, support financial institutions, government departments, and enterprises in driving digital transformation and operating securely at a scale.

Let me now take you through our performance for the first half of 2026, along with our financial progress compared with the previous periods:

For easy insight, all figures are expressed in Rupees, Crores for the clarity. For the period ended 30 September 2025, we have recorded a revenue from operations of INR 86.13 crores, representing a strong growth compared to revenue levels of September 2024, which were INR 71.61 crores, reflecting 20.27% year-on-year growth. The growth has been driven by the consistent traction in our CBS implementation across cooperative banks, rise in SaaS adoption, and increased export, particularly from the new markets. For the full year ended 31 March 2025, we delivered outstanding revenue from operations of INR 120.14 crores, nearly doubling the previous year's revenue base, demonstrating a scalability of our product-led model. Our profitability profile continues to be exponentially strong, exceptionally strong. For H1 2026, we have reported EBITDA of INR 38.82 crores, compared to INR 30.80 crores since October 2024, representing 26.04% growth and maintaining a healthy EBITDA margin of 45.07%. On the bottom line, our PAT for the reporting period stood at INR 22.02 crores, compared to INR 19.13 crores in September 2024, delivering 15.11% year-on-year growth. For the full year ended 31 March 2025, PAT was INR 32.12 crores, with an EBITDA of INR 55.55 crores, reflecting the durable strength of our business model. Our margins for H1 2026 remain robust with the PAT margin at 25.57%, and return on ratios ROE at 15.18% and ROCE at 16.34% continue to reaffirm our capital efficiency.

One of the notable achievements this year has been the significant expansion of our network. Shareholders fund increased from INR 80.21 crores in September 2024. So, I was saying that the most notable achievement which was that the significant expansion of the network. Shareholder funds has been increased from INR 80.21 crores in September 2024 to INR 196.87 crores in September 2025, making an impressive 155.44% growth in the shareholders' wealth in just 12 months supported by a strong profitability and our successful IPO transition to NSE

Emerge in May 2025. This reflects not only business strength, but also investors' confidence in our long-term vision.

Our revenue diversification also remains strong. For the half year, domestic sales contributed 76.25 crores, which is 88.53%, while export contributed 9.88 crores, which is 11.47%, indicating accelerated international expansion with the traction in UAE, Tanzania and Malawi.

Let me also share some important corporate governance developments approved by the board. In significant step towards announcing transparency, the board has voluntarily adopted quarterly financial reporting:

Although SME listed entities are required to report only half yearly, this is a forward-looking measure that aligns us with the transparent governance practices. The board also adopted a dividend distribution policy, reinforcing our principles of disciplined capital allocation and equitable shareholders' rewards. And as further declared a 10% interim dividend i.e. Rs 1 per equity share of face value Rs 10. For H1 2026, the dividend declaration reflects our strong financial performance and commitment to shareholders' value. Additionally, the board approved the engagement of Fortuna Public Relations Private Limited as our public relations and investor relations media support service agency, ensuring better transparency and communication with all stakeholders. The board also approved purchase of office in Pune.

As we look ahead, our strategic focus remains firmly aligned with expanding our presence across India, Africa and GCC region. Accelerating innovation in AI, cloud netting systems, cyber security, data analytics and strengthening our hybrid SaaS revenue base. We will continue to prioritize scalable product development, robust governance, strong operating discipline and long-term value creation for our shareholders.

To sum up, VGL has delivered a strong and broad-based performance in H1 FY'2026, supported by a healthy growth, resilient margins, expanding balance sheet strength, strategic investment and improved governance standards. We are confident that our portfolio, combined with disciplined execution and strong demand visibility, position us for accelerated growth in second half of 2026 and beyond.

Thank you for your time, trust, confidence and continued support. Now we will run through a presentation of Virtual Galaxy Infotech Limited.

So, Virtual Galaxy was established in 1997 by myself and Sachin Pandey. We were the first generation entrepreneur. Then we have listing in May 2025. We have innovative solutions like V-Pay, which is a comprehensive digital payment platform, along with cyber security, conversational AI and secure AI, which is more focused on AI first company. We have core offerings like e-governance solutions, government clients in various states, while specializing in banking, fintech and ERP sectors, serving a diverse portfolio into clients.

With respect to financial growth in 2024-2025, the revenue reaching to INR 120 crores, which is just double the previous year's revenue, and now we are at INR 86.13 crores for this half year.

We have expanded our reach within the 20 states of India, Africa, Asia Pacific and GCC. At present, we have a team of 400 employees. VGIL continues to strengthen its innovation and execution capabilities by consistently adding technical professionals and talented professionals.

This is some snapshots of our IPO listing on NSE Emerge. This is a clear-cut vision to empower business globally with innovative, scalable and secure IT solutions, transforming the way they operate and driving the digital experience for a smarter, more connected future. Our mission is to deliver cutting-edge IT solutions that drive operational efficiency, enhance customer experience and foster business growth. We are committed to providing reliable, tailored technology services that empower organizations to thrive in a fast-evolving digital landscape, while ensuring the highest level of quality, security and customer satisfaction. Our values are innovation at the core. We are an innovative company. We focus more on our R&D, integrity and trust. Our clients are always with us. Whenever they come, they never turn up because we provide them integrity, trust and a good quality service. Our products are customer-centric, easy to understand and we understand the customer's needs and then customize our products accordingly to the customer's needs. Our team is very collaborative and we believe in teamwork. Company is very sensitive about social responsibility and adaptability.

This is about myself and Sachin Pande. We both are the co-founders. Sachin and myself are classmates and after engineering, we started this company in 1997. We have around 30 plus years of experience in IT domain. With expertise, myself and Sachin both have B.E. Computer and MBA and now Senior Management Certificate Program from IIM Nagpur as well along with all experience with the Virtual Galaxy only.

This is our very diversified and professional board where Bhanupriya Thakur, she is company secretary and having more than 10 years' experience and working with the Nagpur Smart City, Corporations and various clients. Mr. Ayush holds LLB degree and he works at the High Court of Maharashtra and Goa. Then Mr. Jaideep Pawar who is seasoned professional with over 25 year's experience in sales, business development and strategic growth within the BFSI sector. He holds Bachelor Degree in Engineering from Pune University and also did his management from Harvard Business School. Then we have non-executive director Mr. Asit Oberoi who is experienced regional leader and demonstrated experience in banking industry across multiple roles like CFO, COO and Head of Transaction Banking across the Bank of America, Standard Chartered Bank, Fidelity Investment and Yes Bank. The recent role had been the COO at Head of Transaction Banking at Yes Bank. His back profession is a Chartered Accountant and member of Institute of Chartered Accounts in India since 1990. This is very diversified and qualified board which we have. They always guide us for the progress of the company.

This is our middle management team where Anjali, she look after for all company secretarial matters and compliances matter. Mr. Harshajit Deshmukh, he looks after all domestic business. Mr. Bharat Zade who is Director – Operations and Digital Transformation Business. Mr. Ninad Mehra who is Director – International Business looking after all international business for the Virtual Galaxy. Mr. Alhad Hardas – Director (Banking Domain). He is a seasoned banker and has a deep knowledge in banking industry. Mr. Sachin Burghate – Director (Technical). He has around 20 years of experience in technology. Mr. Satish Kukde – Principal Database Architect. He is also having similar kind of experience. Mr. Pankaj Muneja – Senior Vice President (Business development), domestic and international both. Mr. Anil Katole, Senior Vice President Products, he look after the various products in the organization.

These are some recent awards which we received like Asia Leadership Award, Global FinTech Award, Best Regulatory Reporting Core Banking Solution Award. Leader in Cyber Security Innovation for BFSI sector. Tech Pioneer in Conversational Banking. Best Integrated ERP Solution for Sugar Industry. Leading IT Solution Provider for the Year. Best in Class RegTech Solutions. Best Innovation in Core Banking Solutions. Outstanding Achievement in Financial Technology Advancement. Information Technology and Artificial Intelligence, recently we got few days back at Kazakhstan, Almaty. These are few awards which we received recently which shows that our product and shows our capability that how we are going further. These are some of the certifications which required for maintaining the quality and all these things like ISO 27, ISO 9000, ISO 23000 and CMM level etcetera.

So, why Virtual Galaxy is basically domain expertise and strong management team. Myself and Sachin, we both bring more than 60 years of experience together in technology, artificial intelligence, machine learning, software development, system management, networking, database and other things. Our team, very dedicated team of 400 plus professional supports various projects combining the experience with the agility and guided professional execution with the exceptional vision and dedication. Our products are globally scalable so we can pitch the product over the globe easily. Right now we are focusing on Africa and GCC region and we have presence in Tanzania, Malawi, Ethiopia and the UAE as well. So, we are looking at that region because Africa is a very virgin market where we have lot of opportunities and also margins are high while we are doing the business for export.

This is a very short financial profile, more than 28 years of business, more than 180 plus clients, 400 plus employees, 13 plus solutions. Virtual Galaxy has more than 13 plus product pool which has all IPs and all these things because Virtual Galaxy is a product based company, which already I have run through when I was speaking.

So, these are some snapshot of Virtual Galaxy's overseas banking project. More than 13 overseas banking project has been done. Now five World Bank projects we have done. We have two state cooperative banks, 70 plus urban cooperative bank, 11 district central cooperative bank as a client. 50 plus ERP project for various industries including sugar and solvents and 15

plus government projects for mainly for the government of Maharashtra and we are trying to now expand into various states with respect to government projects as well. These are some empanelments through which we are getting the order where we lack of qualification and other eligibility criteria. We take the help of all these PSUs to build into the system and get the orders from with the help of them.

These are the technology partners which technology we use like Oracle as a backend, Microsoft other things, Red Hat as operating system. TAfrhe cloud partners like Yotta, AWS, Merchitang etcetera. Hardware like networking products Cisco, Leno, Hewlett-Packard, Fortinet for firewalls and switches etcetera. We have entire technology which has been present in our company. We have all the gamut of technology, the latest we can speak like scripting languages, Python and other we can say AI related requirement has been there including all from legacy to the new technology.

This is the latest product pool which we have like eBanker which is a core banking solution, eLos which is a loan origin system, V-Pay payment solution platform, IBS is the ERP solution, Cyber Sentinel is a cyber security product, digital identity verification platform, eAutopsy for the government department where autopsy happens. Then eAPMC is a agriculture trading platform which has been installed in various APMCs in Maharashtra. VGST then we have AI based surveillance system, CRM, AI based conversational AI that is Virtual VANI. Then for banking Audit Plus, FinFlow, and Transact World, these are the various products which we have, which strengthen our company's product portfolio and we can cater all the requirement of the clients with respect to BFSI and government and other industries.

This is a typical geographic presence within India. We have presence in 20 states of India along with Eastern Africa and now with UAE.

These are our major clients like World Bank Project, Reserve Bank of Malawi is our client, SMART is a World Bank Project, NACP is a World Bank Project. We have international clients like Dar Es Salaam Commercial Bank, Reserve Bank of Malawi, Malawi Agriculture and Industrial Corporation. These are some snapshots of our clients, they are with us since long period.

Now let us begin with some short introduction of eBanker. We have 180 plus core banking clients, 3000 plus branches were go live from now, 375 branches were live in last financial year. This is backed by 400 experienced professionals and consultants within our organization. More than 15 global and regional implementation partners and centers. These are the various modules, general ledger, accounting, and etcetera. for the core banking solution.

We have a deep integration of APIs within our software so that our product is 100% ready for African market with all the connectivity, all the API vendors like mobile, telecom, etcetera, money. All APIs has been integrated within our system and product is fully ready for African market as well as GCC market. This is a list of various APIs which we have integrated within India as well for delivering cutting edge solutions along with the core banking solutions. We

have a customer relationship management module as well which has been used by various clients. We have loan origination system which is digital lending. This is a typical lending floats. We have a digital platform for financial inclusion. We have a procurement management system. This is also integrated within the system which can be sold either individually or along with the core banking solution. We have digital identity verification platform. Recently we have developed conversational AI that is Virtual VANI which does the various use cases like 360 degree conversational platform, natural language processing, real time integration with existing billing system and payment gateways. Comprehensive analytics dashboard has also been provided. This is a typical flow where multiple LLMs can be integrated within the system along with the legacy system. And system does the inbound and outbound call, does the reply for inbound call as well as do the outbound call for various collections and all these things. Like bank wants to send reminders to its client, the AI can do. All L1 and L2 job of a call center can be replaced with this conversational AI. And we are proposing this solution to various government departments as well where the collection has been happened like Maharashtra traffic police, then various municipal corporations where tax collection becomes an issue and lot of money has been held up by citizens. So, we are providing such solution to various government departments, corporations, banks etcetera. We have various AI based data analytics models available within our products and that can be also provided to the clients like for customer insights, fraud detection, credit scoring, operational efficiency, compliances, product analysis, forecasting, feedback analysis and real time decision making as well.

This which we have discussed which V-Pay which has been a complete digital payment solution along with all POS, QR solutions, sound boxes etcetera. This is a typical feature. Then we have a cyber-security solution as well, SAM software available with us which we sell to various banking solution, banking customers and government customers as well. This is typical flow of cyber sentinel. Then recently we have developed the AI based surveillance system as well which is being again it is in the development stage and now we are pitching with the various government departments which does the basically device agnostic surveillance system. Any video feed can be analyzed with respect to various use cases. We are around integrating 500 different use cases within this ecosystem like face detection, various 500 numerous collections are there, cases are there and real time alerts along with the remediation and automated calling etcetera. So, we have integrated within this conversational AI also cyber security and this we can say surveillance system which will use a 360 degree view to the customer.

This is our ERP solution which has been developed for sugar industry, solvent industry and various other industries as well which has a very good traction now. This is an EAPMC is a digital money transformation project. Government now willing to privatize some big markets like and they have given them a national market status. So, lot of technology integration is going on happening on there. So, we are ready with that technology and providing solutions to various government agriculture markets and other things.

We have E-autopsy software which is at the postmortem department of all government medical colleges and hospitals. So, we are discussing with various state government to implement this solution within their states for statewide implementation along with forensic lab and all this integration along with that.

So, these are some features. We have our own captive data center to cater our existing customers and upcoming customers. So, we are continuously increasing the capacity of our data center, captive data center to host more and more clients as well.

Thank you everyone. This was a brief presentation of Virtual Galaxy Infotech Limited. Now we are good to go with all your queries and questions and answers. I am happy to answer all your questions. So, we will go one by one for the question. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. We will take our first question from Digant Bam from SVIP Capital. Please go ahead.

Digant Bam: Hello sir, thank you for the opportunity. Am I audible?

Avinash Shende: Yes, yes please.

Digant Bam: So, firstly sir, congratulations for the great set of numbers. Really great to see such nice numbers coming from the company. Just had a couple of questions on numbers itself. So, we have done INR 86 crores this half, the first half of FY'26. INR 71 odd crores in the first half of FY'25. Whereas we ended FY'25 with INR 120 crores, which was about another INR 49 crores in the second half. So, is it a general trend that the second half is lesser revenue compared to the first half?

Avinash Shende: No, no, it is not like that. It all depends because see we are a product-based company and our team is always doing the various projects. So, it depends what happens. This second half we are very positive about the figures and we will definitely do more business than the H1 of this year.

Digant Bam: Wow sir that is really good to know. That is amazing to know. The second thing was regarding the margins. From INR 71 crores in the first half FY'25 to INR 49 crores in the second half and to now INR 86 crores. Significant jumps in revenues but with revenues for a company like us, I presume that the margins should also go up quite significantly. Which do not seem to be the case, it is quite stagnant the margins. Do we see the margins at the same levels or?

Avinash Shende: So, we are operating on a very attractive margin which is 25.57% is the margin which we are earning which is a very significant margin with respect to our competitors as well. So, this half year we have a 25.57% PAT margin which is really good. I do not find the margin will be lesser than this or more than this. It is in the range of 25%.

Digant Bam: So, there is no doubt about the margin being really good. No doubt about that. Just that at INR 48 crores also we were at around 25%, 26%. Even at INR 86 crores we were at the same levels.

Avinash Shende: See, the margin will not increase automatically. By increasing the margin, we cannot go to 100% margin. There are expenses and we are saying that our margin is around 25%.

Digant Bam: Okay, even with higher economies of scale, the costs do not go down, they remain the same.

Avinash Shende: But if we have a very big project, then it is possible that we can increase the margin. In small projects, the margin can be high. It depends, business is a dynamic basically. So, we cannot say like that. But until and unless we are not satisfied with the margin, we will not enter into the projects. That is what our funda is.

Digant Bam: Okay, understood sir. Thank you so much sir. I mean, your confidence in giving better numbers in H2 compared to H1 would be a great booster.

Avinash Shende: Yes, definitely. We are very confident about that.

Digant Bam: Thank you so much sir.

Moderator: Thank you. We will take our next question from Garvita Jain from Seven Island PMS. Please go ahead.

Garvita Jain: Hello. Hi, good afternoon sir. I have a lot of questions. I will start one by one. First of all, if you could give me a detailed idea about e-banker market size and the opportunity size which we are seeing. And how do we compete in this product segment with bigger companies like Infosys and others who are already predominant in the market?

Avinash Shende: Yes, so see Infosys is operating in a different market segment. We are operating in a different market segment. But I will tell one of the fantastic things that in two of the clients, we have replaced the Infosys as well. So, we are entering into their market segment and trying to enter into that. But as far as India is concerned, our market is in and around cooperative banks. At present, around 1545 urban banks are there, 30 district central cooperative banks, 30 state cooperative banks. We have around one lakh cooperative societies out of which around 10,000 to 15,000 are good societies where we can pitch our product. Then we have a very good market for NBFCs as well and up intake as well. So, it is a huge market. I cannot say the figure of total available market. But we have a very good market where more number of clients are available where we can pitch this product. And our product is very and highly suitable for such kind of clients where they want integrated services. Along with all the product gamut like core banking solution, internet banking, mobile banking, loan origination system, loan management system, digital payment ecosystem, verification platform, cyber security. So, we have an entire gamut which we can give to the customer and we are a single point solution provider for them. Where all the services will be catered from our company and the bank with the laser technology, know-

how, laser manpower, they can definitely prefer us. In India as well as in Africa also we are pitching the same things. So, market is very big and we do not find the Infosys or bigger companies threat to us. Whereas they find us threat for them.

Garvita Jain: Got your point sir. And also I wanted to understand more on the financials sir. So, we have done INR 86 crores of sales with INR 22 crores approximately of PAT. So, I wanted to understand as you are also guiding for H2 to be better than H1. Will we be able to cross INR 200 crores of sales guidance as you have given in the previous call?

Avinash Shende: So, I say we are always trying to do what we have said and what we have set for, target set for. Always we are positive about that and we are confident about that also that we will definitely achieve the figures which we are expecting.

Garvita Jain: Okay, for FY'26 right? And sir if you could please tell me about out of the INR 86 crores of revenue which we have received in H1. What proportion of the revenue is from the recurring clients or a recurring revenue if you could tell me. And how many new clients we have added in H1?

Avinash Shende: The recurring revenue is INR 36.26 crores which is mentioned as a SaaS revenue basically, software as a service. Which is around 42% of the total sales.

Garvita Jain: And sir how many new clients we have added this half year?

Avinash Shende: Around 10 to 15 clients we have added for this half year.

Garvita Jain: Okay, and they are majorly in which segment? All are in mostly in e-banker or the other segments also?

Avinash Shende: See we have basically BFSI is contributing 91% approximately.

Garvita Jain: 91% BFSI. Okay, and this is for the new clients right?

Avinash Shende: Yes this is.

Garvita Jain: Okay. And sir also I wanted to ask you about the dividend policy. Thank you to you that you have announced the interim dividend and provided. So, what is the dividend policy what we have planned?

Avinash Shende: So, dividend basically whenever, see it is simple that we want to share whatever we have earned with our shareholders and the value. But it depends if company required to retain the profit in the company for the growth of the company then definitely company will retain that. And whatever remains extra will definitely be distributed among the shareholders so that shareholders also make the money. And we are always working for the creating the wealth for our shareholders.

Garvita Jain: Right, so is there any dividend policy you have worked out upon?

Avinash Shende: That has been already uploaded on the website and exchange as well. Because it is a long policy so we cannot discuss about that.

Garvita Jain: Alright sir. Sir if you could give me some guidance on the order book. Since we have INR 103 crores of order book currently as per official notice. So, how is the pipeline we are looking at in H2?

Avinash Shende: We are looking at around double the pipeline that we have.

Garvita Jain: So, approximately INR 200 crores of order book we are expecting in H2 right?

Avinash Shende: You can say.

Garvita Jain: Okay. And sir what other government agencies where we are participating for government IT work for large government orders?

Avinash Shende: Yes, various agencies, various departments are coming up with the digital transformation as well as AI based projects. So, we are bidding and trying to bid with them and get some big orders of good size. We are already discussing and filling out the tenders for those also.

Garvita Jain: Okay so traffic signal one is one I am aware of. So, any like if you could categorize what type of government orders you are taking up? Large orders, government agencies that you are talking about?

Avinash Shende: Basically AI based solutions like conversational AI I informed then surveillance system is there. Then various digital transformation projects are there, government is coming up. With the help of AI we are now focusing on AI so that better things can be carved out of it.

Garvita Jain: Okay. And sir we would be keen to visit your Nagpur facility. So, would it be possible and when is it possible?

Avinash Shende: Can you repeat the question please?

Garvita Jain: Sir I am saying that we at Seven Islands PMS along with our fund manager we are keen to visit your Nagpur facility.

Avinash Shende: Yes. You are always welcome to come down to Nagpur. You are always welcome and we are happy to host you as well. Come at any time with the prior appointment from Anjali madam and definitely come. We are very happy to see you at Nagpur.

Garvita Jain: Sure sir.

Avinash Shende: And also we are very happy to show all our facilities within the Mihan facility development center.

Garvita Jain: Sure sir. Thank you so much. Those were my questions and I will fall back in the queue. All the best.

Avinash Shende: Thank you.

Moderator: Thank you. We will take the next question from Gaurav Sethi from V2 Capital. Gaurav.

Gaurav Sethi: Hello sir.

Moderator: Gaurav you have posted some text questions as well if you can ask those as well. Thank you.

Gaurav Sethi: Sure. Some of them have been answered so I will ask them. So, first of all congrats for the good set of numbers sir. So, my first question also was regarding the demand outlook and that has been answered. So, I will ask the other question which is around the growth you see among your various products and services. Like currently I know that core banking is the major source of revenue. So, in the future like two to three years down the line where do you see your different product and services grow?

Avinash Shende: So, definitely as we have added new products so they get traction and the business from those products is also going to be increased. So, definitely business will definitely increase but the percentage by share can be shared among the various products as well. So, it is obvious that some share from the other products is also being visible within two to three years.

Gaurav Sethi: Sure. Okay. So, my second question is on the balance sheet. So, there is a INR 23 crore line item related to the long-term loans and advances. And also there is a INR 17 crore related to the tax provision. So, can you elaborate what are those for?

Avinash Shende: So, INR 23 crores is used for the upgradation, enhancement of the existing data center facility to cater various new clients and upcoming clients. For that the bank loan has been obtained and the capacity of our existing infrastructure has been increased to cater various upcoming clients that has been there.

Gaurav Sethi: Okay. And the tax provision which is related to the INR 17 crore, the tax provision liability.

Avinash Shende: It is this year liability.

Gaurav Sethi: Okay. Alright. Okay. Sir also the INR 200 crore order book which you have just mentioned about and which you expect in H2.

Avinash Shende: I have not said the figure yet. I have not said. I said percentage wise we can definitely look at. Do not put us in figures all these things. So, I am saying that H2 will be definitely better than

H1 and we are setting the higher targets for us and we are trying to achieve that. That is what I am saying. I am not committing any figure or anything. So, do not put the figures like that. But definitely we are achieving the better figure which are in your mind.

Gaurav Sethi: Sure. So, my bad. So, I will reframe that question. So, the order book which you are expecting in H2. So, does it include from the private players as well?

Avinash Shende: We generally deal with the corporate players, corporate entities where money is always safe. We undertake only those projects where we find that the definitely we are going to get the money. Either it may get delayed but it will not be vanished basically. And within the issue of 25 years of the company, none of the receivers has been, you can say as a bad debt. So, we receive whatever it may be. And we are very choosy while choosing the projects.

Gaurav Sethi: Okay. Thank you so much.

Avinash Shende: Thank you.

Moderator: Thank you. We will take the next question from Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Hello. Am I audible?

Avinash Shende: Yes.

Deepak Poddar: Okay. Thank you very much for this opportunity, sir. And many congratulations for good set of numbers. I just wanted to understand first of this pipeline that you are talking about.

Avinash Shende: Sorry, can you please repeat the question?

Deepak Poddar: Yes. I mean, currently we have got a INR 100 crores of order book, right? So, any execution timeline we have for that?

Avinash Shende: See, these orders are some orders are for five years, some order for one year, and orders keep coming. So, definitely, depending upon the order and the contract, they get executed. Most of them executed within this financial year. And definitely new orders will be added into that.

Deepak Poddar: Okay. So, most of this majority of would be executed within this FY'26 itself, right?

Avinash Shende: Around 50% of them will be executed within this year.

Deepak Poddar: Okay. About 50% of it is to be executed within this year. And in terms of pipeline, I mean, can you throw some light on what sort of areas we are bidding into? Because we got some recent contract from Maharashtra as well. That is more from an integration point of view and something on those lines, right? And system integrator. So, can you throw some more light?

What are the areas where we have bid and where we are expecting this pipeline of orders that we spoke about?

Avinash Shende: Definitely our focus area on BFSI is more because we are very strong into the BFSI segment. And also we are trying for various governments where AI technologies are required.

Deepak Poddar: Okay.

Avinash Shende: These are our two priorities.

Deepak Poddar: Okay. And to get this, I mean, double the pipeline you mentioned, right? So, how much bidding we would have done? Any figure on the bidding side? I mean, we would have done bidding for INR 500 crores, INR 600 crores, something on those lines.

Avinash Shende: No, see our sales team is doing that. So, we are doing various projects. We are bidding for various projects. It does not mean that we bid and we get the project. So, we are getting the orders more to the tune of what you are saying with the current bidding portfolio.

Deepak Poddar: Okay. So, I mean, would it be right to say that given your, I mean, to achieve this INR 200 crores, you have to do an execution of let us say INR 110 crores, INR 115 crores in the second half. So, ideally, that is the order book that you have right now, around INR 105 crores. And given the double the pipeline, we can.

Avinash Shende: Again, I am saying, I have not quoted any figure. So, we are trying to achieve more business in the next half of this year. So, do not put any figures into the like that INR 200 crores. So, we are definitely trying to achieve what we have achieved more than that. The order book which is around INR 105 crores has already been uploaded to the exchange. So, it is in public domain. But I cannot commit like this figure will be achieved and this figure will not be achieved. So, I always say that we will be definitely doing a good business in the next half with the same margin. That I can say. I cannot put any figures like that.

Deepak Poddar: A fair point, but the reason I asked 200 because I think to the previous participant you said you did say that we are confident of achieving INR 200 crores revenue.

Avinash Shende: I already previously answered also that we are definitely confident that we will be achieving whatever we are saying. And whatever target we have set for our company, definitely that will be achieved. I am 200% confident about the achievement of the target, which has been set for the year.

Deepak Poddar: Great. And just one last thing from my side about anything on next year, FY'27. What sort of growth we might be targeting for FY'27?

Avinash Shende: Similar kind of growth we are looking for the next two, three years as well.

Deepak Poddar: Similar growth?

Avinash Shende: Yes.

Deepak Poddar: Okay. I think that is very helpful, sir. I would like to wish you all the very best.

Avinash Shende: Thank you sir.

Moderator: Thank you. Next question is from the line of Suyash Mantri from MV Trades and Investments, LLP, Pune. Please go ahead.

Suyash Mantri: Hello, can you hear me, sir?

Avinash Shende: Yes, sir.

Moderator: Yes, Suyash.

Suyash Mantri: Thank you, sir, for taking my question. My question was, in last call you had mentioned that you have over a decade of experience with the customers. And there are many customers with you for over a decade. So, I wanted to know about how the contract tenures are like the renewal rates are and price escalation structure of your projects are. So, I can get the visibility of the recurring revenue stream of your company.

Avinash Shende: Yes, thank you. It is a very good question. So, what I said previously as well that we are trying to enter into the contract, long-term contract with the customers. We typically try to sign a contract for five years and seven years. And then again, the renewal of the contracts has happened. And a lot of our customers are with us whenever they have come to us. And it is because of our good services or team efforts. We are able to achieve this fundamental thing that customers will retain with us. Our churn ratio is very, very less. It is less than 2% or again below that. So, typical contract is five years to seven years for a client. And then again, it gets renewed with the margin. Again, we can say with additional revenue.

Suyash Mantri: Okay. Sir, I have one more question. Given the increased exposure to government and cooperative institutions, how are you managing receivable days and payment delay risk? And what are the key regulatory or technology risks you are most focused on mitigating at this stage?

Avinash Shende: Can you repeat the question again?

Suyash Mantri: Given the increasing exposure to government and cooperative institutions, how are you managing receivable days and payment delay risk? And what are the key regulatory or technological risks you are most focused on?

Avinash Shende: With respect to debtors, actually we are dealing into the very niche sector of banking where all organizations are our customers. So, only the procedural time which has been required to clear the payment is the only delay. Otherwise, there is no delay in the payment because they have some meetings and all these things. So, you find that the debtor day ratio has improved as well. So, our team is continuously discussing with the client. We try to focus all the problems which they have. So, getting the payment is never the problem for us. And not a single payment has been retained or kept by the bank or goes into the bad debt. So, we are very focused on the receivables which we have. So, I try to maintain the days as low as possible.

Suyash Mantri: Okay. So, I have another question. You are strong in cooperative banking and in Maharashtra. For now, expanding to more Indian states and African markets. So, for the next three to five years, how do you see revenue mix between Maharashtra and rest of India and between domestic and export clients?

Avinash Shende: So, see Maharashtra is being a major cooperative business state because out of 1545 banks, urban cooperative and other banks, around 600 banks are in Maharashtra. Then there are banks in Gujarat and Karnataka. This is the spread of cooperative ecosystem. But now other states are also coming with the various cooperatives within their states. So, for example, we have Mizoram state where only two banks are there. One state cooperative bank and another is an urban cooperative bank. So, both banks are on our platform. Similar is the case with the Goa. The Goa state cooperative bank is with us and two other cooperative banks are there. They are willing to come down to our platform and very soon they will be on our platform. Definitely, since Maharashtra is a bigger state, bigger cooperative penetration is there. So, Maharashtra is definitely going to be their main contributor within the country. As far as other countries are concerned, so we are concentrated on Malawi, then Tanzania, Botswana, Zimbabwe. The countries which are safe and where we will definitely get the money out of that, we are trying to build a World Bank project where money has been secured. We are not building any kind of projects where we cannot confirm about getting money from that project.

Suyash Mantri: Okay sir. Sir, I have a last question. Between e-banker, ERP, e-governance and SAAS revenue model, in next few years, what will be the primary growth driver? Will it be only BFSI or others will also contribute?

Avinash Shende: Definitely, others will also contribute but BFSI will remain more than 50%.

Suyash Mantri: Thank you, sir. Thank you for your detailed answers.

Moderator: Thank you. Next question is from Gaurav Agrawal from Nine One Capital. Please go ahead.

Gaurav Agrawal: Hi, sir. I hope I am audible.

Moderator: Yes, please go ahead.

Gaurav Agrawal: Yes. So, congratulations, sir, on good results. Sir, specifically a couple of questions, like a previous participant asked on the long-term loans advances of INR 23 crores. You provided some explanation. I was not able to understand it fully. If you could please repeat what you said about the explanation on this INR 23 crore of loans and advances.

Avinash Shende: Yes, sure. So, see, to host the SaaS clients and all, the clients those are for our ecosystem, the data center and cloud infrastructure is required. As the client increases, the infrastructure needs to be increased and you can say increase or expand. So, that purpose is there to increase the existing infrastructure to cater the existing client and upcoming client. That INR 23 crores has been utilized.

Gaurav Agrawal: But, sir, why does it sit in the loans and advances? It should have been a part of your CAPEX, right, or your OPEX. You are spending that money on?

Management: Sir, actually, it is the loan got sanctioned on 30th September 2025. So, on that day, the entry has been shown under the loans and advances for data center. And in the next half of this financial year, it is going to be in the head of plant and machinery.

Gaurav Agrawal: But, sir, loans and advances, loans were sanctioned from a bank, right?

Management: Yes, sir. So, also if the loan which has been sanctioned from the bank is shown under the loans and liabilities, and this is the advance given to the party, vendor, who is supplying the data center to us.

Gaurav Agrawal: So, you have given the INR 23 crores advance to the vendor. So, that is the explanation.

Management: Yes sir.

Gaurav Agrawal: Understood. So, that will shift to

Management: Yes, it will be going to shift towards the plant and machinery in this half financial year, next financial year.

Gaurav Agrawal: Sir, another question was, good that you guys are giving a dividend and also, having a good dividend policy. Sir, on your cash flow statement, you have quite large items sitting in your CAPEX, right? And for a product company, having a negative cash flow consistently is a big red flag, right? Obviously, we are giving dividends, we are paying taxes. So, that part is addressed. But if you could have provided us for this six months, right? You have spent close to, if my numbers are correct, INR 13 crore rupees on intangible assets, right? And on your balance sheet, there are some INR 40 crore rupees of intangible assets or WIP are sitting, right? Intangible of INR 20 crores, WIP of INR 20 crore more. So, INR 40 crore of intangibles are sitting in your balance sheets. So, sir, where exactly is this INR 40 crore being spent? What are the

products we are developing? And what is the thought process of capitalizing it and not putting it in the P&L?

Management: So, sir, I will answer your question one by one. Basically, sir, there is a cash flow, you have a portion. You can see that, sir, it is a temporary thing for this first half of the financial year because most of the sales occurred in the last week of 30th September. So, there is no impact directly on the cash flow because all these data are secured.

Gaurav Agrawal: Sir, I am referring to intangible assets.

Management: I will get back to you, sir. For the intangible assets, there is an addition of 14.21 in this first half of the financial year Basically, sir, this has been towards the software under development includes such as Audit Flux, FinFlow, Transact Core, Virtual VANI AI. The company is developing this project on which we have made a capitalization and this project will be completed in the next half of this financial year and we will transfer them to the software. So, sir, this is the policy that the company adopted for the expenses that have been incurred on the development of this software is going to be capitalized for the better accountability and transparency, sir.

Gaurav Agrawal: So, sir, do you have a break-up of this INR 13 crore? How much is the employee expenses?

Management: Yes, sir. It is around 60% from the employee expenses and 60% to 70% and we have given a subcontract for the faster development of this project because to get the whole software in-house in a short duration of time, it can get difficult. So, we are using both the alternatives for faster development and better development.

Gaurav Agrawal: And, sir, what is the visibility like in the next six months, the second half or let us say in FY'27, will we continue to have this kind of large items in your intangible assets CAPEX?

Management: No, sir. It will get reduced because whatever the development we have to make, we are doing it and as the product gets developed, there will be some amount of WIP there but not a huge amount. As you can see that right now there is a huge amount in the WIP which is going to be intangible. But as the software gets developed and capitalized, there is not much further development required. Only the basic things like modules updation is there. So, it is going to be on a limited side, sir.

Gaurav Agrawal: And, sir, like this software which I think four, five of them you mentioned, so I am sure you have some kind of visibility that you will get some revenue or some acceptance from these softwares and that is why you are developing them. So, any kind of revenue estimate you can give for these INR 40 crore rupees of intangibles which are sitting, what kind of revenue these softwares can generate?

Management: Whatever the development is going on or what we have developed, the management is very much sure about getting the revenue from them. As a software company, product based

company, the revenue what we can anticipate right now, I cannot tell you the numbers. But there will be a contribution from this software to a large number in terms of revenue, sir.

Avinash Shende: Definitely, these are the new technology and nuanced products. So, definitely they will contribute the good revenue to the top line of the company.

Gaurav Agrawal: Sir, see, the reason why I am spending a lot of time on cash flows, a lot of new listed companies in SME basically, they are reporting good results. And if you see the ones which are not having, let us say, a very good cash flow or continue to have negative cash flows, be on the other side as minority or outside of the company, we are not sure whether the numbers shown are genuine or not. We have announced dividend that is a good thing, which is a very good step in this direction. So, there are two things which we can definitely improve. One is having a good auditor. Current auditor, which we have, does not audit any other company. So, that is the very clear and easiest thing you can do to increase the credibility of your financials which are reporting. And secondly, obviously, having a better conservative accounting policies where you have lesser CAPEX and more of the P&L, so that whatever balance sheet and whatever P&L we are looking at, it is the right metric to work on. I can understand you are developing software, you are not getting the revenues, so there is a logic to capitalize them. But at the same time, sir, these kind of large items in FY'24 also, there was large items in FY'25 also and now this first half also. So, at some point, we will have to think about them in a better way.

Management: Sir, we understand whatever concerns you have regarding to addition, but by the end of this financial year or in the next financial year, this amount is going to be on the lower side, sir. As the development has already took place and it is in the final stage, so there will not be big amounts or you can say that large amount of salary or even expenditure will be capitalized. We will try to get it directly diverted to the P&L account as an expense in the coming financial year or also in the next financial year, sir.

Avinash Shende: Sir, there is one more explanation for it. That is why we have adopted voluntarily the quarterly reporting to bring more transparency and confidence within you.

Gaurav Agrawal: I appreciate it greatly. Auditor part also, sir, if you could address, you know, having a talk with four auditors will really help us.

Avinash Shende: I think Rahul extremely in that regard Apart from that, we are bringing more transparency and more clarity into the business and within the investors, basically. So, because you said that you are an outsider, but we are trying to bring more clarity, more transparency through the reporting numbers.

Gaurav Agrawal: Right, sir. Thank you so much. And this is the last question. I think you have a current order book of INR 103 crore. So, if you could just help me understand your project funnel, domestic as well as overseas, if you guys are willing to share.

Avinash Shende: See, we have, at present, we have INR 103 crores of order book. And we are trying to increase that. And we have bidded for various projects within India as well as within Africa. So, it will definitely get doubled in a short duration. That is what I can say right now. I cannot comment any figures at present.

Gaurav Agrawal: No worries, sir. Thank you so much, sir. And thank you for your time.

Avinash Shende: Thank you.

Moderator: Thank you. We will take our next question from Aditya Magar from Ilios Financial Services. Please go ahead.

Aditya Magar: Hello. Am I audible, sir?

Avinash Shende: Yes, yes. Please.

Aditya Magar: Congratulations, sir, for a good set of numbers. So, my question is related to IPO capital utilization. So, can you please give us some information about that utilization amount along with the amount which is unutilized and the detail on how the utilized portion has been used?

Avinash Shende: See, total, around, we have utilized INR 43.69 crores till date and INR 37.65 crores is the funds which is to be utilized. Out of that, the headwise is there. Can I say the detail things or this will be sufficient?

Aditya Magar: Sir, it will help us. Please go for the details.

Avinash Shende: So, at present capital expenditure towards the setting of additional development facility, the amount raised was INR 6.3 crores. Now it has been not utilized. Repayment and prepayment of certain debts, INR 3 crores has been utilized. Investment in procuring GPU and server storage, INR 5.5 crores has been utilized. Expenditure for up gradation of existing product, INR 18.9 crores which has not been utilized till now. Funding for business development and marketing, out of INR 14.06 crores, INR 1.6 crores has been utilized and INR 12.45 crores is yet to be utilized. And then working capital has been utilized. And other general corporate purpose has been again utilized. So, out of 93, we received INR 81.34 crores after paying all the merchant bankers and all expenses towards the IPO. Out of INR 81.34 crores, we have utilized INR 43.69 crores and INR 37.65 crores has been there to be utilized and which will be utilized within the prescribed duration.

Aditya Magar: Thank you, sir. And another one is related to capital structure. So, we do have a good amount of debt in the balance sheet. So, is it going to be low? Can you please put some light on it?

Management: Sir, there is a term loan of around INR 26 crores and cash payment of INR 7.25 crores and unsecured loan of INR 12.17 crores. Yes, sir. By the day by day or around 2026-27, this amount

will be reduced. Only in this, there is a new term loan of INR 23 crores has been added for data center. For the expansion of business and for better qualification on the business

Moderator: Sorry sir. You are not clearly audible. Can you repeat the last part?

Management: Yes, sir. INR 23 crores of loan has been added in terms of 30th September'25 for data center expansion in our debt profile.

Aditya Magar: Okay. So, the data center which you mentioned, is it owned by the company?

Management: Yes, it is owned by the company. Yotta, sir.

Aditya Magar: Okay. Thank you so much.

Management: Thank you, sir.

Moderator: Thank you. We will take our next question from Anurag Gupta from Yash Management and Satellite Limited. Please go ahead. Anurag, your line is unmuted. Please go ahead with your question.

Anurag Gupta: Am I audible?

Moderator: Yes, please go ahead. Anurag, we are unable to hear you again. Please check if your line is muted.

Anurag Gupta: Am I audible now?

Moderator: Yes, please go ahead.

Anurag Gupta: Good afternoon, Avinash ji.

Avinash Shende: Good afternoon, sir. Good afternoon.

Anurag Gupta: According to me, Virtual Galaxy is the hidden gem.

Avinash Shende: Thank you, sir.

Anurag Gupta: Looking to the high margin industry, your growth pattern of the industry and your company, your position of the order book and the management quality and the confidence raised to the your progress of the company and the business you are looking for guidance you are giving. Even though after all these things, it is not well known to the investing community. So, my suggestion, it is not the question basically my suggestion is to showcase the company more visible to the investing community.

Avinash Shende: Definitely, sir. All the participants in this meeting, I would like to invite you to come down to Nagpur to see our facility, meet our team, meet our management and definitely this will help Anurag sir.

Anurag Gupta: Thank you.

Avinash Shende: Please come down to Nagpur to visit the facility.

Anurag Gupta: Thank you for your invitation and I will come with my team. And another question is what plans you have for the AI industry which is very promising in high potential and high margin area. Can you throw some guidelines, you know, because I find I got somewhere you are very serious about in this area.

Avinash Shende: Yes, sir. We are very serious about the AI and we are implementing AI throughout our all products and also developing new products based on AI. Like I said conversational AI and surveillance system which has been a part and parcel of every industry now. Everywhere these things are required and we are very aggressive on these technologies and we are deeply investing money into these technologies and also our sales team is also working to bring such innovative AI based orders to bring more AI based business to the company. Our policy is always AI first. So, company is very serious about the AI, implementing AI technologies within all our products to the client and we are sure that because of this AI, company will jump to next leap and next orbit as well.

Anurag Gupta: Thank you so much because with this statement I think you have taken first step to build up the confidence of the investing community. Let me suggest more more visit will come of the investors in your Nagpur facilities and I will surely come with my team. Thank you, sir.

Avinash Shende: Please come.

Anurag Gupta: Thank you.

Moderator: Ladies and gentlemen due to paucity of time we will take that as last question for today. I would now like to hand the conference over to Mr. Avinash Shende, Promoter, Chairman and Executive Director and CFO for closing comments. Over to you, sir.

Avinash Shende: Thank you everyone. Really all good questions are there to understand our company. I have also tried myself to give as much clarity as possible to all our investors and prospective investors. So, I thank all the participants over here, team Fortuna and team from Virtual Galaxy. I really thank every one of you to support us and this support is definitely going to increase our confidence to do more business for the well creation of all the shareholders. Thank you very much.

Moderator: Thank you. Ladies and gentlemen on behalf of Virtual Galaxy Infotech Limited that concludes today's session. Thank you for your participation. You may now click on the exit meeting to disconnect. Thank you.