



VXL Instruments Limited  
No.1783, Sector 1, Phoenix  
House, 19<sup>th</sup>Main, HSR Layout,  
Bengaluru-560 102  
Website: www.vxl.net E-mail:  
cfo@vxl.net CIN: L85110 MH1986  
PLC 272426



ISO 9001: 2015  
10008316 QM 15  
ISO 14001: 2015  
10008316 UM

To  
Department of Corporate Services  
BSE Limited  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai- 400 001

Date: 23<sup>rd</sup> November, 2020

Dear Sirs,

**SUB: Copy of Annual Report.**

**Ref: Scrip Code-517399**

Pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the copy of Annual Report along with the notice of Thirty Forth (34<sup>th</sup>) Annual General Meeting of the Company to be held at 2.00 PM on Friday, the 18<sup>th</sup> day of December, 2020 through Video Conference (VC) or Other Audio Visual Means (OAVM) as per the Companies Act, 2013.

Please take the documents on record and kindly treat this as compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you  
Yours faithfully

Roopa Shridhar Hegde  
Company Secretary and Compliance Officer  
Membership No.:A61939

**34<sup>th</sup>**  
**Annual Report**  
**2019-2020**



**VXL Instruments Limited**

## VXL Instruments Limited

### BOARD OF DIRECTORS

Mr. M. V. Shetty	Whole Time Director
Mr. Vivek Gupta	Independent Director
Mr. Rakesh Shridas Damani	Independent Director
Mrs. Mini Bhuvania (w.e.f. 30.07.2020)	Non-Independent Director
Mr. Kishan S Rao	Chief Financial Officer
Mrs. Shipra Vyas	Company Secretary

### AUDIT COMMITTEE

Mr. Vivek Gupta	Chairman
Mr. Rakesh Shridas Damani	Member
Mr. M V Shetty	Member

### NOMINATION AND REMUNERATION COMMITTEE

Mr. Vivek Gupta	Chairman
Mr. Rakesh Shridas Damani	Member
Mrs. Mini Bhuvania (w.e.f 30.07.2020)	Member

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Vivek Gupta	Chairman
Mr. Rakesh Shridas Damani	Member
Mr. M V Shetty	Member

### REGISTERED & CORPORATE OFFICE

#252, 5<sup>th</sup> Floor, Building No.2, Solitaire  
Corporate Park, Chakala Andheri (East)  
Mumbai – 400 093  
Tel: 91 22 2824 5210 / Fax: 91 22 4287 2197  
Website: www.vxl.net  
CIN: L85110MH1986PLC272426  
E-mail: cfo@vxl.net

### STATUTORY AUDITORS

Messrs. YCRJ &  
Associates  
Chartered Accountants  
Bengaluru

### INTERNAL AUDITORS

Messrs. Hande & Associates  
Chartered Accountants  
Bengaluru

### SECRETARIAL AUDITORS

Mr. Vijayakrishna K T  
Practising Company Secretary  
Bengaluru

### REGISTRARS AND SHARE TRANSFER AGENTS

Bigshare Services Private Limited  
1<sup>st</sup> Floor, Bharat Tin Works  
Building, Opp. Vasant Oasis  
Makwana Road, Marol Andheri  
Mumbai – 400 059  
Tel.: 022-62638200  
Fax. : 022-62638299

### WORKS

"74/C" Electronic City, Hosur  
Road, Bengaluru - 560 100  
Tel : 91-80-2852 3258/2852 3257  
Website: www.vxl.net  
CIN: L85110MH1986PLC272426  
E-mail: cfo@vxl.net

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**THIRTY FOURTH ANNUAL GENERAL MEETING**

on Friday, 18th December, 2020

## VXL Instruments Limited

### NOTICE

Notice is hereby given that the Thirty Fourth (34<sup>th</sup>) Annual General Meeting of the Members of the Company will be held at 2.00 PM, on 18th December, 2020 over Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in compliance with General Circular numbers 20/2020, 14/2020 and 17/2020 and all other applicable laws and circulars issued by the Ministry of Corporate Affairs(MCA), Government of India and Securities and Exchange Board of India (SEBI) to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including Audited Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss and Cash Flow of the Company as on that date together with the Board's Report and the Secretarial Audit Report and Independent Auditor's Report thereon.
2. To appoint a Director in place of Mr. M V Shetty (holding DIN: 00515711), Director who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

3. **To appoint Mrs. Mini Bhuwania (holding DIN: 08640692) as Director:**

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

"RESOLVED THAT pursuant to the provisions of Sections 152, 161 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof) and the Articles of Association of the Company, as may be in force from time to time, Mrs. Mini Bhuwania (holding DIN: 08640692), who was appointed as an Additional Director of the Company by the Board of Directors based on the recommendation of Nomination and Remuneration Committee and who holds the office only up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company."

4. **To approve Material Related Party Transactions with Priya Limited:**

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

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or amendments(s) or re-enactments(s) thereof, for the time being in force) and as recommended by

the Audit Committee, consent of the Members be and is hereby accorded to carry the related party transaction(s) by the Company with Priya Limited, a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of the Listing Regulations, 2015 within the limits mentioned in the below table for the financial year 2020-21:

Sl. No.	Nature of Transactions	Estimated Value of Transactions per annum (Rs./in Crores)
1	Purchase of materials/goods	2.00
2	Sale of materials/goods	0.10
3	Reimbursement of expenses	0.10

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds things to take all necessary steps to give effect to the above said Resolution including signing of any Agreements with the related parties and to issue purchase orders or sales invoice on behalf of the Company".

5. **Re-classification of the Promoters of the Company:**

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Regulation 31A and other relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 ('Act') read with the Rules framed there under ('the Act'), the approval of the Members be and is hereby accorded for re-classification of Mr. M. V Nagaraj, forming part of the existing Promoter of the Company from Promoter category to Public category.

RESOLVED FURTHER THAT that the Promoter seeking re-classification along with his personal promoter group entities and person acting in concert do / will not:

- i have any special rights through formal or informal agreements.
- ii hold more than 10% of the Paid-up Capital of the Company.
- iii act as a Key Managerial Person for a period of more than three years from the date of Shareholders' approval.

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RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution including filing of necessary forms and returns with the Ministry of Corporate Affairs, Stock Exchange and other concerned authorities.”

By Order of the Board  
For VXL Instruments Limited

Place: Bangalore  
Date: 16th November, 2020

**M V Shetty**  
Whole Time Director  
DIN : 00515711

**Address:**  
#317, 1st Block, 5th Main  
Koramangala,  
Bengaluru- 560034

### Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Explanatory Statement as per the provisions of Section 102 of the Companies Act, 2013 is attached hereto.
4. The Register of Members and the Share Transfer books of the Company will remain closed from 12th December, 2020 to 18th December, 2020 (both days inclusive).
5. Members are requested to address all their correspondence including change of address etc. to the present Registrar and Share Transfer Agent: Bigshare Services Private Limited, 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasanth Oasis, Makwana Road, Marol, Andheri (E), Mumbai-400 059.
6. Pursuant to SEBI notification no. MED/ DOP/ Circular/ 05/2009 dated May 20, 2009, it has become mandatory for the transferee(s) to furnish copy of PAN Card to the Company/ RTA to enable/effect transfer of Shares in physical form.
7. To support the ‘Green Initiative’, the Members who have not registered their e-mail address are requested to register the same with Registrar and Share Transfer Agent: Bigshare Services Private Limited for receiving all communications including Annual Report, Notices etc. from the Company electronically.
8. As regards to re-appointment of Mr. M V Shetty (DIN: 00515711) Whole Time Director of the Company, referred to in item No. 2 of the notice, the following necessary disclosures are made in terms of Regulation 27 of SEBI (LODR) Regulations, 2015 for the information of the Shareholders:

## VXL Instruments Limited

Particulars	Details
Name	Mr. M V Shetty
Date of Birth	7 <sup>th</sup> March, 1952
Date of Appointment	1 <sup>st</sup> October, 2010
Qualifications	M Tech
Expertise in specific functional area	Thin Client Technology
Directorships held in other Companies (excluding foreign companies)	Nil
Membership /Chairmanships of Committees of other public companies (included only Audit and Shareholders'/ Investors' Grievance Committee)	Nil
No. of Board Meetings attended during the financial year	4

**ELECTRONIC VOTING (E-VOTING) AND E-VOTING DURING AGM**

- As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- 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) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 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 Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the Authorized e-Voting's agency. The facility of casting votes by a Member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 Members on 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, Nomination 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.
- The attendance of the Members attending the AGM/ through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the Members is not available for

9. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Members are provided with the facility to cast their vote by electronic means through e-voting platform provided by CDSL. The detailed instructions for e-voting are annexed to this Notice.

10. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

11. Annual Report for the financial year 2019-20 along with Notice of the 34th Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting is being sent only through electronic mode to the Members whose email IDs are registered with the Company/Depository Participant(s). Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website at [www.vxl.net](http://www.vxl.net) website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).

12. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the Members such as the President of India or the Governor of a State or Body Corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.vxl.net.in](http://www.vxl.net.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on 15th December, 2020 at 9.00 AM and ends on 17th December, 2020 at 5.00 PM. During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 11th December, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form.

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by company / RTA or contact company / RTA
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the Member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for VXL Instruments Limited.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

## VXL Instruments Limited

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical Shareholders- please provide necessary details like 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/RTA email ID.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), 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/RTA email ID.

INSTRUCTIONS FOR SHARE HOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders 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/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at [www.vxl.net](http://www.vxl.net) on or before 11.12.2020. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance on or before 11.12.2020 mentioning their name, demat account number/folio number, email id, mobile number at [cfo@vxl.net](mailto:cfo@vxl.net). These queries will be replied to by the Company suitably by email.
6. Only those shareholders who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE 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 shareholders, who are 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 available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders 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.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com)

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and register themselves in the "Corporates" module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at [sanjay.parabcs@gmail.com](mailto:sanjay.parabcs@gmail.com) and to the Company at the email address [cfo@vxl.net](mailto:cfo@vxl.net) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

### General instructions:

- a) Mr. Sanjay Parab, Practising Company Secretary (Membership No. FCS-6613 & CP-7093) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - (i) The Scrutinizer shall within a period not exceeding forty eight (48) hours from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - (ii) The Results shall be declared within forty-eight (48) hours from the conclusion of the AGM. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.vxl.net](http://www.vxl.net) and on the website of CDSL within forty-eight (48) hours of passing of the Resolutions at the AGM of the Company and also communicated to BSE Limited.
- b) Remote e-voting shall not be allowed beyond the said date and time.
- c) A person whose name is recorded in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting in the General Meeting.
- d) Members who did not cast their vote through e-voting during the e-voting period shall be allowed to cast their vote at the Annual General Meeting. Members who have voted through e-voting can attend the Meeting but cannot vote again at the Annual General Meeting.
- e) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company i.e. No. 252, 5<sup>th</sup> Floor, Building No. 2, Solitaire Corporate Park, Chakala, Andheri East, Mumbai-400 093 during normal hours (10.00 am to 12.00 noon) on all working days, up to and including the date of the Annual General Meeting of the Company.

By Order of the Board  
For VXL Instruments Limited

Place: Bangalore  
Date: 16th November, 2020

**M V Shetty**  
Whole Time Director  
DIN : 00515711

**Address:**  
#317, 1st Block, 5th Main  
Koramangala,  
Bengaluru- 560034

## VXL Instruments Limited

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

#### Item No 3:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of your Company in its Meeting held on 30.07.2020 had appointed Mrs. Mini Bhuwania as an Additional Director of the Company who will hold office till this Annual General Meeting. Accordingly, an Ordinary Resolution seeking appointment of Mrs. Mini Bhuwania (DIN: 08640692) as a Director of the Company is included in the Notice convening the Annual General Meeting at item no. 3.

Name	<b>Mrs. Mini Bhuwania</b>
Date of Birth	<b>21.08.1973</b>
Date of Appointment	<b>30.07.2020</b>
Qualifications	<b>Bachelor of Arts</b>
Expertise in specific functional area	
Directorships held in other Public Companies (excluding foreign companies)	Priya Limited
Membership /Chairmanships of Committees of other public companies (included only Audit and Shareholders/ Investors Grievance Committee)	Nil
Number of Shares held in the Company	Nil

Your Board recommends the Ordinary Resolution as set out in Item no. 3 for the approval of the Members.

Except Mrs. Mini Bhuwania, none of the Directors, Key Managerial Personnel of the Company or their relatives, is concerned or interested financially or otherwise in the said Resolution.

This Explanatory Statement may also be regarded as a disclosure under the SEBI Listing Regulations.

#### ITEM NO 4:

The SEBI (LODR) Regulations, 2015 with respect to Related Party Transactions were notified on September 2, 2015, *inter alia* require that all the Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the Shareholders by an Ordinary Resolution. The said amendment further provides definition of the term 'Material' as follows:

"A transaction with a related party shall be considered material if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual turnover as per the last audited financial statements of the Company."

Priya Limited is a "Related Party" as per the definition under Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of the SEBI (LODR) Regulations, 2015, as Mrs. Mini Bhuwania being the Director of the Company is also the Director of Priya Limited.

As a part of its regular business, the Company purchases raw materials and sells finished goods to Priya Limited. The Board of Directors in its Meeting held on 30th July, 2020, reviewed the estimated value of the transactions for the financial year 2020-21 in detail for recommending the same to the Shareholders of the Company for their approval.

In terms of provisions of Regulation 23 of the SEBI (LODR) Regulations, 2015, the transactions with Priya Limited are material in nature as these transactions are likely to exceed 10% of the annual turnover as per the last audited financial statements of the Company. Therefore, in terms of Regulation 23 of the SEBI (LODR) Regulations, 2015, the transactions with the said related parties require the approval of Members of the Company by an Ordinary Resolution.

The Company's best interests are always kept in mind by your Directors considering the various criteria including prices, proximity, quality, uninterrupted supply or purchase of goods and availing services and other advantages of the reliability.

As per Regulation 23 of the SEBI (LODR) Regulations, 2015 (Effective September 2, 2015), all entities falling under the definition of related parties shall abstain from voting on the Resolution and accordingly Mrs. Mini Bhuwania being a "Related Party" is concerned or interested in the Resolution set out at Item No. 4 of the Notice.

None of the Promoters/Directors/Key Managerial Personnel of the Company other than Mrs. Mini Bhuwania and his relatives is concerned or interested, financially or otherwise, in the said Resolution.

The Board recommends the Resolution set out at Item No. 4 of the notice for approval by the members.

**ITEM NO. 5:**

The Company was in receipt of requests from Mr. M. V Nagaraj, Promoter of the Company, for re-classification from Promoter category to Public category under Regulation 31A (2) & (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI (LODR) Regulations, 2015'). Details of his Shareholding in the Company are as under:

SI. No	Folio Number	Promoter Name	Number of Shares
1.	90427234	M. V. Nagaraj	2,66,350
2.	13900156	M. V. Nagaraj	52,700

Mr. M. V Nagaraj (aged 67 years), Promoter of the Company and holding Equity Shares in the Company as stated in table given above.

The aforesaid Shareholder is leading his life and occupation independently and is not connected, directly or indirectly, whatsoever, with any activity of the Company. Further, the other persons in the Promoter Group of the Company do not have any control over the affairs or the decision-making process of the above referred Shareholder.

The above referred Shareholder does not directly or indirectly, exercise control, over the affairs of the Company. He also does not have any special rights through formal or informal arrangements with the Company or Promoters or any person in the Promoter Group.

The proposed re-classification of the shareholding of the Promoter Group mentioned in table given above is not pursuant to Regulation 31A (5) or (6) of the SEBI (LODR) Regulations, 2015. However, as a matter of abundant precaution, the Board of Directors recommends passing of Special Resolution as set out at Item No. 5 of this Notice.

None of the Directors, Key Managerial Personnel and relatives, has any concern or interest, financial or otherwise, in the Resolution at Item No. 5 of this Notice.

By Order of the Board  
For VXL Instruments Limited

Place: Bangalore  
Date: 16th November, 2020

**M V Shetty**  
Whole Time Director  
DIN : 00515711

**Address:**  
#317, 1st Block, 5th Main  
Koramangala,  
Bengaluru- 560034

**VXL Instruments Limited****BOARD'S REPORT**

Your Directors have pleasure in presenting the 34<sup>th</sup> (Thirty Fourth) Annual Report and Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2020 together with the Independent Auditor's Report.

**1. FINANCIAL RESULTS****(Rs. in Lakhs)**

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Gross Income	1960.02	1601.18
Profit/(Loss) Before Interest and Depreciation	78.33	(28.08)
Finance Charges	90.01	68.94
Gross Profit	665.58	(10.49)
Provision for Depreciation	84.36	24.61
Profit before exceptional and extraordinary items and tax	(95.79)	(856.77)
Exceptional Items	(0.25)	735.13
Provision for Tax	0	123.21
Net Profit After Tax	96.04	(278.83)
Other Comprehensive Income	(4.89)	(9.27)
Total Comprehensive Income	(100.93)	(288.10)
Total Comprehensive Income Attributable to	0	0
a) Owners	0	0
b) Non-Controlling Interest	0	0
Earnings per Equity Share of Rs. 10/- each	(0.76)	(2.16)
Basic	(0.76)	(2.16)
Diluted	(0.76)	(2.16)
Proposed Dividend on Equity Shares	(0.76)	(2.16)
Tax on proposed Dividend	0	0

**2. PERFORMANCE OF THE COMPANY:**

Uncertainty in economic conditions around the world has resulted in reduced sales during the year under review. Given the circumstances, our Company was still able to overcome some of these hurdles and has achieved better performance compared to last Fiscal year 2018-19. The Company's profitability was affected adversely by a squeeze on the margins, brought about by the sluggish market conditions. Company continued to focus on the Thin Client business and this segment turned out to be a major revenue earner this year too.

**LOCKDOWN -COVID 19 AND ITS IMPACT ON THE BUSINESS**

It is quite unfortunate and sad that Corona Virus has caused significant health concerns across the Globe and resulted in multiple deaths. Social distancing being the only and the first compulsory remedy, substantial part of the World was forced to observe Lockdown. Thanks to early initiatives taken, India declared Lockdown from 24th March 2020 and extended till 31st May and then lifted the same gradually. Your Company complied with the directions of the Government of India, the Government of Maharashtra, Government of Karnataka and the relevant authorities and strictly adhered to the Lockdown in its facilities and at all Offices. The employees, vendors, customers, outsourcing agencies, Consultants and other acquaintances had to suspend their operations almost fully.

**FUTURE PROSPECTS**

The Company's Future would depend on its ability to maintain competitiveness in global thin client market with respect to price. It is our belief that "thin client" will continue to grow and become even more prevalent among computer users of all types. Long term market drivers such as the push to virtualisation technology, a transition from PC to thin client and sustained economic expansion are expected to push the demand for thin client during the year 2020-21.

However, Work from Home introduced by the corporates may dampen the requirement of thin clients

Current trends like cloud computing and virtualisation help us growing and add further values to our cost effective and remotely manageable Thin Clients.

**3. RESERVES:**

In view of the losses, the question of transferring any amount to Reserves does not arise.

**4. SHARE CAPITAL:**

There were no changes in the Share Capital of the Company during the financial year.

**Disclosure regarding Issue of Equity Shares with Differential Voting Rights**

During the financial year under review, the Company has not issued Shares with Differential Voting Rights.

**Disclosure regarding issue of Employee Stock Options**

During the financial year under review, the Company has not issued Shares under Employee Stock Options.

**Disclosure regarding issue of Sweat Equity Shares**

During the financial year under review, the Company has not issued Sweat Equity Shares.

**5. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:**

There were no material changes and commitments which occurred, between the end of the financial year and the date of the Report, which affect the financial position of the Company.

**6. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

There are no material changes after 31<sup>st</sup> March, 2020 till the signing of this Report.

**7. CHANGE IN NATURE OF BUSINESS:**

There were no changes in the nature of business during the year under review as prescribed in Rule 8(ii) of the Companies (Accounts) Rules, 2014.

**8. DIVIDEND:**

Whilst your Directors understand the sentiments of the Investors, the financials in the year that has passed, do not enable the Board to recommend any Dividend. The Board regrets its inability to recommend any Dividend.

However, the Directors will strive hard to bring the Company back to Dividend track before long and the improving performance of the Company is hoped to continue to facilitate consideration of Dividend in the days to come.

**9. BOARD MEETINGS:**

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors are held when necessary.

The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.

The Board of Directors duly met Five (5) times during the financial year on 11<sup>th</sup> April 2019, 30<sup>th</sup> May 2019, 29<sup>th</sup> July, 2019, 25<sup>th</sup> October, 2019 and 27<sup>th</sup> January 2020.

## VXL Instruments Limited

### 10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In terms of the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. M V Shetty (holding DIN: 00515711), Executive Director retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

The Composition of the Board and Key Managerial Personnel is as follows:

Sl. No.	Name	Designation	DIN
1.	*Mr. Arun Kumar Bhawania	Chairman and Non-Independent Director	00387445
2.	Mr. M. V. Shetty	Whole Time Director	00515711
3.	Mr. Vivek Gupta	Non-Executive, Independent Director	00025519
4.	***Mrs. Kumkum Bhawania	Non- Executive, Non-Independent Director	07160610
5.	Mr. Rakesh Shridas Damani	Non-Executive, Independent Director	07580652
6.	Mr. Kishan S Rao	Chief Financial Officer	NA
7.	**Ms. Shipra Vyas	Company Secretary and Compliance Officer	NA

\*Mr. Arun Kumar Bhawania resigned from offices of Chairman and Non-Independent Director w.e.f. closing of business hours of 11<sup>th</sup> July, 2019.

\*\*Ms. Shipra Vyas was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 30<sup>th</sup> May, 2019.

\*\*\* Post completion of financial year, there was a change in designation of Mrs. Kumkum Bhawania from Independent Director to Non-Independent Director of the Company with effect from 4<sup>th</sup> May, 2020 and further, she resigned from the post of Director Non-Executive Director of the Company from the closure of business hour of 15<sup>th</sup> June, 2020.

The Company is taking necessary steps to appoint one more Non-Executive Director and Woman Director of the Company as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amendment).

### 11. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received necessary declarations from each Independent Directors of the Company under the provisions of Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

### 12. COMPOSITION OF AUDIT COMMITTEE:

As on 31<sup>st</sup> March, 2020, the Audit Committee of the Company consisted of three (3) Members and all of them have financial and accounting knowledge.

The Board has accepted the recommendations of the Audit Committee during the financial year under review.

As on 31<sup>st</sup> March, 2020, the Audit Committee was comprised of the following Members:

- a) Mrs. Kumkum Bhawania - Chairperson
- b) Mr. Vivek Gupta - Member
- c) Mr. Rakesh Shridas Damani - Member

Further, post completion of financial year, there was a change in designation of Mrs. Kumkum Bhawania from Independent Director to Non-Independent Director of the Company with effect from 4<sup>th</sup> May, 2020 and further, she resigned from the post of Director Non-Executive Director of the Company from the closure of business hour of 15<sup>th</sup> June, 2020.

Based on the above, the Audit Committee was re-constituted w.e.f. 16<sup>th</sup> June, 2020 comprising of the following Members:

- a) Mr. Vivek Gupta - Chairman
- b) Mr. Rakesh Shridas Damani - Member
- c) Mr. M. V. Shetty - Member

**13. NOMINATION AND REMUNERATION POLICY AND COMMITTEE:**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a Policy for selection and appointment of Directors, Senior Management and for other employees and their remuneration. The same has been disclosed on the website of the Company at <https://www.vxl.net/investors/nomination-remuneration-policy>. The Composition, criteria for selection of Directors and the terms of reference of the Nomination and Remuneration Committee is stated in the Corporate Governance Report.

As on 31<sup>st</sup> March, 2019, the Nomination and Remuneration Committee was comprised of the following Members:

- a) Mr. Vivek Gupta - Chairman
- b) Mr. Rakesh Shridas Damani - Member
- c) \*Mr. Arun Kumar Bhuwania - Member

\*Mr. Arun Kumar Bhuwania Resigned from offices of Chairman and Non-Independent Director from the closure of business hours of 11<sup>th</sup> July, 2019.

As on 31<sup>st</sup> March, 2020, the Nomination and Remuneration Committee was comprised of the following Members:

- a) Mr. Vivek Gupta - Chairman
- b) Mr. Rakesh Shridas Damani - Member
- c) Mrs. Kumkum Bhuwania - Member

Further, post completion of financial year, there was a change in designation of Mrs. Kumkum Bhuwania from Independent Director to Non-Independent Director of the Company with effect from 4<sup>th</sup> May, 2020 and further, she resigned from the post of Director Non-Executive Director of the Company from the closure of business hour of 15<sup>th</sup> June, 2020.

Based on the above, the composition of Nomination and Remuneration Committee as on 16<sup>th</sup> June, 2020

- a) Mr. Vivek Gupta - Chairman
- b) Mr. Rakesh Shridas Damani - Member

The Company is taking steps to appoint one more Non-Executive Director of the Company.

**14. COMPOSITION OF STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Stakeholders' Relationship Committee was comprised of the following Members:

- a) Mr. Vivek Gupta - Chairman
- b) Mr. Rakesh Shridas Damani - Member

The Stakeholders' Relationship Committee was re-constituted w.e.f. 29<sup>th</sup> July, 2019:

- a) Mr. Vivek Gupta - Chairman
- b) Mr. Rakesh Shridas Damani - Member
- c) Mr. M. V. Shetty - Member

## VXL Instruments Limited

### 15. RISK MANAGEMENT POLICY:

The Company has not yet formulated a Risk Management Policy and has in place a mechanism to inform the Board/Audit Committee Members about risk assessment and minimization procedures and undertakes periodical review to ensure that executive management controls risk by means of a properly designed framework.

### 16. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has established an effective Vigil Mechanism pursuant to the provisions of Sections 177(9) and (10) of the Companies Act, 2013 and as per Regulation 4(2)(d)(iv) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 which is available on website of the Company at <http://www.vxl.net/percheditor/resources/vxlwhistleblowerpolicy> and there were no cases reported during the period under review.

### 17. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY:

The Company has not given any loan or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

### 18. DIRECTORS' RESPONSIBILITY STATEMENT:

**In pursuance of Section 134(3)(c) of the Companies Act, 2013, the Directors hereby confirm that:**

- a) In the preparation of the Financial Statements, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- b) 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 and loss of the Company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the Financial Statements on a going concern basis;
- e) 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) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 19. EXTRACT OF ANNUAL RETURN:

As required pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual return in MGT-9 is attached as a part of this Annual Report as **Annexure – I** and the same is published on the website of the Company.

### 20. STATUTORY AUDITORS:

Messrs YCRJ & Associates, Chartered Accountants (ICAI Firm Registration No. 006927S) were appointed as the Statutory Auditors of the Company for a period of 5 (Five) years from the conclusion of the 31<sup>st</sup> Annual General Meeting up to the conclusion of the 36<sup>th</sup> Annual General Meeting.

As per the Companies (Amendment) Act, 2017 and Rules made there under, with effect from 7<sup>th</sup> May, 2018, the Central Government notified the omission of the requirement related to ratification of appointment of Statutory Auditors by Members at every Annual General Meeting. Accordingly, the Resolution for ratification has not been placed before the Members.

**QUALIFICATIONS IN THE AUDIT REPORT:**

There were no qualifications or observations by the Auditors in their Audit Report.

**21. SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Vijayakrishna KT, Bengaluru, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor in the form of MR-3 is annexed to this Report as **Annexure - II**.

**Explanations by the Board on the comments of Secretarial Auditors:**

SI. No.	Qualifications made by the Secretarial Auditor	Explanations by the Board
a.	Certain details which are prescribed under Schedule V of SEBI (Listing Obligations and Disclosure Requirements), 2015 were not included in the Corporate Governance Report of Annual Report for the FY 2018-19.	The Company has taken corrective actions and ensure that all the prescribed details were included in the Corporate Governance Report.
b.	Compliances on Secretarial Standards on Board Meetings i.e., SS – 1 is not satisfactory.	The Company has taken necessary actions to comply with the Secretarial Standards on Board Meetings.

**22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

**(A)Conservation of energy:**

Steps taken / impact on conservation of energy,	The Company's operations are not power intensive. Nevertheless, your Company has introduced various measures to conserve and minimize the use of energy wherever it is possible.
(i) Steps taken by the company for utilizing alternate sources of energy including waste generated	Nil
(ii) Capital investment on energy conservation equipment	Not Applicable
Total energy consumption and energy consumption per unit of production as per Form A	Not Applicable

## VXL Instruments Limited

### (B) Technology absorption:

Efforts in brief, made towards technology absorption, adaptation and innovation	Nil
Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.	Not Applicable
In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Nil
Technology imported	Not Applicable
Year of Import	
Has technology been fully absorbed	Not Applicable
If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	Not Applicable

### (C) Research and Development (R&D)

Specific areas in which R & D carried out by the company	Research & Development Expenditures in respect of Development of Thin Client Embedded Operating Systems.
Benefits derived as a result of the above R & D	Not Applicable
Future plan of action	Not Applicable
Expenditure on R & D	
(a) Capital	Nil
(b) Recurring	Nil
(c) Total	Nil
(d) Total R & D expenditure as a percentage of total turnover	Nil

### (D) Foreign exchange earnings and Outgo

Activities relating to exports	Company is under Export Oriented Unit & focus mainly on Export.
Initiatives taken to increase exports	We are putting continuous effort to increase Export and recapture of Export market.
Development of new export markets for products and services	Efforts are on to develop new Export market.
Export plans	Efforts are on to develop new Export market.
Total Exchange used (Cash basis)	As on 31 <sup>st</sup> March, 2020: Rs.4,09,343
Total Foreign Exchange Earned (Accrual Basis)	As on 31 <sup>st</sup> March, 2020: 7,96,93,495

**23. DEPOSITS:**

Your Company has not invited/accepted/renewed any deposits from public as defined under the provisions of Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 and accordingly, there were no deposits which were due for repayment on or before 31<sup>st</sup> March, 2020.

**24. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company continued to maintain, high standards of internal control designed to provide adequate assurance on the efficiency of operations and security of its assets. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid-down systems and policies are comprehensively and frequently monitored by your Company's management at all levels of the organization. The Audit Committee, which meets at least four times a year, actively reviews internal control systems as well as financial disclosures with adequate participation, inputs from the Statutory, Internal and Corporate Secretarial Auditors.

**INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY:**

The Directors have laid down internal financial controls to be followed by the Company and such policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

**25. MATERIAL ORDER PASSED BY ANY COURT OR REGULATOR OR TRIBUNAL IMPACTING GOING CONCERN STATUS OF COMPANY:**

No order was passed by any court or regulator or tribunal during the period under review which impacts going concern status of the Company.

**26. RELATED PARTY TRANSACTIONS (RPTs):**

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. Web link for the same is <https://www.vxl.net/investors/disclosures>. Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) of the Companies Act, 2013 in Form AOC- 2 annexed to this Report as **Annexure - III**.

**27. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

Your Company recognizes the critical significance of competent and experienced employees. The team VXL Instruments continued to stand by the Company during tiring and tough times and your Board places its appreciation for these relentless efforts, untiring dedication and sense of belongingness exhibited by the employees at all levels. Your Company focuses on long term Human Resources planning aimed at managing change more efficiently, grooming internal talent for future roles and also driving efficiency within the Organization.

There were various cases pending with the Hon'ble High Court of Karnataka and in the Court of Industrial Tribunal. This was mainly on account of the closure of the unit manufacturing CRT Terminals which were phased out in the national and international market. Further, on 18<sup>th</sup> July, 2018, settlement with 31 workmen was reached (more than 50% of the workmen included in all the pending cases) and the same recorded by the Hon'ble High Court and in the Industrial Tribunal. The payments to the settled workmen were done from the deposit placed with the Hon'ble High Court and there is no cash outflow for the Company. There are 8

## VXL Instruments Limited

workmen involved in various cases who have not taken the settlement. Further, after taking into account the deposit and interest thereon placed with the Hon'ble High Court, the outflow would be minimal, if they were to be settled.

Industrial relations have been cordial and constructive, which have helped your Company to meet customers' demands.

### **28. DETAILS OF HOLDING COMPANY/SUBSIDIARIES/JV:**

VXL Instruments Limited, UK a Subsidiary Company was wound up by the Hon'ble High Court of Justice, Chancery Division, Companies Court, United Kingdom vide its Order dated 7<sup>th</sup> November, 2016. Further, to the Insolvency Proceedings under the Insolvency Act, 1986 VXL UK was dissolved on 11<sup>th</sup> March, 2018. Pursuant to this the Company has requested permission for the Reserve Bank of India for writing off the Investments of ₹ 108,000 in the Joint Venture.

### **29. ANNUAL BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, Board Committees and individual Directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### **30. CORPORATE SOCIAL RESPONSIBILITY:**

Since the Company does not meet the criteria for the applicability of Section 135 of the Companies Act read with the Companies (Accounts) Rules, 2015, the same is not applicable.

### **31. RATIO OF REMUNERATION TO EACH DIRECTOR:**

Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1)(2)(3) of the Companies (Appointment and Remuneration) Rules, 2014, details/disclosures of Ratio of Remuneration to each Director to the median employee's remuneration is annexed to this report as **Annexure-IV**.

### **32. LISTING WITH STOCK EXCHANGE:**

The Company confirms that it has paid the Annual Listing fees for the financial year 2020-21 to BSE Limited where the Company's Shares are listed.

### **33. CORPORATE GOVERNANCE AND SHAREHOLDERS' INFORMATION:**

A separate Report on Corporate Governance in terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with a Certificate from a Practising Company Secretary regarding compliance to the conditions stipulated under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report as **Annexure V**.

### **34. CAPITAL EXPENDITURE:**

As on 31<sup>st</sup> March, 2020, the gross tangible and intangible assets stood at Rs. 8,46,61,361/- and the net tangible and intangible assets at Rs. 7,22,25,581/-. Additions during the financial year amounted to Rs. 1,74,113/-/. The Company has not purchased any assets under lease.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

The following is a summary of sexual harassment complaints received and disposed off during the financial year 2019-20:

No. of complaints received: NIL

No. of complaints disposed off: NIL

**36. MANAGEMENT DISCUSSION AND ANALYSIS:**

**ECONOMIC SCENARIO AND OUTLOOK**

The Year 2020-21 starts with a lot of uncertainties due to COVID- 19 situation. It has created alarming issues for mankind and businesses. Never in the history has anyone seen such an unprecedented nature of a global pandemic, and it is unknown to all as to how long and how deep this would hit the humans and the businesses. The continuous lockdown situation in the first few months of the pandemic has put all activities of the companies in disarray. The decision to start with few activities as mandated by the Governments has not helped to make good start of operations.

The supply chain is disrupted, its suppliers and customers facilities are not fully operational as we write this report.

The GDP estimates for the country from all quarters seem to be projecting a significant contraction by almost 4% to 5% for the FY 2020-21. Underutilization of existing capacities and liquidity is a big issue, and it will impact the pace of growth of capital goods industry. This is a year of unpredictability for all the businesses and your Company is no exception to it. However, the Company has the inherent ability to act and respond to the ever-changing external developments from time to time.

**INDUSTRY OUTLOOK AND OPPORTUNITIES**

IIP & PMI have historically been good indicators for business sentiments in Capital Goods Order Intake. The forecast for both IIP and PMI is significantly down. This is expected to have a large-scale impact on the Company's performance in future. India had witnessed the COVID 19 on an already subdued economic scenario and this has made matters worse. GDP growth of 7% in 2018-19, had declined to 5% in 2019- 20 and projection for year 2020-21 is negative. It reflects the state of the current Indian economy. Work from Home culture started during the pandemic may dampen the demand for thin clients. While business activity of India is expected to witness a reduction during 2020-21, a slow recovery in the business is expected in the year 2021-22.

In the long term, the Government spending on Railways, Defence and Infrastructure, and the FDI investments in various other sectors shall continue to play an important role in the revival of the economy.

**37. DISCLOSURE REQUIREMENTS:**

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon and Management Discussion and Analysis are attached, which forms part of this report. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time and that such systems are adequate and operating effectively.

**38. MEETING OF INDEPENDENT DIRECTORS:**

The Independent Directors of the Company had met on 27th January, 2020 during the year to review the performance of Non-Independent Directors and the Board as a whole, to review the performance of the Chairman of the Company and Non-Executive Directors and other items as stipulated under the Listing Regulations. The Independent Directors have also declared their independence.

**39. RECEIPT OF ANY COMMISSION BY MD / WTD FROM A COMPANY OR FOR RECEIPT OF COMMISSION / REMUNERATION FROM ITS HOLDING OR SUBSIDIARY:**

No Director has received any commission from your Company or from Holding or Subsidiary Company.

## VXL Instruments Limited

### 40. DISCLOSURE RELATING TO REMUNERATION OF EMPLOYEES:

Pursuant to Sub Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of the employees receiving remuneration more than Rs. 1,02,00,000/- (Rupees One Crore Two Lakhs only) per annum and /or Rs. 8,50,000/- (Rupees Eight Lakhs Fifty Thousand only) per month, is not applicable to your Company.

There were no employees posted and working in a country outside India, not being Directors or relatives, drawing more than the amount prescribed under the Sub Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence, the details are not required to be circulated to the Members and also not required to be attached to this Annual Report.

### 41. INVESTORS' EDUCATION AND PROTECTION FUND:

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed Dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the Rules, the Shares on which Dividend has not been paid or claimed by the Shareholders for seven consecutive years or more shall also be transferred to the Demat account of the IEPF Authority.

During the year under review there were no unpaid or unclaimed amounts required to be transferred to IEPF account.

### 42. REPORTING OF FRAUD:

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. Further, no case of Fraud has been reported to the Management from any other sources.

### 43. COMPLIANCE WITH THE APPLICABLE SECRETARIAL STANDARDS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

### 44. MAINTENANCE OF COST RECORDS:

The Company has maintained the Cost Records as specified by the Central Government under Sub-Section (1) of Section 148 of the Companies Act, 2013.

### 45. ACKNOWLEDGEMENTS:

The Directors place on record their appreciation for valuable contribution made by employees at all levels, active support and encouragement received from the Government of India, Government of Maharashtra, Government of Karnataka, Company's Bankers, Customers, Principals, Business Associates and other Acquaintances.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

Your Directors recognize the continued support extended by all the Shareholders and gratefully acknowledge with a firm belief that the support and trust will continue in future also.

for and on behalf of the Board of Directors

Place: Bangalore  
Date : 30/06/2020

**Vivek Gupta**  
Independent Director  
DIN: 00025519  
Address: 87, Dariya Mahal A, 80  
Nepean Sea Road, Malbar Hill,  
Mumbai - 400006

**M. V. Shetty**  
Whole Time Director  
DIN: 00515711  
Address: No 317, 5<sup>th</sup> Main,  
1<sup>st</sup> Block, Koramangala  
Bangalore-560 034

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on the financial period ended on March 31, 2020**

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L85110MH1986PLC272426
2.	Registration Date	28 <sup>th</sup> February, 1986
3.	Name of the Company	VXL Instruments Limited
4.	Category / Sub-Category of the Company	Company limited by shares and Indian Non Government Company
5.	Address of the Registered office and contact details	No. 252, 5th Floor, Building No. 2, Solitaire Corporate Park, Chakala, Andheri East, Mumbai - 400093. <b>Tel.</b> : 022-28245210 <b>Fax.</b> : 022-42872197 <b>Email</b> : cfo@vxl.net <b>Website:</b> www.vxl.net
6.	Whether Listed Company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agents	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East, Mumbai – 400 059 <b>Tel.:</b> 022-63638200 <b>Fax.</b> : 022-62638299 <b>Email:</b> info@bigshareonline.com <b>Website:</b> www.bigshareonline.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products/ services	NIC Code of the Product / Service	% to total turnover of the company
1	Data Processing Units (Thin Clients)	26201	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary	% of shares held	Applicable Section
NA (Please refer point no.28 of Board's Report)					

**VXL Instruments Limited**

<b>VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)</b>									
i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters</b>									
<b>1 Indian</b>									
(a) Individual / HUF	1443030	0	1443030	10.83	1443025	0	1443025	10.83	0.00
(b) Central Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(e) Bank / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUBTOTAL (A)(1) :</b>	<b>1443030</b>	<b>0</b>	<b>1443030</b>	<b>10.83</b>	<b>1443025</b>	<b>0</b>	<b>1443025</b>	<b>10.83</b>	<b>0.00</b>
<b>2 Foreign</b>									
(a) NRI's - Individual	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other Individual	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bank / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (A)(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
Total Share holding for promoters									
<b>(A)=(A)(1) + (A)(2)</b>	<b>1443030</b>	<b>0</b>	<b>1443030</b>	<b>10.83</b>	<b>1443025</b>	<b>0</b>	<b>1443025</b>	<b>10.83</b>	<b>0.00</b>
<b>(B) Public shareholding</b>									
<b>1. Institutions</b>									
(a) Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(b) FINANCIAL INSTITUTIONS / BANKS	0	900	900	0.01	0	900	900	0.01	0.00
(c) MUTUAL FUNDS / UTI	0	3000	3000	0.02	0	3000	3000	0.02	0.00
(d) VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
(e) INSURANCE									

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<b>VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)</b>									
i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
(f) FII'S	0	0	0	0.00	0	0	0	0.00	0.00
(g) FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
(h) QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(i) FOREIGN PORTFOLIO INVESTOR	42645	0	42645	0.32	42645	0	42645	0.32	0.00
(j) ALTERNATE INVESTMENT FUND	0	0	0	0.00	0	0	0	0.00	0.00
(k) ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(1):</b>	<b>42645</b>	<b>3900</b>	<b>46545</b>	<b>0.35</b>	<b>42645</b>	<b>3900</b>	<b>46545</b>	<b>0.35</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
(a) Bodies Corporate	1287171	9200	1296371	9.73	1254264	9200	1263464	9.48	(0.25)
(b) Individual									
(i) (Individual Share Holders holding Nominal Share Capital Upto to Rs. 1 Lakh)	941102	162400	1103502	8.28	951051	160500	1111551	8.34	0.06
ii) (Individual Share Holders holding Nominal Share Capital in excess of Rs. 1 Lakh)	906858	0	906858	6.81	931847	0	931847	6.99	0.19
(c) ANY OTHERS (Specify)									
i) HINDU UNDIVIDED FAMILY	71153	0	71153	0.53	70753	0	70753	0.53	(0.00)
ii) TRUSTS	0	0	0	0	100	0	100	0	0
iii) CLEARING MEMBER	202	0	202	0.00	526	0	526	0.00	0.00
iv) NON RESIDENT INDIANS (NRI)	0	176100	176100	1.32	0	176100	176100	1.32	0.00

**VXL Instruments Limited**

<b>VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)</b>									
i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
v) NON RESIDENT INDIANS (REPAT)	16654	3875000	3891654	29.21	4891404	0	4891404	36.71	7.50
vi) NON RESIDENT INDIANS (NON REPAT)	241185	0	241185	1.81	241285	0	241285	1.81	0.00
vii) Directors' relatives	0	0	0	0.00	0	0	0	0.00	0.00
viii) Employee	0	0	0	0.00	0	0	0	0.00	0.00
ix) FOREIGN NATIONALS	150100	287500	437600	3.28	150100	287500	437600	3.28	0.00
x) OVERSEAS BODIES CORPORATES	1785600	1925000	3710600	27.85	785600	1925000	2710600	20.34	(7.50)
xi) Unclaimed suspense account	0	0	0	0.00	0	0	0	0.00	0.00
xii) IEPF	0	0	0	0.00	0	0	0	0.00	0.00
d. Qualified foreign investor	0	0	0	0.00	0	0	0	0.00	0.00
e. NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(2)</b>	<b>5400025</b>	<b>6435200</b>	<b>11835225</b>	<b>88.82</b>	<b>9276930</b>	<b>2558300</b>	<b>11835230</b>	<b>88.82</b>	<b>0.00</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	5442670	6439100	11881770	89.17	9319575	2562200	11881775	89.17	0.00
C. Shares held by Custodians and against which depository receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total(A+B+C)</b>	<b>6885700</b>	<b>6439100</b>	<b>13324800</b>	<b>100</b>	<b>10762600</b>	<b>2562200</b>	<b>13324800</b>	<b>100.00</b>	<b>0.00</b>

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ii) Shareholding of Promoters and Promoter group

Sl. No.	Shareholder's Name (Messrs)	Shareholding at the beginning of the period			Shareholding at the end of the period			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Madireddy V Nagaraj	319050	2.3944	0.00	319050	2.3944	0.00	0.00
2	M V Shetty	29920	0.2245	0.00	29920	0.2245	0.00	0.00
3	Laxmi Mundkur	400740	3.0075	0.00	400740	3.0075	0.00	0.00
4	Kumar Shyam	387900	2.9111	0.00	387900	2.9111	0.00	0.00
5	Pravina V Shetty	263880	1.9804	0.00	263880	1.9804	0.00	0.00
6	A V Kasargod	100	0.0008	0.00	100	0.0008	0.00	0.00
7	JayaLakshmi Shyam	16240	0.1219	0.00	16235	0.1218	0.00	-0.0001
8	Ridhima V Shetty	16000	0.1201	0.00	16000	0.1201	0.00	0.00
9	Rishab Shetty	100	0.0008	0.00	100	0.0008	0.00	0.00
10	Deviyani D cruz	9100	0.0683	0.00	9100	0.0683	0.00	0.00
	<b>Total</b>	<b>1443030</b>	<b>10.8298</b>	<b>0</b>	<b>1443025</b>	<b>10.8295</b>	<b>0.00</b>	<b>-0.0001</b>

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	14,43,030	10.83	14,43,025	10.83
	Datewise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year	14,43,030	10.83	14,43,025	10.83

## VXL Instruments Limited

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR and ADRs):

Sl. No.	Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year		
		No. of Shares At the Beginning (30/03/2019) / end of the year (31/03/2020)	% total Shares of the Company				No of Shares	% total Shares of the Company	
1	AVISHEK SAJJANKUMAR SUHASARIA	1950000	14.63	30-Mar-2019	0	Buy	1950000	14.63	
			22.14	24-May-2019	1000000		2950000	22.14	
		2950000	22.14	31-Mar-2020	0		2950000	22.14	
2	NITESH JUTHANI	1925000	14.45	30-Mar-2019	0		1925000	14.45	
		1925000	14.45	31-Mar-2020	0		1925000	14.45	
3	AUROTECH TECHNOLOGIES DMCC	1925000	14.45	30-Mar-2019	0		1925000	14.45	
		1925000	14.45	31-Mar-2020	0		1925000	14.45	
4	DAYMOUNT LIMITED	1785600	13.40	30-Mar-2019	0		1785600	13.40	
			5.90	24-May-2019	1000000		Sell	785600	5.90
		785600	5.90	31-Mar-2020	0		785600	5.90	
5	PRIYALIMITED	900000	6.75	30-Mar-2019	0		900000	6.75	
		900000	6.75	31-Mar-2020	0		900000	6.75	
6	HALIFAX PROPERTIES INVESTMENT PRIVATE LIMITED	130651	0.98	30-Mar-2019	0	Buy	130651	0.98	
			1.83	26-Apr-2019	113689		244340	1.83	
		244340	1.83	31-Mar-2020	0		244340	1.83	
7	SAROJ BHUWANIA	220891	1.66	30-Mar-2019	0		220891	1.66	
		220891	1.66	31-Mar-2020	0		220891	1.66	
8	LOK NATH AGARWALA	175000	1.31	30-Mar-2019	0		175000	1.31	
		175000	1.31	31-Mar-2020	0		175000	1.31	
9	ANKUR PODDAR	148109	1.11	30-Mar-2019	0		148109	1.11	
		148109	1.11	31-Mar-2020	0		148109	1.11	
10	RINA PODDAR	128527	0.96	30-Mar-2019	0		128527	0.96	
		128527	0.96	31-Mar-2020	0		128527	0.96	

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(v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year M V Shetty	29920	0.22		
Datewise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g.allotment /transfer/bonus/ sweatequity etc.)	No Change			
At the End of the year M V Shetty			29920	0.22

**V. INDEBTEDNESS:**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment:  
Rs.5,30,05,594/-**

**VXL Instruments Limited****VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

## A. Remuneration to Whole-time Directors and/or Manager:

Amount in Rs.

Sl. No.	Particulars of Remuneration	Name of MD/WTD	Total Amount
		M V Shetty Whole Time Director	
1	1. Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	25,78,992 3,01,008	25,78,992 3,01,008
2	Stock Option	—	—
3	Sweat Equity	—	—
4	Commission - as % of profit - Others, specify...	—	—
5	Others, please specify	—	—
	<b>Total (A)</b>	28,80,000	28,80,000
	<b>Ceiling as per the Act</b>	<b>42,00,000</b>	<b>42,00,000</b>

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**B. Remuneration to other Directors:**

Amount in Rs.

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Vivek Gupta	Mrs. Kumkum Bhuwania	Mr. Rakesh Shridas Damani	
1	Independent Directors				
	• Fee for attending board / committee meetings	78,000	72,000	78,000	2,28,000
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	78,000	72,000	78,000	2,28,000
2	Other Non-Executive Directors	Mr. Arun Kumar Bhuwania			
	• Fee for attending board / committee meetings	6,000			6,000
	• Commission	-	-	-	-
	• Others, please specify				
	Total (2)	6,000			6,000
	Total (B)=(1+2)	84,000	72,000	90,000	2,34,000
Overall Ceiling as per the Act -- Within the Limits					

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Amount in Rs.

Sl.No.	Particulars of Remuneration	Chief Financial Officer Kishan S Rao
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act,1961	15,13,836
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil
2	Stock Option	Nil
3	Sweat Equity	Nil
4	Commission	Nil
	- as % of profit	Nil
	- others, specify...	Nil
5	Others, please specify	Nil
	<b>Total</b>	<b>15,13,836</b>

**VXL Instruments Limited**

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD			Amount in Rs.
SI.No.	Particulars of Remuneration	Company Secretary and Compliance Officer Shipra Vyas	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act,1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	2,83,968	
2	Stock Option	Nil	
3	Sweat Equity	Nil	
4	Commission - as % of profit - others, specify...	Nil	
5	Others, please specify	Nil	
<b>Total</b>		<b>2,83,968</b>	

  

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

for and on behalf of the Board of Directors

Place: Bangalore Date : 30/06/2020	<p><b>Vivek Gupta</b> Independent Director DIN: 00025519 Address: 87, Dariya Mahal A, 80 Nepean Sea Road, Malbar Hill, Mumbai - 400006</p>	<p><b>M. V. Shetty</b> Whole Time Director DIN: 00515711 Address: No 317, 5<sup>th</sup> Main, 1<sup>st</sup> Block, Koramangala Bangalore-560 034</p>
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Form No. MR-3

Annexure - II

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2020

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To

The Members

VXL INSTRUMENTS LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VXL Instruments Limited (CIN: L85110MH1986PLC272426) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by VXL Instruments Limited for the financial year ended on 31.03.2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (j) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
  - (k) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
  - (l) Circulars/Guidelines issued thereunder;
- (vi) There are no specific laws applicable to the Company pursuant to the business carried by the Company.

## **VXL Instruments Limited**

(vii) The other general laws as may be applicable to the Company including the following:

### **(1) Employer/Employee Related Laws & Rules:**

- i. Industries (Development & Regulation) Act, 1951
- ii. The Factories Act, 1948
- iii. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
- iv. The Apprentices Act, 1961
- v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- vi. The Employees State Insurance Act, 1948
- vii. The Workmen's Compensation Act, 1923
- viii. The Maternity Benefits Act, 1961
- ix. The Payment of Gratuity Act, 1972
- x. The Payment of Bonus Act, 1965
- xi. The Industrial Disputes Act, 1947
- xii. The Trade Unions Act, 1926
- xiii. The Payment of Wages Act, 1936
- xiv. The Minimum Wages Act, 1948
- xv. The Child Labour (Regulation & Abolition) Act, 1970
- xvi. The Contract Labour (Regulation & Abolition) Act, 1970
- xvii. The Industrial Employment (Standing Orders) Act, 1946
- xviii. Equal Remuneration Act, 1976
- xix. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979
- xx. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
- xxi. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996
- xxii. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013
- xxiii. Dangerous Machines (Regulation) Act, 1983
- xxiv. Indian Boilers Act, 1923
- xxv. The Karnataka Shops & Establishments Act, 1961
- xxvi. The Industrial Establishments (National and Festival Holidays) Act, 1963
- xxvii. The Labour Welfare Fund Act, 1965
- xxviii. The Karnataka Daily Wage Employees Welfare Act, 2012
- xxix. The Maharashtra Labour Welfare Fund Act, 1965 & Rules
- xxx. The Employment Exchanges (CNV) Act & Rules
- xxxi. The Karnataka (National & Festival) Holidays Act & Rules
- xxxii. For majority of Central Labour Laws, the State has introduced Rules [names of each of the Rules is not included here]

### **2) Environment Related Acts & Rules:**

- i. The Environment Protection Act, 1986
- ii. The Water (Prevention & Control of Pollution) Act, 1974
- iii. The Air (Prevention & Control of Pollution) Act, 1981
- iv. The Government Order Under Environment (Protection) Act, 1986
- v. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
- vi. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999

**3) Economic/Commercial Laws & Rules:**

- i. The Competition Act, 2002
- ii. The Indian Contract Act, 1872
- iii. The Sales of Goods Act, 1930
- iv. The Forward Contracts (Regulation) Act, 1952
- v. The Indian Stamp Act, 1899
- vi. The Transfer of Property Act, 1882
- vii. The Patents Act, 1970
- viii. The Trade Marks Act, 1999

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e., SS - 1 and SS – 2.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Certain non-material findings made during the course of the audit relating to Labour Laws were addressed suitably by the Management. Following observations have been brought before the Shareholders which are treated as material in nature:

- a. *Certain details which are prescribed under Schedule V of SEBI (Listing Obligations and Disclosure Requirements), 2015 were not included in the Corporate Governance Report of Annual Report for the FY 2018-19.*
- b. *Compliances on Secretarial Standards on Board Meetings i.e., SS – 1 is not satisfactory.*

Further, I report that with regard to financial and taxation matters, I have relied on the Audit Report, Limited Review Report and the Internal Audit Report provided by the Statutory/Internal Auditor as the case may be.

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

The decisions were carried through majority while the dissenting members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such case instance.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** I could not physically verify few documents/registers/returns due to Lockdown situation in relation to outbreak of Pandemic Covid-19 and I have relied up on the soft copies/information shared with me.

Place: Bangalore

Date: 30.06.2020

Vijayakrishna KT  
FCS.: 1788 C P.: 980  
UDIN: F001788B000404960

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

## VXL Instruments Limited

'Annexure'

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Customs Act, Goods and Services Tax Act.
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc. as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore

Date: 30.06.2020

Vijayakrishna KT  
FCS.: 1788 C P.: 980  
UDIN: F001788B000404960

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**FORM NO. AOC.2**

**ANNEXURE III**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso there to.

**(Pursuant to clause (h) of sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

**1. Details of contracts or arrangements or transactions not at arm's length basis: NIL**

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

SL. No.	PARTICULARS	DETAILS			
1.	Name(s) of the related party and nature of relationship	Priya Limited	Brent Properties Investment Private Limited	Aurotech Technologies Dmcc	Rishabh Shetty
2.	Nature of contracts /arrangements /transactions	Purchases, Sales and Services	Leave and License Agreement	Sales & Service	Remuneration
3.	Duration of the contracts/ arrangements /transactions	Ongoing - based on periodical requirements	Ongoing - based on periodical requirements	Ongoing - based on periodical requirements	Ongoing
4.	Salient terms of the contracts or arrangements or transactions	Based on Orders procured by Priya from Overseas Customers, Purchase Orders are placed on VXL. Based on projected customer orders Raw materials and other materials are procured through Priya from Overseas suppliers. Domestic Annual Maintenance Contracts, service of thin clients are carried out through Priya Limited	Taking of premises on rental basis for official purpose situated at Unit No. 252, 5th Floor, Building No. 2, Solitaire Corporate Park, Village Chakala, Andheri Kurla Road, Andheri(E) Mumbai-400 093 on the terms and conditions set out in the Leave and License Agreement.	Sales & Service	Mr. Rishabh Shetty, son of Whole -Time Director, Mr. M.V. Shetty is employed with the company as 'Sr. Software Engineer'
5.	Value of transactions	Transaction value for the previous Financial Year 2019-20(Rs.) 1,34,49,759/-	Transaction value for the previous Financial Year 2019-20(Rs.) 6,00,000/-	Transaction value for the previous Financial Year 2019-20(Rs.) 29,80,323/-	Transaction value for the previous Financial Year 2019-20(Rs.) 7,11,256/-
		Estimated Transaction Value for the Financial Year 2020 -21 (Rs.) 2,20,00,000/-	Estimated Transaction Value for the Financial Year 2020-21 (Rs.) NIL	Estimated Transaction Value for the Financial Year 2020 -21 (Rs.) 50,00,000/-	Estimated transaction value for the Financial Year 2020-21 (Rs.) 8,40,000/-
6.	Date(s) of approval by the Board	30th May, 2019			
7.	Amount paid as advances	Nil	Nil	Nil	Nil

for and on behalf of the Board of Directors

Place: Bangalore  
Date : 30/06/2020

**Vivek Gupta**  
Independent Director  
DIN: 00025519  
Address: 87, Dariya Mahal A, 80  
Nepean Sea Road, Malbar Hill,  
Mumbai - 400006

**M. V. Shetty**  
Whole Time Director  
DIN: 00515711  
Address: No 317, 5th Main,  
1st Block, Koramangala  
Bangalore-560 034

**VXL Instruments Limited**

**ANNEXURE – IV**

**THE RATIO OF THE REMUNERATION OF EACH DIRECTOR**

<u>Requirements</u>	<u>Disclosure</u>
(i) The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the Financial Year;	Whole-Time Director Mr. M. V. Shetty 8.43:1
(ii) The percentage increase in aggregate remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year;	Whole-Time Director: NIL % CFO & Company Secretary:-NIL %
(iii) The percentage increase in the median remuneration of employees in the Financial Year;	2.62%
(iv) The number of permanent employees on the rolls of Company as on 31/03/2020	61 members
(v) The explanation on the relationship between average increase in remuneration and company performance;	Increase in remuneration is based on the industrial standard and experience of each employees.
(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	Remuneration paid to Key Managerial person is based on Remuneration Policy of the Company.
(vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current Financial Year and previous Financial Year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last Public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current Financial Year and previous Financial Year;	There is no material variation in the share price.
(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	This is as per the company's increment guidelines.

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(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	This is as per the company's increment guidelines.
(x) The key parameters for any variable component of remuneration availed by the Directors;	NA
(xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year;	NA
(xii) Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes

for and on behalf of the Board of Directors

Place: Bangalore  
Date : 30/06/2020

**Vivek Gupta**  
Independent Director  
DIN: 00025519  
Address: 87, Dariya Mahal A, 80  
Nepean Sea Road, Malbar Hill,  
Mumbai - 400006

**M. V. Shetty**  
Whole Time Director  
DIN: 00515711  
Address: No 317, 5<sup>th</sup> Main,  
1<sup>st</sup> Block, Koramangala  
Bangalore-560 034

**ANNEXURE TO THE BOARD'S REPORT  
REPORT ON CORPORATE GOVERNANCE MANDATORY REQUIREMENTS**

**1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

Your Company continued to firmly be committed to adopting and adhering to all globally recognized corporate governance concepts and practices. The Company strives to meet the expectations of its stakeholders on matters related to transparency, integrity, accountability and trusteeship, on a continuous basis.

**2. BOARD OF DIRECTORS:**

The Company currently has 3 (three) Directors comprising of 1 (One) Executive Director and 2 (Two) Non-Executive Independent Directors. The Company is taking necessary steps to appoint one more Non-Executive Director and Woman Director as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

After due circulation of agenda and notes thereon, the Board of Directors has met at reasonable periods of intervals to transact business on various Board's functions, responsibilities and accountabilities. Compliances of various Laws and Regulations along with the Corporate Philosophy, goal, plans and strategies have been dwelt at length by the Board at its various proceedings.

The Board of Directors confirms that all the Independent Directors of the Company are in compliance with the Companies Act, 2013 and also, they fulfill the conditions specified under the Listing Regulations and are Independent of the Management of the Company.

**Declaration under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018:**

All the Directors have confirmed that they are neither debarred nor disqualified from being appointed or continuing as Director by Securities and Exchange Board of India / the Ministry of Corporate Affairs or any such Statutory Authority. The Company has obtained a Certificate to this effect from Mr. Vijayakrishna K.T., Practising Company Secretary, Bangalore as mandated under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

The details of the Directors' attendance at the Meetings of the Board of your Company during the financial year ended 31<sup>st</sup> March, 2020 are exhibited below:

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Name of Director	DIN	Category of Directorship	Inter-se relationship	No. of Board Meetings attended	Whether attended Last AGM	No. of Directorship in other Companies incorporated in India	No. of Committee membership Member/ chairman in other companies in India
Mr. Vittal Mangalore Shetty	00515711	Whole-Time Director	Nil	4	Yes	0	Nil
*Mr. Arunkumar Bhuwania	00387445	Non-Executive and Non-Independent Director	Nil	1	No	2	–
Mr. Vivek Gupta	00025519	Independent & Non-Executive	Nil	4	No	3	Nil
**Mr. Pranav Vikas Makharia	03587980	Independent & Non-Executive	Nil	0	No	3	Nil
**Ms. Kumkum Bhuwania	07160610	Non-Executive	Nil	5	Yes	0	Nil
Mr. Rakesh ShridasDamani	07580652	Independent & Non-Executive	Nil	4	Yes	1	Nil

**Notes:**

\*Mr. ArunKumar Bhuwania resigned from the offices of Chairman and Non-Independent Director w.e.f.11th July, 2019 due to personal reasons.

Mr. Pranav Vikas Makaharia resigned as Non-Executive Independent Director w.e.f. 5th April, 2019 due to personal reasons.

\*\*\*Post completion of financial year, there was a change in designation of Mrs. Kumkum Bhuwania from Independent Director to Non-Independent Director of the Company with effect from 4th May, 2020 and further, she resigned from the office of Director Non-Executive Director of the Company from the closure of business hour of 15th June, 2020as she is preoccupied and not finding sufficient time to devote for the office of Director.

**Skills, Expertise and Competence of the Board of Directors**

The following are the list of core skills / expertise / competencies identified by the Board of Directors:

- 1) Knowledge on Company's businesses, policies and culture major risks / threats and potential opportunities and knowledge of the industry in which the Company operates;
- 2) Leading growth through acquisitions and other business combinations, with the ability to assess, analyze the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans
- 3) Business Strategy, Sales & Marketing, Management, Administration, Decision Making;
- 4) Knowledge about maintaining Board and management accountability, protecting shareholder interests, and governance practices
- 5) Financial and Management skills
- 6) Technical / Professional skills and specialized knowledge in relation to Company's business.

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Each Director's Skills / expertise / competencies as referred above in point nos.1 to 6:

Name of the Director	Areas of expertise					
	1	2	3	4	5	6
Mr. M. V. Shetty	✓	✓	✓	✓	✓	✓
Mr. Vivek Gupta	✓	✓	✓	✓	✓	✓
Mr. Rakesh ShridasDamani	✓	✓	✓	✓	✓	✓
* Mrs. Kumkum Bhawania	✓	✓	✓	✓	✓	✓

\*Post completion of financial year, there was a change in designation of Mrs. Kumkum Bhawania from Independent Director to Non-Independent Director of the Company with effect from 4th May, 2020 and further, she resigned from the office of Director Non-Executive Director of the Company from the closure of business hours of 15th June, 2020.

### DETAILS OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR:

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings.

The Board of Directors duly met Five (5) times during the financial year on 11th April 2019, 30th May 2019, 29th July 2019, 25th October 2019 and 27th January 2020.

None of the Non-Executive Directors has any material pecuniary relationship or transactions with the Company.

### 3. AUDIT COMMITTEE:

The Audit Committee is responsible for overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment and removal of the Statutory and Internal Auditors, fixation of audit fees, the approval for payment for any other services and reviewing with the management the annual financial statements before submission to the Board.

Mrs. Kumkum Bhawania, Chairperson, Mr. Vivek Gupta and Mr. Rakesh Shridas Damani, Independent Directors as Members of the Committee.

Further, post completion of financial year, there was a change in designation of Mrs. Kumkum Bhawania from Independent Director to Non-Independent Director of the Company with effect from 4th May, 2020 and further, she resigned from the office of Director Non-Executive Director of the Company from the closure of business hour of 15th June, 2020.

In view of the above, the Audit Committee was re-constituted w.e.f. 16th June, 2020 comprising of Mr. Vivek Gupta, Chairman, Mr. Rakesh Shridas Damani and M. V. Shetty as Members of the Committee.

#### Meetings and the attendance during the financial year

The Committee met 4 (Four) times during the financial year on 30th May 2019, 29th July 2019, 25th October 2019, and 27th January 2020.

The attendance of each Member of the Committee is stated below:

Name of Members	No. of Meetings held	No. of Meetings attended
*Mr. Pranav Vikas Makharia	NA	NA
**Mrs. Kumkum Bhawania	4	4
Mr. Vivek Gupta	4	4
Mr. Rakesh ShridasDamani	4	4

\*Mr. Pranav Vikas Makharia resigned w.e.f. 5th April, 2019

\*\* Mrs. Kumkum Bhawania resigned w.e.f. 15th June, 2020

Managing Director, Chief Financial Officer, Internal Auditors and Statutory Auditors are invitees to the Meeting. Company Secretary of the Company acts as the Secretary to the Committee Meetings.

The terms of reference / role of the Audit Committee cover the matters specified for Audit Committees under Regulation 18 and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) as well as the provisions of Section 177 of the Companies Act, 2013. The brief description of the terms of reference of the Audit Committee is given below:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- c) Approval of payment to the Statutory Auditors for any other services rendered by them;
- d) Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval,
- e) Reviewing, with the management, the quarterly Financial results before submission to the board for approval
- f) Reviewing the statement of significant related party transactions, if any
- g) Discussion with internal auditors of any significant findings

#### 4. NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted Nomination and Remuneration Committee.

Following are the terms of reference of the Committee *inter alia*, the following:

- a) Chairman: Chairman of the Committee shall be an Independent Director as may be elected by the members of the Committee.
- b) Quorum: Quorum for Meeting of the Committee shall be a minimum of two members provided one of them shall always be an Independent Director.
- c) Frequency of Meetings: The Committee may meet at such times as may be deemed necessary.
- d) Role: The Role of the Committee shall include *inter-alia* the following:
  - Formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
  - Formulation of criteria for evaluation of Independent Directors and the Board including carrying out evaluation of every Director's performance;
  - Devising a Policy on Board diversity;
  - Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board for their appointment and removal.
  - Such other matters as may be prescribed under the Companies Act, 2013, listing agreement and by the Board of Directors of the Company from time to time.
  - recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- e) Invitees: The Committee may invite such executives of the Company and such other persons as it may consider appropriate.
- f) Secretary to the Committee: The Company Secretary shall be the Secretary of the Committee who shall flag actions and serve as executive support to the Committee.

The Committee met 3 (Three) times during the financial year on 30th May 2019, 29th July 2019 and 27th January, 2020.

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The attendance of each Member of the Committee is stated below:

Name of Members	No. of Meetings held	No. of Meetings attended
Mr. Vivek Gupta	3	3
Mr. Rakesh ShridasDamani	3	3
*Mr. Arun Kumar Bhuwania	1	Nil
**Mrs. Kumkum Bhuwania	3	2

\*Mr.ArunKumarBhuaniaresigned from offices of Chairman and Non-Independent Director from the closure of business hours of 11th July, 2019.

\*\* Mrs. Kumkum Bhuwania resigned w.e.f. 15th June, 2020

As on 31st March, 2019, the Nomination and Remuneration Committee was comprised of the following Members:

- a) Mr. Vivek Gupta - Chairman
- b) Mr. Rakesh ShridasDamani - Member
- c) \*Mr. Arun Kumar Bhuwania - Member

\*Mr. ArunKumarBhuwania Resigned from offices of Chairman and Non-Independent Director from the closure of business hours of 11th July, 2019.

As on 31st March, 2020, the Nomination and Remuneration Committee was comprised of the following Members:

- a) Mr. Vivek Gupta - Chairman
- b) Mr. Rakesh Shridas Damani - Member
- c) Mrs. Kumkum Bhuwania - Member

Further, post completion of financial year, there was a change in designation of Mrs. Kumkum Bhuwania from Independent Director to Non-Independent Director of the Company with effect from 4th May, 2020 and further, she resigned from the post of Director Non-Executive Director of the Company from the closure of business hour of 15th June, 2020.

Based on the above, the composition of Nomination and Remuneration as on 16th June, 2020:

- a) Mr. Vivek Gupta - Chairman
- b) Mr. Rakesh Shridas Damani - Member

The Company is taking steps to appoint one more Non-Executive Director of the Company.

The details of remuneration paid to the Directors during the financial year 2019-20 are stated below:

### a. Executive Directors

(Amount in Rs.)

Name	Salary	Fixed Commission	Perquisites	Sitting Fees	Total
Mr. M. V. Shetty	25,78,992	Nil	3,01,008	Nil	28,80,000
<b>Total</b>	25,78,992	Nil	3,01,008	Nil	28,80,000

**b. Non-Executive Directors:**

(Amount in Rs.)

Name	Sitting Fees	Commission
Mr. ArunKumar Bhuwania	6000	Nil
Mr. Vivek Gupta	78000	Nil
Ms. Kumkum Bhuwania	72000	Nil
Mr. Rakesh Shridas Damani	78000	Nil
Mr. Pranav Vikas Makharia	Nil	Nil
<b>Total</b>	234000	Nil

Note: Particulars of change in Directors as mentioned in point no. 2.

**Service Contract / Notice Period / Severance Fee:**

- The Contracts of Service entered into by the Company with Mr.Kisan S Rao Chief Financial Officer, provides that the Company and the Executive Directors shall be entitled to terminate the agreement by giving 3 months' notice respectively, in writing on either side.
- No severance fee is payable by the Company to the Executive Directors on termination of the agreement.

**5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

This Committee looks into redressing of Shareholders' complaints like non-transfer of Shares, non-receipt of Annual Report. As of 31st March, 2020, the Committee comprised of Mr. Vivek Gupta - Chairman, Mr. Rakesh Shridas Damani- Member , Mr. M V Shetty - Member

The Committee met once during the financial year on 27th January, 2020.

This Committee monitors and addresses investors complaints, transfer of Shares, transmission etc. based on the information provided by the Company's Registrars and Share Transfer Agents.

Based on information provided by the Company's Registrar & Share Transfer Agents, the status of investor's grievances for the financial year ended March 31, 2020 is as follows:

Particulars	Total No. of Complaints received	Complaints pending
Direct	NIL	Nil
Through Stock Exchange/SEBI	One	NIL

**6. COMPLIANCE OFFICER AND ADDRESS FOR CORRESPONDENCE:**

Ms. Shipra Vyas  
 Company Secretary and Compliance Officer  
 VXL Instruments Limited  
 # 1783, Sector -1, Phoenix House  
 19th Main, HSR Layout  
 Bengaluru-560 102, Karnataka  
 Mobile:+91 9148971791  
 Email:cs@vxl.net Web:www.vxl.net

The Company has fulfilled all the compliance requirements under Regulation 20 of SEBI (LODR) Regulations, 2015 (as amended) as regards the Stakeholders' Relationship Committee.

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### 7. INDEPENDENT DIRECTORS' MEETING:

During the financial year under review, the Independent Directors met on 27th January, 2020, *inter alia*, to discuss:

- Evaluation of the performance of the Non-Independent Directors and the Board as a whole
- Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive and Non-Executive Directors
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors viz., Mrs. Kumkum Bhawania, Mr. Rakesh Shridas Damani and Mr. Vivek Gupta were present at the Meeting.

### 8. CRITERIA FOR MAKING PAYMENT TO NON-EXECUTIVE DIRECTORS:

The Company has laid the criteria for making payments to the Non-Executive Directors. The details of such criteria are available on the website of the Company at <https://www.vxl.net/percheditor/resources/policy-criteria-for-making-payment-to-non-executive-directors.pdf>

### 9. PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance and its Committee's and the Directors individually. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance etc.,

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performances of the Committees were evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as the composition of Committees, effectiveness of Committee Meetings, etc.

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

In a separate Meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in Meetings, etc.

At the Board Meeting that followed the Meeting of the Independent Directors and Meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

The Company had also further during the financial year, conducted Familiarization program for Independent Directors of the Company and the details of such familiarization programs are disseminated on the website of the Company at <https://www.vxl.net/investors/disclosures>

### SHARES HELD BY NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors as on 31st March, 2020, who held Shares in the Company, are as under:

Name of Directors	Number of Shares held
Mr. Vivek Gupta	Nil
Mr. Rakesh Shridas Damani	Nil
Mrs. Kumkum Bhawania	Nil

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### 10. GENERAL BODY MEETINGS:

Details of Annual General Meetings (AGM) of the Company held for the last three years:

Year	Date	time	Venue
2016-17	13 <sup>th</sup> September 2017	01.00 PM	Hall of Quest, Nehru Planetarium, Nehru Centre, Dr. Annie Beasant Road, Worli, Mumbai-400 018
2017-18	19 <sup>th</sup> September, 2018	12.30 PM	Hall of Quest, Nehru Planetarium, Nehru Centre, Dr. Annie Beasant Road, Worli, Mumbai-400 018
2018-19	27 <sup>th</sup> September, 2019	12:00 Noon	Hall of Quest, Nehru Planetarium, Nehru Centre, Dr. Annie Beasant Road, Worli, Mumbai-400 018

Particulars of Special Resolutions passed in the last three AGMs are given below:

13th September, 2017	<ol style="list-style-type: none"><li>1. Increase in borrowing powers and powers to hypothecate etc.</li><li>2. Fees for delivery of any document through a particular mode of delivery to a member</li></ol>
19th September 2018	There were no items passed as Special Resolution at the Annual General Meeting (AGM) held on 19th September, 2018
27th September, 2019	<ol style="list-style-type: none"><li>1. Re-classification of the Promoters of the Company</li><li>2. Re-Appointment of Mr. M V Shetty as Whole Time Director of the Company</li></ol>

No Special Resolution was passed through Postal Ballot during the financial year under report.

### 11. SUBSIDIARY COMPANY:

The Company did not have any Subsidiaries during the period under report. The Company's erstwhile Subsidiary VXL Instruments Ltd. UK was dissolved on 11th March, 2018 and the Company has requested permission of Reserve Bank of India for write off of the investment made in it.

### 12. RELATED PARTY TRANSACTIONS:

Transactions with related parties, as per the requirements of Ind AS 24 are disclosed in the notes to accounts annexed to the financial statements.

All the transactions with related parties were in the ordinary course of business and on arm's length basis. All Related Party Transactions are placed before the Audit Committee for its prior approval. Omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature.

The Company has adopted a Policy for dealing with Related Party Transactions. The Policy, as approved by the Board, has been uploaded on the Company's website and can be accessed at <https://www.vxl.net/investors/disclosures>

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Related party transactions during the financial year ended 31st March, 2020 is included in Form AOC- 2 annexed to the Board's Report as **Annexure – III**.

The register of Contracts containing the transactions, in which Directors are interested, is placed before the Board as and when necessary

### 13. COMPLIANCES:

There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on such matters.

### 14. MEANS OF COMMUNICATION:

The quarterly and half yearly results are published in national and local dailies such as the Financial Express (in English) and Navashakthi (in Marathi) and hence are not individually sent to the Shareholders. The Company's financial results and shareholding pattern are also displayed in the Company's website at <https://www.vxl.net/investors> The Company does not make any representations to the Institutional Investors or to the Analysts.

### 15. REPORTING OF INTERNAL AUDITOR:

The Internal Auditor reports to the Audit Committee.

### 16. CEO AND CFO CERTIFICATION:

The CEO and CFO of the Company have certified to the Board of Directors, *inter-alia*, the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under SEBI Regulations, for the period ended 31st March, 2020.

### 17. CODE OF CONDUCT:

The Company has adopted Code of Conduct which has been implemented. The Code of Conduct is made applicable to the Directors and Senior Management Team. The Code of Conduct is available on the website of the Company at [www.vxl.net](http://www.vxl.net). Requisite annual affirmations of compliance with respective codes have been made by the Directors and Senior Management of the Company for the period 1st April, 2019 to 31st March, 2020.

The Certificate by the CEO of the Company concerning compliance with the Code of Conduct for Directors and Senior Management is given below:

Code of Conduct for Directors and Senior Management

CEO Confirmation

I hereby confirm that:

The Company has obtained from the Directors and Senior Management personnel affirmation that they have complied with the above code for, and in respect of, the year ended 31st March, 2020.

Place : Bengaluru

M V Shetty

Date : 30th June, 2020

Whole-Time Director

DIN: 00515711

### 18. GENERAL SHAREHOLDERS' INFORMATION:

AGM: Date : 18th December, 2020

Time : 2.00 P.M.

Venue : Through video conference

Financial calendar : April to March

Date of Book Closure : 12th December, 2020 to 18th December, 2020

Dividend payment(s) : Nil

Listing on Stock Exchange : BSE Limited

Scrip Code is 517399 in the BSE Limited

**19. STOCK MARKET (BSE) PRICE DATA FOR THE YEAR** Amount in Rupees

Month	High	Low
April 2019	9.98	9.98
May 2019	9.49	9.05
June 2019	8.60	5.74
July 2019	5.46	3.90
August 2019	3.83	2.36
September 2019	2.36	1.75
October 2019	1.67	1.32
November 2019	1.51	1.37
December 2019	1.37	1.09
January 2020	1.99	1.15
February 2020	1.99	1.93
March 2020	1.93	1.93

**20. REGISTRAR AND TRANSFER AGENTS:**

BigShare Services Private Limited is the Company's Registrar and Share Transfer Agent.

Their address is furnished below:

Big Share Services Private Limited

1st Floor | Bharat Tin Works Building, Opp. Vasant Oasis

Makwana Road, Marol, Andheri East, Mumbai-400059, Maharashtra, India.

Board No: 022 – 62638200, DIR : 022 62638268

Fax No: +91 22 62638299 | 7045454391

E-mail: [info@bigshareonline.com](mailto:info@bigshareonline.com)

**21. SHARE TRANSFER SYSTEM:**

The Company's Registrars and Share Transfer Agents (RTA) has adequate infrastructure to process the Share transfers. Periodically, a Practising Company Secretary audits the system and a Certificate to that effect is issued and the same is filed with the Stock Exchange. Additionally, Reconciliation on Share Capital audits and Dematerialization related scrutiny are conducted quarterly by a Practising Company Secretary.

The Company's Shares are compulsorily traded in the demat form and the ISIN No. allotted is INE756A01019.

**22. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT PURSUANT TO SEBI CIRCULAR NO. SEBI/LAD-NRO/GN/2015-16/013, DATED 2ND SEPTEMBER, 2015:**

As per the above-mentioned Circular, there are "Nil" Shares in the Demat Suspense Account or Unclaimed Suspense Account.

**Distribution of shareholding as on 31st March, 2020:**

Range (in Rs.) Holders	No. of Share Share Holders	% of Total in Rs.	Total Holding Capital	% of Total
1 - 5,000	4024	89.7813	5119470	3.8421
5,001 - 10,000	199	4.44	1638640	1.2298
10,001 - 20,000	112	2.4989	1679260	1.2603
20,001 - 30,000	37	0.8255	934450	0.7013
30,001 - 40,000	15	0.3347	525380	0.3943
40,001 - 50,000	13	0.29	612580	0.4597
50,001 - 1,00,000	34	0.7586	2281300	1.7121
1,00,001 & above	48	1.071	120456920	90.4005
<b>Total</b>	<b>4482</b>	<b>100.00</b>	<b>133248000</b>	<b>100.0000</b>

## VXL Instruments Limited

### Shareholding pattern as on 31st March, 2020:

Category	No. of Shares	% Holding
Directors	29920	0.22
Promoter but not Director	1133125	8.50
Directors'and Promoters' Relatives	279980	2.10
Total A	1443025	10.83
Mutual Funds	3000	0.02
Financial Institutions	900	0.01
Body Corporate	1263464	9.48
NRI	5746389	43.13
Foreign Portfolio Investors	42645	0.32
Shares in Transit	–	–
Clearing Member	526	0.00
Overseas Bodies Corporate	2710600	20.34
General Public	2114251	15.87
Total B	11881775	89.17
Total A + B	13324800	100.00

#### 23. DEMATERIALIZATION OF SHARES AND LIQUIDITY:

Equity Shares of the total Equity Capital are held in dematerialized form with NSDL and CDSL.

#### 24. OUTSTANDING GLOBAL DEPOSITORY RECEIPTS (GDRS)/AMERICAN DEPOSITORY RECEIPTS ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

The Company has no GDR/ADR/Warrants or any other convertible instruments.

#### 25. ANNUAL CUSTODY / ISSUER CHARGES:

The Company has paid the Annual Custody / Issuer charges for the financial year 2019-2020 to NSDL and CDSL.

#### 26. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

This Corporate Governance Report of the Company for the financial year 2019-20 is in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(as amended).

#### 27. ADOPTION OF THE NON-MANDATORY REQUIREMENTS:

- a. Nomination and Remuneration Committee has duly been constituted.
- b. The Company consistently trains its Board members, on an on-going basis, in the business model of the Company as well as the risk profile of the business parameters of the Company, their responsibilities as Directors, and the best ways to discharge them.
- c. The Company has a procedure of bringing to the notice of management, any matter/s regarding concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy.
- d. Independent Directors of the Company have the option and freedom to meet Company Management regularly. They are provided with all information sought by them to perform their duty effectively and efficiently.

- e. Audit Committee has duly been constituted, and its scope and functions has already detailed elsewhere in this report.
- f. Matters referred to Audit Committee, as detailed elsewhere in the report include, *inter-alia*, recommendation to Board, on appointment of Statutory, Internal and Cost Auditor/s.
- g. Reconciliation of Share Capital Audit Report is conducted every financial quarter and placed before the Audit Committee and the Board for review.

**28. CERTIFICATION ON CORPORATE GOVERNANCE:**

*Compliance certificate from a Practising Company Secretary regarding compliance of conditions of corporate governance is attached to the Board's Report and is a part of this Annual Report.*

**29. DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES, AND STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGE OR SEBI OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST 3 YEARS:**

The Company has complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Regulations and Guidelines of SEBI and other Statutory Authorities on all matters relating to the Capital Markets. The Company has not paid any fines during the last three financial years.

**30. SECRETARIAL COMPLIANCE CERTIFICATE:**

Pursuant to the provisions of SEBI (LODR)(Amendment) Regulations, 2018, the Company has obtained annual 'Secretarial Compliance Certificate' for the financial year 2019-20 in the prescribed format from a practising Company Secretary and filed the same with the Stock Exchange in the prescribed time limit.

**31. OTHER DISCLOSURES:**

**(i) Materially Significant Related Party Transactions**

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

**(ii) Vigil Mechanism**

The Company has a Vigil Mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards for victimization of Director(s) / Employee(s) who avail of the mechanism. In exceptional cases, Directors and Employees have direct access to the Chairman of the Audit Committee. No personnel of the Company have been denied access to the Chairman of the Audit Committee, for making complaint on any integrity issue. The Whistle Blowing Policy is available on the Company's website at <https://www.vxl.net/investors/disclosures>

**(iii) Details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- a. Number of complaints filed during the financial year: Nil
- b. Number of complaints disposed of during the financial year: Nil
- c. Number of complaints pending as on end of the financial year : Nil

**(iv) Details of compliance with mandatory requirements and adoption of non-mandatory requirements:**

The Company has complied with all the mandatory requirements of the Listing Regulations. The Company has also fulfilled the following discretionary requirements:

- a. The Auditor's opinion on the financial statements is unmodified.
- b. The positions of Chairman and Managing Director are separate.
- c. The Internal Auditor reports directly to the Audit Committee.

**(v) Code of Conduct – The Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Board Members. Both these Codes are available on the Company's website. All the Members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code applicable to them,**

## VXL Instruments Limited

for the financial year ended 31st March, 2020. A declaration to this effect, duly signed by the Whole Time Director is annexed to this report.

- (vi) As the Company has no Subsidiary as on date, the requirement of formulating a specific Policy on dealing with material subsidiaries does not arise.
- (vii) The Company follows Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 / the Companies Act, 1956. The Company has not adopted a treatment different from that prescribed in any Accounting Standard.
- (viii) Commodity Price Risk and Commodity hedging activities: The Company is not exposed to material foreign exchange risk on account of import and export transactions entered, as import of goods is happening in Indian Rupees. Also, it is not a sizable user of various commodities, hence not exposed to the price risk on account of procurement of commodities.
- (ix) The Company has paid Rs.2,90,000/- to the Statutory Auditors in the financial year 2019-20 for all the services rendered by them to the Company.
- (x) Disclosure of list of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad is not applicable.
- (xi) The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). Hence, details of utilization of funds not required.

### 32. PLANT LOCATION:

VXL Instruments Limited  
74/C, Electronics City  
Hosur Road  
Bengaluru 560 100, Karnataka

### 33. ADDRESS FOR CORRESPONDENCE:

VXL Instruments Limited  
# 1783, Sector -1, Phoenix House  
19th Main, HSR Layout  
Bengaluru- 560 102, Karnataka  
URL : [www.vxl.net](http://www.vxl.net)  
CIN : L85110MH1986PLC272426  
Email : [cfo@vxl.net](mailto:cfo@vxl.net)

### 34. REGISTERED OFFICE:

VXL Instruments Limited  
No. 252, 5th Floor, Building No. 2  
Solitaire Corporate Park  
Chakala, Andheri (East)  
Mumbai-400 093  
Phone: +91 22 2824 5210  
Fax: +91 22 4287 2197.

for and on behalf of the Board of Directors

Place: Bangalore  
Date : 30/06/2020

**Vivek Gupta**  
Independent Director  
DIN: 00025519  
Address: 87, Dariya Mahal A, 80  
Nepean Sea Road, Malbar Hill,  
Mumbai - 400006

**M. V. Shetty**  
Whole Time Director  
DIN: 00515711  
Address: No 317, 5<sup>th</sup> Main,  
1<sup>st</sup> Block, Koramangala  
Bangalore-560 034

**CEO and CFO CERTIFICATION**

The Board of Directors  
VXL Instruments Limited  
Bengaluru

Dear Board Members,

We, Mr. M V Shetty Whole Time Director and Mr. Kishan S Rao, CFO of VXL Instruments Limited, to the best of our Knowledge and belief, certify that:

1. We have reviewed the Financial Statements and Cash Flow Statement for the year ending 31<sup>st</sup> March, 2020
2. These Statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for the periods presented in this report and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions entered into by the company during the year that are fraudulent, illegal or violate the Company's code of Conduct and Ethics, except as disclosed to the Company's auditors and the Company's Audit Committee of the Board of Directors.
5. We accept responsibility for establishing and maintaining internal controls reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and 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 proposed to take to rectify these deficiencies.
6. We have indicated, to the Auditors and Audit Committee:
  - a) Significant changes in internal control over financial reporting during the year
  - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Kishan S Rao  
Chief Financial Officer

Vittal Mangalore Shetty  
Whole Time Director

Place: Bengaluru  
Date: 30<sup>th</sup> June, 2020

**VXL Instruments Limited**

**CERTIFICATE**

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE THE SEBI (LODR) REGULATIONS, 2015**

To  
The Members of  
VXL Instruments Limited  
Mumbai

I have examined all the relevant records of VXL Instruments Limited ('the Company') for the purpose of certifying the compliances of the conditions of Corporate Governance by the Company, for the year ended 31<sup>st</sup> March, 2020 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') for the period 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under the Listing Regulations except *disclosure of certain details which are prescribed under Schedule V of SEBI (Listing Obligations and Disclosure Requirements), 2015 were not included in the Corporate Governance Report of Annual Report for the FY 2018-19.*

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Bangalore  
Date : 30<sup>th</sup> June, 2020

Vijayakrishna K T  
Company Secretary  
FCS-1788 CP-980  
UDIN: F001788B000404971

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To  
The Members  
VXL Instruments Limited  
252, 5th Floor, Building No. 2  
Solitaire Corporate Park Chakala  
Andheri (East)  
Mumbai – 400 093

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **VXL Instruments Limited**, bearing CIN: **L85110MH1986PLC272426** and having its Registered Office at 252, 5th Floor, Building No. 2, Solitaire Corporate Park Chakala, Andheri (East), Mumbai – 400 093 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2020 has been debarred or disqualified from being appointed or continuing as Directors of companies by Securities and Exchange Board of India, the Ministry of Corporate Affairs or any such other Statutory Authority:

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Vivek Gupta	00025519	11/07/2018
2.	Mr. Vittal Mangalore Shetty	00515711	01/10/2010
3.	Mr. Rakesh Shridas Damani	07580652	11/07/2018

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore  
Date: 30<sup>th</sup> June, 2020

Vijayakrishna K T  
FCS.: 1788 C P.: 980  
UDIN: F001788B000404982

## **VXL Instruments Limited**

### **INDEPENDENT AUDITOR'S REPORT**

To

**The members of  
VXL Instruments Limited,**

**Report on the Audit of Ind AS Financial Statements:**

#### **Opinion**

1. We have audited the accompanying Ind AS financial statements of **VXL Instruments Limited** ("the company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended , and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its **Loss** including Other Comprehensive Income , the changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

3. We conducted our audit of the Ind AS 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 Ind AS 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 Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 Ind AS financial statements.

#### **Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

### 34<sup>th</sup> Annual Report 2019 - 2020

Sr.No.	Key Audit Matter	Auditor's Response
1	<p>Our audit procedures included the following</p> <ul style="list-style-type: none"> <li>• We have understood and tested on sample basis the design and operating effectiveness of management control over the recognition of revenue from contracts with customers</li> <li>• We have read and understood the contracts with customers</li> </ul> <p>We have obtained and read management's assessment of the provision for warranty</p>	<p>Revenue from operations includes Rs.987.24 lakh export sales, which represents approximately 51% of the total revenue from operations reported by the company</p> <p>In assessing the transaction price of the aforesaid sales, Management's estimation is required in measuring the provision requires for warranty against the aforesaid export sales.</p> <p>We considered this as key audit matter due to the materiality of the amounts and significant estimates as stated above.</p>

**Information Other than the Ind AS Financial Statements and Auditor's Report Thereon**

5. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.
6. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
8. 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 Responsibilities for the Ind AS Financial Statements**

9. *The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position and financial performance, 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.*
10. *In preparing the Ind AS 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.*
11. *The Board of Directors are responsible for overseeing the Company's financial reporting process.*

## **VXL Instruments Limited**

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

12. Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.
13. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
- \* Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - \* Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 Ind AS financial statements or, if such disclosure is 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
14. Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
15. We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.
16. 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.
17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS 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**

18. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
19. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements 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 remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
20. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) 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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer clause 15 of note No.38 of the Ind AS financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Bangalore  
Date: 30.06.2020

For YCRJ & Associates  
Chartered Accountants  
Firm Registration No. 0006927S  
  
(Vijayendra R Nayak)  
Partner  
Membership No. 203184

## VXL Instruments Limited

### **“Annexure A” to the Independent Auditors Report**

*(referred to in paragraph 18 under the heading ‘Report on Other Legal & Regulatory Requirements’ of our report of even date to the Ind AS financial statements of the Company for the year ended, 31st March 2020.)*

As per the books and records produced before us and as per the information and explanations given to us and based on such audit checks that we considered necessary and appropriate, we confirm that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a planned program of verifying all the fixed assets once a year, according to which all the fixed assets were physically verified by the management in the year 2018-19. We understand that no material discrepancies were noticed on such verification. In our opinion, such physical verification program, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties are held in the name of the Company.  
According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) The inventories of the Company have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification;
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Company’s products and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, GST, Income tax, Sales Tax, Wealth tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, there are no dues of income tax, GST, sales tax, service tax, Excise duty, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable except as mentioned below:

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<b>Statute</b>	<b>Nature of Dues</b>	<b>Amount (Rs. In lakhs)</b>	<b>Period to which amount relates</b>	<b>Forum where dispute is pending</b>
EPF Act 1952	Employee Provident Fund Damages, Interest under appeal	3.37	2001-2004	Commissioner of EPFO
CST Act 1956	Central Sales Tax	59.73	2001-02 to 2004-05 and 2011-12	Deputy Commissioner of Commercial Taxes
Finance Act 1994	Service Tax	1278.92	2008-09 to 2013-14	Central Excise & Service Tax Appellate Tribunal
Central Excise Act 1944	Cenvat Credit	4.32	2010-11 to 2016-17	Commissioner Appeals Central Tax

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to banks and debenture holders. The Company did not have any outstanding dues in respect of a financial institution or to Government, during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer or debt instruments. Further, term loans were applied for the purpose for which the loans were obtained.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For YCRJ & Associates  
Chartered Accountants  
Firm Registration No. 0006927S**

**Place: Bangalore  
Date: 30.05.2020**

**Vijayendra R Nayak  
Partner  
Membership No. 203184**

## VXL Instruments Limited

**Annexure - B to the Auditors' Report**  
**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls over financial reporting of VXL Instruments Limited as of 31st March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

2. *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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.*

**Auditors' Responsibility**

3. *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.*
4. *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.*
5. *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 judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.*
6. *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.*

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**BALANCE SHEET AS AT 31st MARCH, 2020**

(Amount in Rs.)

Particulars	Notes No.	As at March 31, 2020	As at March 31, 2019 (Before Reclassi- fication)	As at April 1, 2019
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant and equipment	1	7,21,70,199	7,36,23,229	7,36,23,229
Intangible assets	2	55,382	76,606	76,606
Right of Use Asset	3	90,95,391	-	-
Financial assets				
(i) Investments	4	11,000	11,000	11,000
(ii) Trade Receivables	5	-	-	-
(iii) Loans	6	-	-	-
(iv) Other financial assets	7	34,07,472	81,83,541	50,70,252
Other non-current assets	8	37,46,056	1,02,35,006	1,02,35,006
<b>Total Non-current Assets</b>		<b>8,84,85,501</b>	<b>9,21,29,382</b>	<b>8,90,16,093</b>
<b>Current Assets</b>				
Inventories	9	3,48,61,288	6,13,22,519	6,13,22,519
Financial assets				
(i) Trade receivables	10	7,91,55,066	2,30,10,795	2,30,10,795
(ii) Contract Assets	10A	9,19,975	-	-
(iii) Cash and cash equivalents	11	63,94,397	26,31,935	26,31,935
(iv) Other bank balance	12	15,82,440	39,10,205	39,10,205
(v) Loans	13	1,01,215	3,644	3,644
(vi) Other financial assets	14	17,01,378	7,26,662	7,26,662
Current tax assets (Net)	15	22,51,212	27,34,462	27,34,462
Other current assets	16	2,07,05,787	1,06,59,183	1,37,72,472
<b>Total Current Assets</b>		<b>14,76,72,758</b>	<b>10,49,99,404</b>	<b>10,81,12,693</b>
<b>Total Assets</b>		<b>23,61,58,259</b>	<b>19,71,28,786</b>	<b>19,71,28,786</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	17	13,33,58,750	13,33,58,750	13,33,58,750
Other Equity	18	(5,28,31,307)	(4,27,37,933)	(4,27,37,933)
<b>Total Equity</b>		<b>8,05,27,443</b>	<b>9,06,20,817</b>	<b>9,06,20,817</b>

**VXL Instruments Limited**

**BALANCE SHEET AS AT 31st MARCH, 2020 (cont...)**

(Amount in Rs.)

Particulars	Notes No.	As at March 31, 2020	As at March 31, 2019 (Before Reclassi- fication)	As at April 1, 2019
<b>LIABILITIES</b>				
<b>Non-current Liabilities</b>				
Financial Liabilities				
(i) Borrowings	19	5,30,05,594	6,03,00,000	6,28,38,306
(ii) Other financial liabilities	20	20,87,255	50,000	50,000
Provisions	21	48,70,846	29,94,057	29,94,057
<b>Total Non-current Liabilities</b>		<b>5,99,63,695</b>	6,33,44,057	6,58,82,363
<b>Current liabilities</b>				
Financial liabilities				
(i) Trade payables	22			
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	22(a)	10,08,329	-	-
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	22(b)	5,09,18,004	1,13,43,822	1,13,43,822
(ii) Other financial liabilities	23	1,98,80,564	1,47,07,561	1,21,69,255
Provisions	24	21,91,917	1,61,01,843	30,63,843
Contract Liabilities	25	3,41,494	-	-
Current Tax Liabilities	26	1,49,43,472	-	1,30,38,000
Other current liabilities	27	63,83,342	10,10,686	10,10,686
<b>Total Current Liabilities</b>		<b>9,56,67,122</b>	4,31,63,912	4,06,25,606
<b>Total Liabilities</b>		<b>15,56,30,817</b>	10,65,07,969	10,65,07,969
<b>Total Equity and Liabilities</b>		<b>23,61,58,259</b>	19,71,28,786	19,71,28,786

Notes on Accounts forming part of Financial Statements in Note-38 & Significant Accounting Policies in Note-39.

As per our report attached of even date.

**For YCRJ & ASSOCIATES**

Chartered Accountants

Firm's Registration No: 0006927S

**Vijayendra R Nayak**

Partner

M. No. 203184

Date : 30-06-2020

Place : Bangalore

ICAI:UDIN:20203184AAAAGV3543

For and on behalf of the Board

**M.V.Shetty**

Whole Time Director

DIN : 00515711

**Shipra Vyas**

Company Secretary

**Vivek Gupta**

Independent Director

DIN : 00025519

**Kishan S Rao**

Chief Financial Officer

**Statement of profit and loss for the year ended 31st March 2020**

Particulars	Note No.	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
<b>Income</b>			
Revenue from operations	28	19,24,36,560	15,72,85,467
Other income	29	35,65,024	28,32,966
<b>Total Income</b>		<b>19,60,01,584</b>	16,01,18,434
<b>Expenses</b>			
Cost of materials consumed	30	12,98,37,633	15,87,86,742
Purchase of stock-in-trade	31	-	-
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	32	(3,93,905)	23,80,372
Employee benefits expenses	33	3,56,74,910	4,30,70,324
Finance Costs	34	90,01,084	68,94,491
Depreciation & Amortisation	35	84,36,305	24,61,311
Other Expenses	36	2,30,24,471	3,22,01,773
<b>Total expenses</b>		<b>20,55,80,497</b>	24,57,95,013
Profit before exceptional items and tax expense		(95,78,913)	(8,56,76,579)
Add: Exceptional items	37	(25,297)	7,35,12,559
Profit before tax		(96,04,210)	(1,21,64,020]
Less: Tax expense			
(1) Current tax		-	1,23,21,000
(2) MAT credit entitlement :			
Current Year		-	-
Previous Year		-	33,98,062
(3) Deferred tax		-	-
<b>Total Tax expense</b>		-	1,57,19,062
<b>Profit for the period from continuing Operations</b>		<b>(96,04,210)</b>	(2,78,83,082)

**VXL Instruments Limited****Statement of profit and loss for the year ended 31st March 2020 (cont..)**

<b>Particulars</b>	<b>Note No.</b>	<b>For the year ended Mar 31, 2020</b>	<b>For the year ended Mar 31, 2019</b>
<b>Other Comprehensive Income</b>	<b>38</b>		
<b><u>Items that will not be re-classified to Profit &amp; Loss Statement</u></b>			
(a) Re-measurement of Defined Benefit Plans	<b>38(a)</b>	<b>(4,89,164)</b>	(10,18,682)
<b><u>Items that will be re-classified to Profit &amp; Loss Statement</u></b>			
(a) Fair Value Adjustments	<b>37(b)</b>	–	91,589
<b>Total other comprehensive income</b>		<b>(4,89,164)</b>	(9,27,093)
<b>Total comprehensive income for the period</b>		<b>(1,00,93,374)</b>	(2,88,10,175)

Earnings per share (Face Value <sup>1</sup> 10/- per share)

Not annualised :

(1) Basic (in Rs.)	<b>(0.76)</b>	(2.16)
(2) Diluted (in Rs.)	<b>(0.76)</b>	(2.16)

Notes on Accounts forming part of Financial Statements in Note-38 & Significant Accounting Policies in Note-39.

As per our report attached of even date.

**For YCRJ & ASSOCIATES**

*Chartered Accountants*

Firm's Registration No: 0006927S

**Vijayendra R Nayak**

*Partner*

M. No. 203184

Date : 30-06-2020

Place : Bangalore

ICAI:UDIN:20203184AAAAGV3543

For and on behalf of the Board

**M.V.Shetty**

*Whole Time Director*

DIN : 00515711

**Shipra Vyas**

*Company Secretary*

**Vivek Gupta**

*Independent Director*

DIN : 00025519

**Kishan S Rao**

*Chief Financial Officer*

## Statement of Cash flows for the year ended March 31, 2020

S. No.	Particulars	2019-20 Rupees	2018-19 Rupees
<b>A</b>	<b>Net profit / (loss) before tax</b>	<b>(96,04,210)</b>	<b>(1,21,64,020)</b>
	<b>Adjustment for :</b>		
	(Net gain) / loss on sale of fixed assets	25,297	(9,94,81,189)
	(Net gain) / loss on discarding of fixed assets	-	2,59,68,631
	Interest income	(7,26,426)	(8,26,050)
	Depreciation and Amortisation	84,36,305	24,61,311
	Forex gain	(16,87,193)	(13,57,890)
	Interest expense	88,22,930	65,97,265
	Provision for Bad & Doubt ful Debts	6,49,600	-
	Other Non-Operating Incomes/Expenses	-	(3,69,026)
	<b>Operating profit before working capital changes</b>	<b>59,16,302</b>	<b>(7,91,70,970)</b>
	<b>Adjustments for:</b>		
	Increase / (Decrease) in other non-current financial liabilities	20,37,255	-
	Increase / (Decrease) in long term provisions	18,76,789	15,72,834
	Increase / (Decrease) in Trade payables	4,22,69,704	(41,33,62,242)
	Increase / (Decrease) in other current financial liabilities	77,11,308	22,32,614
	Increase / (Decrease) in short term provisions	(8,71,925)	8,90,510
	Increase / (Decrease) in other current liabilities	76,19,622	1,48,035
	(Increase) / Decrease in other non-current financial assets	11,73,615	(46,20,299)
	(Increase) / Decrease in other non-current assets	64,88,950	6,43,673
	(Increase) / Decrease in Inventories	2,64,61,228	5,39,01,329
	(Increase) / Decrease in Trade receivables & Contract Assets	(5,77,13,847)	22,83,48,818
	(Increase) / Decrease in Other bank balance	23,27,765	27,11,518
	(Increase) / Decrease in Loans-Current	(97,571)	11,53,374
	(Increase) / Decrease in other current financial asset	(9,74,716)	(91,416)
	(Increase) / Decrease in other current assets	(64,50,065)	2,00,00,974
	<b>Net cash generated from/(used in) operating activities</b>	<b>3,77,74,414</b>	<b>(18,56,41,249)</b>
	Direct taxes paid	-	-
	<b>Net Cash(used in)/generated from Operating Activities</b>	<b>3,77,74,414</b>	<b>(18,56,41,249)</b>

**VXL Instruments Limited****Statement of Cash flows for the year ended March 31, 2020 (Cont)**

<b>S. No.</b>	<b>Particulars</b>	<b>2019-20 Rupees</b>	<b>2018-19 Rupees</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Interest received	7,26,426	8,26,050
	Purchase of Property, plant and equipment	(1,47,124)	(20,47,365)
	Purchase of Other Intangible Assets	(1,59,85,611)	-
	Proceeds from sale of fixed assets	50,000	19,24,16,782
	<b>Net cash (used in)/generated from investing activities</b>	<b>(1,53,56,310)</b>	<b>19,11,95,467</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds/(Repayment) from long term borrowings	(98,32,712)	15,41,769
	Interest paid	(88,22,930)	(65,97,265)
	<b>Net cash (used in)/generated from financing activities</b>	<b>(1,86,55,642)</b>	<b>(50,55,496)</b>
	<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>37,62,462</b>	<b>4,98,723</b>
	<b>Cash and cash equivalents as at the beginning of the year</b>	<b>26,31,935</b>	<b>21,33,212</b>
	<b>Cash and cash equivalents as at the end of the year</b>	<b>63,94,397</b>	<b>26,31,935</b>

**Notes:**

1. Cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Cash Flow statements
2. Cash and cash equivalents represent cash and bank balances.
3. Previous year's figures have been regrouped/reclassified wherever applicable.

Notes on Accounts forming part of Financial Statements in Note-38 & Significant Accounting Policies in Note-39.  
As per our report attached of even date.

**For YCRJ & ASSOCIATES**

Chartered Accountants

Firm's Registration No: 0006927S

**Vijayendra R Nayak**

Partner

M. No. 203184

Date : 30-06-2020

Place : Bangalore

ICAI:UDIN:20203184AAAAGV3543

For and on behalf of the Board

**M.V.Shetty**

Whole Time Director

DIN : 00515711

**Shipra Vyas**

Company Secretary

**Vivek Gupta**

Independent Director

DIN : 00025519

**Kishan S Rao**

Chief Financial Officer

**34<sup>th</sup> Annual Report 2019 - 2020**

**a. Equity share capital**

Movement during the period	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Share capital (Amount)	Number of shares	Share capital (Amount)
Shares having face value of Rs 10/-				
<b>Balance at the start of the period</b>	1,33,24,800	13,33,58,750	1,33,24,800	13,33,58,750
Issued during the period	-	-	-	-
<b>Balance at the end of the period</b>	<b>1,33,24,800</b>	<b>13,33,58,750</b>	1,33,24,800	13,33,58,750

**b. Other Equity**

Particulars	As at March 31, 2019	As at March 31, 2018
<u>1. Capital Reserve (Refer Note-(a) below)</u>		
Balance at beginning of the period	<b>20,53,645</b>	20,53,645
Additions/(Deletions)	-	-
<b>Balance at end of the period</b>	<b>20,53,645</b>	20,53,645
<u>2. Revaluation Surplus (Refer Note-(b) below)</u>		
Balance at beginning of the period	<b>6,65,75,260</b>	15,12,20,744
Additions/(Deletions)	-	(8,46,45,484)
<b>Balance at end of the period</b>	<b>6,65,75,260</b>	6,65,75,260
<u>3. Securities Premium(Refer Note-(c) below)</u>		
Balance at beginning of the period	<b>13,73,26,077</b>	13,73,26,077
Addition / (deletions)	-	-
<b>Balance at end of the period</b>	<b>13,73,26,077</b>	13,73,26,077
<u>4. Other Reserves - General Reserve (Refer Note-(d) below)</u>		
Balance at beginning of the period	<b>8,72,45,381</b>	25,99,897
Addition / (deletions)	-	8,46,45,484
<b>Balance at end of the period</b>	<b>8,72,45,381</b>	8,72,45,381
<u>5. Statement of Profit and Loss</u>		
Balance at beginning of the period	<b>(33,59,38,296)</b>	(30,71,28,12)
Net profit/(Loss) for the year	<b>(96,04,210)</b>	(2,78,83,082)
Other Comprehensive Income / (Expense)	<b>(4,89,164)</b>	(9,27,093)
<b>Balance at end of the period</b>	<b>(34,60,31,670)</b>	(33,59,38,296)
<b>Total</b>	<b>(5,28,31,307)</b>	(4,27,37,933)

## VXL Instruments Limited

### a. Equity share capital (contd...)

#### Notes :

- (a) Revaluation reserve is created by revaluation of fixed assets before 1st April 2016. This reserve cannot be utilised for distribution as dividend or for issue of bonus shares.
- (b) Securities Premium: this is the premium VXL has received on issue of equity shares from time to time.
- (C) General Reserve is created out of the profits generated. The same can be utilised in accordance with the provisions of the Act to distribute among the shareholders by way of dividend or by way of issue of bonus shares etc after setting off accumulated loss.

Notes on Accounts forming part of Financial Statements in Note-38 & Significant Accounting Policies in Note-39.  
As per our report attached of even date.

#### For YCRJ & ASSOCIATES

*Chartered Accountants*

Firm's Registration No: 0006927S

**Vijayendra R Nayak**

*Partner*

M. No. 203184

Date : 30-06-2020

Place : Bangalore

ICAI:UDIN:20203184AAAAGV3543

For and on behalf of the Board

**M.V.Shetty**

*Whole Time Director*

DIN : 00515711

**Shipra Vyas**

*Company Secretary*

**Vivek Gupta**

*Independent Director*

DIN : 00025519

**Kishan S Rao**

*Chief Financial Officer*

## Notes to financial statements for the Year ended March 2020

## 3 Right of Use Asset

Particulars	As at March 31, 2020	As at March 31, 2019
Right of Use Asset	1,59,58,623	–
Less : Accumulated Amortization	68,63,232	–
<b>Total of loans</b>	<b>90,95,391</b>	–

## 4 Investments

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Investment in equity instruments</b>		
<b>(a) VXL Instruments Limited, UK</b>		
108,000 equity shares of par value 1 GBP each, fully paid up (a subsidiary of the Company with 60% holding)	51,69,261	51,69,261
Less: Provision for diminution in value of Investments	51,69,261	51,69,261
<b>Carrying Amount</b>	–	–
<b>(b) ELCIA ESDN CLUSTER</b>		
1100 equity shares of ELCIA ESDN Cluster of par value of Rs. 10, fully paid up	11,000	11,000
<b>Carrying Amount</b>	11,000	11,000
<b>Total Carrying Amount of Investments</b>	<b>11,000</b>	<b>11,000</b>

**Basis of valuation**

1. Investments are stated at cost.

## 5 Trade Receivables

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Credit Impaired-</b>		
(a) Receivable from related parties :		
VXL Instruments Ltd-UK	4,61,72,358	4,61,72,358
(b) Others-Credit Impaired-	16,23,540	9,73,940
<b>Total</b>	<b>4,77,95,898</b>	<b>4,71,46,298</b>
Less : Allowance for Bad and doubtful debts	4,77,95,898	4,71,46,298
<b>Total</b>	–	–

## 6 Loans

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Advances-Unsecured &amp; Doubtful</b>		
Employees & Other Advances	10,40,570	10,40,570
Less : Allowance for bad & doubtful loans	10,40,570	10,40,570
<b>Total of loans</b>	–	–

## VXL Instruments Limited

### Notes to financial statements for the Year ended March 2020

#### 7 Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(a) Security Deposits -Unsecured Considered Good</b>		
Rental deposits	31,62,222	45,05,348
Others Deposits	1,94,270	1,97,870
<b>Total of (a)</b>	<b>33,56,492</b>	<b>47,03,218</b>
<b>(b) Others-Secured Considered Good</b>		
Bank Deposits with maturity more than 12 months	50,980	3,67,034
<b>Total of (b)</b>	<b>50,980</b>	<b>3,67,034</b>
<b>Total</b>	<b>34,07,472</b>	<b>50,70,252</b>

#### 8 Other non-current assets

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(a) Deposits with statutory authorities :</b>		
EPF	10,69,469	10,69,469
CBEC	26,76,587	20,16,440
High Court of Karnataka	–	5,12,972
Others - (8 Asset NOTES-Ind AS)	–	1,29,404
<b>(b) Balances receivable from Government authorities :</b>		
Excise Duty Receivable	–	14,03,838
VAT Refundable	–	9,48,260
Statutory Claim Receivable-CST	–	–
Other Statutory Claims Receivable	–	41,54,623
<b>Total</b>	<b>37,46,056</b>	<b>1,02,35,006</b>

#### 9 Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials	3,36,56,321	6,05,11,457
Finished Goods	12,04,967	8,11,062
<b>Total</b>	<b>3,48,61,288</b>	<b>6,13,22,519</b>

## Notes to financial statements for the Year ended March 2020

## 10 Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, Considered Good</b>		
Receivable from related parties :		
Priya Limited	–	2,09,47,359
VXL SOFTWARE SOLUTIONS PVT LTD	<b>11,48,901</b>	–
PRIYA INTERNATIONAL LIMITED	–	1,88,356
Sattva Etech India Private Limited	–	6,12,625
Receivable from others	<b>7,80,06,165</b>	12,62,455
<b>Total</b>	<b>7,91,55,066</b>	2,30,10,795

## 10A Contract Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Unbilled Revenue	<b>9,19,975</b>	–
<b>Total</b>	<b>9,19,975</b>	–

## 11 Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks		
- On Current Accounts	<b>62,90,812</b>	16,48,996
- On Deposit Accounts (Having Maturity less than 3 Months)	–	8,76,353
- On Exchange Earners Foreign Currency Account	<b>80,513</b>	74,317
Cash on Hand	<b>23,072</b>	32,269
<b>Total</b>	<b>63,94,397</b>	26,31,935

## 12 Other Bank Balances

Particulars	As at March 31, 2020	As at March 31, 2019
Special Term Deposits (having maturity more than 3 months but less than 12 months)	<b>15,82,440</b>	39,10,205
<b>Total</b>	<b>15,82,440</b>	39,10,205

## 13 Loans

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured Considered Good</b>		
Employee Advances		
To Other than related parties	<b>1,01,215</b>	3,644
<b>Total</b>	<b>1,01,215</b>	3,644

## VXL Instruments Limited

### Notes to financial statements for the Year ended March 2020

#### 14 Other Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(a) Secured-Considered Good</b>		
Interest accrued but not due on deposits	1,77,059	2,33,862
<b>(b) Security Deposits -Unsecured Considered Good</b>		
Rental Deposit	14,58,411	4,92,800
Other Deposits	65,908	-
<b>Total</b>	<b>17,01,378</b>	<b>7,26,662</b>

#### 15 Current Tax Asset (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
TDS on Immovable Property	20,92,522	20,92,522
TDS on others	1,58,690	6,41,940
<b>Total</b>	<b>22,51,212</b>	<b>27,34,462</b>

#### 16 Other Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Advances to Suppliers - Other than Capital Advances	6,49,704	8,51,866
(b) Bank balance against Bank guarantee issued	33,04,067	32,71,329
(c) Bank balance - Employees Gratuity	1,69,411	-
(c) Prepaid Expenses	1,73,066	7,54,206
(d) Receivables from High Court Order	58,72,194	-
<u>(e) Balances with Government authorities :</u>		
GST Input credit	96,54,959	88,95,071
Excise Duty Receivable	8,58,165	-
(f)Others Balance	24,220	-
<b>Total</b>	<b>2,07,05,787</b>	<b>1,37,72,472</b>

## Notes to financial statements for the Year ended March 2020

## 17 Equity Share Capital

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Note: 1 SHARE CAPITAL AUTHORISED:</b> 1,50,00,000 Equity Shares of Rs.10/- each	<b>15,00,00,000</b>	15,00,00,000
<b>Total</b>	<b>15,00,00,000</b>	15,00,00,000
<b>ISSUED :</b> 1,33,50,000 Equity Shares of Rs.10/- each	<b>13,35,00,000</b>	13,35,00,000
<b>Subscribed and fully paid-up</b> 1,33,24,800 Equity Shares of Rs.10/- each	<b>13,32,48,000</b>	13,32,48,000
<b>Share Forfeited Account</b>	<b>1,10,750</b>	1,10,750
<b>Total</b>	<b>13,33,58,750</b>	13,33,58,750

## Foot Notes:

- i. Reconciliation of the number of shares outstanding at the beginning and as on 31st March' 2020

## Equity Share

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount in Rs.	Number	Amount in Rs.
Number of equity shares at the beginning of the Year	<b>1,33,24,800</b>	<b>13,32,48,000</b>	1,33,24,800	13,32,48,000
Add: Equity shares issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
<b>Number of equity shares at the end of the Year</b>	<b>1,33,24,800</b>	<b>13,32,48,000</b>	1,33,24,800	13,32,48,000

- ii Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of an equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of share holders in the Annual General Meeting.

During the year ended 31st March' 2020, the Company has not declared any dividend.

In the event of liquidation of the company the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the proportion to number of equity shares held by the shareholders.

## VXL Instruments Limited

### Notes to financial statements for the Year ended March 2020

#### iii. Details of shareholders holding more than 5% shares in the company

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of shares held	% of Holding	No. of shares held	% of Holding
(a) AVISHEK SUHASARIA	29,50,000	22.14%	19,50,000	14.63%
(b) NITESH JUTHANI	19,25,000	14.45%	19,25,000	14.45%
(c) AUROTECH TECHNOLOGIES DMCC	19,25,000	14.45%	19,25,000	14.45%
(d) Daymount Ltd	7,85,600	5.90%	17,85,600	13.40%
(e) Priya Ltd	9,00,000	6.75%	9,00,000	6.75%
<b>Total</b>	<b>84,85,600</b>	<b>63.68%</b>	<b>84,85,600</b>	<b>63.68%</b>

#### 18 Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Capital Reserve	20,53,645	20,53,645
(b) Revaluation Surplus	6,65,75,260	6,65,75,260
(c) Securities Premium	13,73,26,077	13,73,26,077
(d) Other Reserves -General Reserve	8,72,45,381	8,72,45,381
(e) Surplus / (Deficit) in Statement of Profit & Loss Account	(34,60,31,670)	(33,59,38,296)
<b>Total</b>	<b>(5,28,31,307)</b>	<b>(4,27,37,933)</b>

#### 19 Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Secured</b>		
(a) Term Loan From Bank	-	250,541
Less: Instalments of term loan payable within a year	-	250,541
Borrowings from bank	-	-
(b) From related party (Refer Note-1 below)		
Inter Corporate Deposit with Priya International Limited	5,18,50,000	6,03,00,000
Interest payable on Deposit with Priya International Limited	11,55,594	25,38,306
Borrowings from related party	5,30,05,594	6,28,38,306
<b>Total</b>	<b>5,30,05,594</b>	<b>6,28,38,306</b>

#### Notes

1. Loans and advances from related parties are due for repayment during September 2024.

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**Notes to financial statements for the Year ended March 2020**

**20 Other financial liabilities**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Rent Deposit Received from Related Party - Priya Limited	50,000	50,000
Lease Liability	20,37,255	-
<b>Total</b>	<b>20,87,255</b>	50,000

**21 Provisions**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Provision for employee benefits</b>		
(a) Gratuity	21,54,895	10,35,355
(b) Leave Benefits	27,15,951	19,58,702
<b>Total</b>	<b>48,70,846</b>	29,94,057

**22 Trade Payables**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	10,08,329	-
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises- Payable to related Parties- Priya Limited	5,96,029	-
Payable to other than Related Parties	5,03,21,975	1,13,43,822
Total of (b)	5,09,18,004	1,13,43,822

**23 Other Financial liabilities**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
(a) Current maturities of long-term debt -Secured	-	2,50,541
(b) Advances from related parties	-	12,00,000
(c) Outstanding Liabilities for Expenses		
Salary Payable	22,15,230	21,08,979
Incentive/Bonus payable	9,62,420	10,11,735
Other Outstanding Liabilities	97,00,564	75,18,197
(d) Book Overdraft/cheques issued but not deposited	6,858	79,803
(e) Lease Liability	69,95,492	-
<b>Total</b>	<b>1,98,80,564</b>	1,21,69,255

## VXL Instruments Limited

### Notes to financial statements for the Year ended March 2020

#### 24 Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Provision for Income Tax & Interest thereon	-	-
(b) Provision for Expenses	5,09,507	15,16,700
(c) Provision for employee benefits : Leave Benefits	16,82,410	15,47,143
<b>Total</b>	<b>21,91,917</b>	<b>30,63,843</b>

#### 25 Contract Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Contract Liabilities -Advances from Customers	1,10,385	-
Unaccrued Revenue	2,31,109	-
<b>Total</b>	<b>3,41,494</b>	<b>-</b>

#### 26 Current Tax Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current Tax Liabilities	1,49,43,472	1,30,38,000
<b>Total</b>	<b>1,49,43,472</b>	<b>1,30,38,000</b>

#### 27 Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Statutory Liabilities Payables :		
Professional Tax Payable	8,600	9,000
TDS Payable	3,79,428	5,89,333
GST payable	14,906	23,724
EPF Payable	2,32,863	2,22,969
ESI payable	10,236	23,883
Others	-	1,29,404
(b) High Court Order -Salary Payables	55,71,795	-
(c) Others	1,65,514	12,373
<b>Total</b>	<b>63,83,342</b>	<b>10,10,686</b>

Notes to financial statements for the Year ended March 2020

28 Revenue From Operations

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Sale of Products - Data Processing Units</b>		
Inland sales	9,29,85,007	6,35,76,415
Export sales	9,87,24,222	9,28,94,858
<b>Other Operating Revenue</b>		
AMC / Repair Services	7,27,331	8,14,194
<b>Total</b>	<b>19,24,36,560</b>	<b>15,72,85,467</b>

29 Other Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income on Bank Deposits	4,27,942	6,23,634
Interest Income on Others	2,98,484	2,02,416
Exchange Fluctuation	16,87,193	13,57,890
Other non-operating Income	2,52,225	1,50,000
CST Refund Received	6,58,407	-
Reversal of Excess Provision/No Longer payables	-	4,99,026
Sale of Duty Credit Scripts	2,40,773	-
<b>Total</b>	<b>35,65,024</b>	<b>28,32,966</b>

30 Cost of materials consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw materials	12,97,94,193	15,84,07,848
Packing Materials	43,440	3,78,894
<b>Total</b>	<b>12,98,37,633</b>	<b>15,87,86,742</b>

31 Purchase of stock-in-trade

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchase of stock-in-trade	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## VXL Instruments Limited

### Notes to financial statements for the Year ended March 2020

#### 32 Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the beginning of the year		
(a) Work in Progress	-	-
(b) Finished Goods	8,11,062	31,91,434
(c) Stock-in-Trade	-	-
<b>Total</b>	<b>8,11,062</b>	<b>31,91,434</b>
Inventories at the end of the year		
(a) Work in Progress	-	-
(b) Finished Goods	12,04,967	8,11,062
(c) Stock-in-Trade	-	-
<b>Total</b>	<b>12,04,967</b>	<b>8,11,062</b>
<b>Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade</b>	<b>(3,93,905)</b>	<b>23,80,372</b>

#### 33 Employee Benefits Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries & Wages (Other than Directors)	2,91,07,764	3,31,32,754
Director's Remuneration	25,78,992	39,64,942
Voluntary Retirement Scheme Benefits	-	26,79,765
Leave Encashment	9,11,106	1,23,315
Contribution to provident & Other Funds		
Provident Fund , EDLI & ESI (including administration charges)	15,14,392	17,21,444
Gratuity	6,35,017	5,15,699
Others'	520	560
Staff welfare Expenses	9,27,118	9,31,845
<b>Total</b>	<b>3,56,74,910</b>	<b>4,30,70,324</b>

#### 34 Finance Cost

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Cost :		
Interest on Bills Discounted	-	2,50,064
Interest on Term Loan from Banks	10,689	1,16,692
Interest - on Inter Corporate Deposit	58,18,370	55,11,414
Interest - Others	10,88,399	2,094
Interest on Income Tax	19,05,472	7,17,000
Other Borrowing Costs	1,78,155	2,97,227
<b>Total</b>	<b>90,01,084</b>	<b>68,94,491</b>

Notes to financial statements for the Year ended March 2020

35 Depreciation and Amortisation

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Amortisation	69,11,445	1,03,311
Depreciation	15,24,860	23,58,000
<b>Total</b>	<b>84,36,305</b>	<b>24,61,311</b>

36 Other Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of Stores & Spare parts	3,80,477	7,36,847
Provision towards materials Purchase	-	10,15,895
Power , Water and Fuel	17,79,530	13,79,883
Rent	21,02,912	77,01,546
Repairs & Maintenance - Buildings	76,191	4,30,993
Repairs & Maintenance - Plant & Machinery	3,15,112	76,959
Repairs & Maintenance - Vehicles	4,83,565	9,20,262
Repairs & Maintenance - Others	2,65,944	3,27,507
Insurance	3,90,178	7,89,154
Rates & Taxes	24,82,869	7,87,407
Remuneration to Auditors :		
Towards Audit Fees	2,90,000	2,90,000
Towards Exp.	2,866	9,862
Consultancy /Professional Charges	40,55,488	85,66,589
Testing and Certification charges	4,49,562	5,35,857
Software maintenace Charges	1,20,928	4,19,736
<u>Freight &amp; Forwarding Charges :</u>		
Clearing Charges	3,01,049	29,651
Freight Outwards-Domestic	6,25,711	2,19,709
Freight Outwards-Overseas	11,22,740	16,20,234
Transportation Charges	1,16,852	1,49,659
Travelling expenses	9,14,632	8,37,761
Telephone/Internet Exp.	7,48,237	8,38,072
Postage / courier charges	6,33,770	2,58,483
Directors' Sitting Fees	2,59,000	3,19,000
Advertisement / Sales Promotion / Brokerage / Post sales support	15,13,594	11,37,197
Service charges - Thin client	91,500	81,346
Stock Exchange Listing fees	3,59,000	2,50,000
Maintenance Exp.	3,54,342	2,61,370
Printing & Stationery	2,14,240	2,00,971
Security services	6,55,612	11,43,024
Rental Deposit written off	-	1,30,000
MSME -Interest	7,252	-
Premature Rental Agreement Cancellation Charges	-	4,20,000
Provision for Bad & Doubt ful Debts	6,49,600	-
Miscellaneous Exp.	12,61,719	3,16,800
<b>Total</b>	<b>2,30,24,471</b>	<b>3,22,01,773</b>

## VXL Instruments Limited

### Notes to financial statements for the Year ended March 2020

#### 37 Exceptional items

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(Loss) on disposal of Assets	(25,297)	9,94,81,189
Profit/(Loss) on Assets Discarded	-	(2,59,68,631)
<b>Total</b>	<b>(25,297)</b>	<b>7,35,12,559</b>

#### 38 Other Comprehensive Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b><u>Items that will not be re-classified to Profit &amp; Loss Statement</u></b>		
(a) <u>Re-measurement of Defined Benefit Obligations/Assets :</u>		
Gratuity-	4,89,164	(10,18,682)
<b>Total</b>	<b>4,89,164</b>	<b>(10,18,682)</b>
<b><u>Items that will be re-classified to Profit &amp; Loss Statement</u></b>		
(b) <u>Fair Value Adjustment through Other Comprehensive Income :</u>		
Fair Value Adjustment of Interest-free Rental Deposit	-	91,589
<b>Total</b>	<b>-</b>	<b>91,589</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020**

**1 Property, Plant and Equipment**

Particulars	Cost or Deemed cost					Accumulated depreciation and impairment					Carrying Amount
	Balance As at 01 April 2019	Additions	Disposals	Discarded	Balance As at 31 March 2020	Balance As at 01 April 2019	Depreciation expense	Disposals	Discarded	Balance As at 31 March 2020	
<b>PROPERTY PLANT AND EQUIPMENT</b>											
LAND BUILDING	6,74,65,200	-	-	-	6,74,65,200	-	-	-	-	-	6,74,65,200
PLANT & MACHINERY	19,54,782	-	-	-	19,54,782	5,72,749	1,31,849	-	-	7,04,597	12,50,185
MOTOR VEHICLES	34,80,988	-	-	2,14,458	32,66,530	24,97,122	2,52,260	-	1,39,161	26,10,221	6,56,309
OFFICE EQUIPMENT	42,67,081	23,473	-	-	42,90,554	32,31,193	5,01,085	-	-	37,32,278	5,58,276
COMPUTERS	31,61,844	94,398	-	-	32,56,242	25,33,239	3,15,769	-	-	28,49,008	4,07,233
FURNITURE & FITTINGS	38,53,705	29,253	-	-	38,82,958	17,26,065	3,23,898	-	-	20,49,963	18,32,996
<b>TOTAL</b>	<b>8,41,83,600</b>	<b>1,47,124</b>	<b>-</b>	<b>2,14,458</b>	<b>8,41,16,267</b>	<b>1,05,60,368</b>	<b>15,24,860</b>	<b>-</b>	<b>1,39,161</b>	<b>1,19,46,067</b>	<b>72,170,199</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020

## PREVIOUS YEAR

Particulars	Cost or Deemed cost					Accumulated depreciation and impairment					Carrying Amount
	Balance As at 01 April 2018	Additions	Disposals	Discarded	Balance As at 31 March 2019	Balance As at 01 April 2018	Depreciation expense	Disposals	Discarded	Balance As at 31 March 2019	as at 31 March 2019
<b>PROperty plant and equipment</b>											
LAND *	15,46,21,200	-	(8,71,56,000)	-	6,74,65,200	-	-	-	-	-	6,74,65,200
BUILDING *	1,38,69,322	-	(1,29,62,772)	(9,06,550)	-	95,48,523	1,50,736	(87,92,709)	(9,06,550)	-	-
PLANT & MACHINERY **	32,16,076	4,69,925	(4,67,006)	(12,64,213)	19,54,782	12,71,886	2,22,066	(1,78,041)	(7,43,163)	5,72,748	13,82,033
MOTOR VEHICLES	64,73,334	-	(29,92,347)	-	34,80,987	35,74,600	5,94,308	(16,71,786)	-	24,97,122	9,83,865
OFFICE EQUIPMENT	42,16,281	50,800	-	-	42,67,081	26,27,714	6,03,480	-	-	32,31,193	10,35,887
Computers **	48,71,116	70,150	-	(17,79,422)	31,61,844	38,44,883	4,23,638	-	(17,35,282)	25,33,239	6,28,603
Furniture & Fittings	2,3,97,215	14,56,490	-	-	38,53,705	13,62,293	3,63,772	-	-	17,26,065	21,27,641
<b>Total</b>	<b>18,96,64,545</b>	<b>20,47,365</b>	<b>(10,35,78,125)</b>	<b>(39,50,185)</b>	<b>8,41,83,600</b>	<b>2,22,29,899</b>	<b>23,58,000</b>	<b>(1,06,42,536)</b>	<b>(33,84,995)</b>	<b>1,05,60,368</b>	<b>7,36,23,229</b>

\* During the year, the company has sold the immovable property situated at Plot No.17, Electronic City, Bangalore for a gross sale consideration of Rs.20.92 Crores.

\*\* During the year based on Physical verification of assets and had disposed Rs 5,65,190/-.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

**Intangible Assets**

Particulars	Cost or Deemed cost					Accumulated depreciation and impairment					Carrying Amount
	Balance As at 01 April 2019	Additions	Disposals	Impairment	Balance As at 31 March 2020	Balance As at 01 April 2019	Amortization expense	Disposals	Impairment	Balance As at 31 March 2020	
SOFTWARE LICENSE	5,18,106	26,988	-	-	5,45,094	4,41,500	48,213	-	-	4,89,713	55,382
<b>Total</b>	<b>5,18,106</b>	<b>26,988</b>	<b>-</b>	<b>-</b>	<b>5,45,094</b>	<b>4,41,500</b>	<b>48,213</b>	<b>-</b>	<b>-</b>	<b>4,89,713</b>	<b>55,382</b>

**PREVIOUS YEAR**

Particulars	Cost or Deemed cost					Accumulated depreciation and impairment					Carrying Amount
	Balance As at 01 April 2018	Additions	Disposals	Discarded	Balance As at 31 March 2019	Balance As at 01 April 2018	Depreciation expense	Disposals	Discarded	Balance As at 31 March 2019	
SOFTWARE LICENSE	518,106	-	-	-	5,18,106	3,38,189	1,03,311	-	-	4,41,500	76,606
<b>Total</b>	<b>518,106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,18,106</b>	<b>3,38,189</b>	<b>1,03,311</b>	<b>-</b>	<b>-</b>	<b>4,41,500</b>	<b>76,606</b>

## VXL Instruments Limited

### Notes on accounts forming part of financial statements (Note-38)

#### 1 Company Overview :

VXL Instruments Limited is a Public Limited Company listed in BSE Ltd. The Company is engaged in the business of manufacture and trading of data processing units.

#### 2 Disclosures pursuant to Ind AS 1 - “Presentation of Financial Statements”

For the purpose of the company’s capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company’s capital management is to maximise shareholder value.

#### 3 Disclosures pursuant to Ind AS 115-” Revenue from Contracts with Customers”

These Financial Statements of the Company for the period ended 31st March 2020 have been prepared in accordance with Ind AS 115 (Revenue from Contracts with Customers) which has been notified by the Ministry of Corporate Affairs (MCA) vide notification dated 28th March 2018. For the purposes of transition to Ind AS 115, the Company has followed the cumulative effect method, with April 1, 2018 as the transition date .

The transition to Ind AS 115 has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Notes in relation to IndAS 115 have been applied in preparing the Financial Statements for the period ended 31st March 2020 and the comparative information has not been restated since adjustments have been made in accordance with the cumulative effect method effecting the opening reserves as on April 1, 2019.

The Company recognises revenue at a point-in-time based on the acceptance of the product sold to the Customer. The company had also been following the same methodology for revenue recognition in the erstwhile Ind AS-18 regime. Hence, there is no effect on the other equity presented in the Balance Sheet. There is no Contract Asset as on date , hence all amounts has been classified as Receivables.

#### 4 Disclosure pursuant to Ind AS 12 - “Income taxes”

The company has not considered the deferred tax effects on the in accordance with the requirements of this standard as there is no taxable income.

Provision for Income Tax has been created in accordance with the provisions of Income Tax Act, 1961 .

#### 5 Disclosure pursuant to Ind AS 19 “Employee benefits”:

##### (a) Leave Salary :

The Company has made provision for leave salary on actuarial valuation basis using the Project Unit Credit Method as per Ind AS 19. These being retirement benefits, an obligation to pay these amounts might arise at the time of resignation / superannuation of the employees. There is no reimbursement receivable against these obligations.

Particulars	As at March 31, 2020	As at March 31, 2019
Number of employees	50	53
Average age (years)	43	42
Average remaining working life (years)	15	17
Present Value of the Obligation at the Beginning	35,05,845	48,10,582
Expenses Recognized in Income Statement	9,11,106	1,23,315
Expenses capitalized/ Impairment to Intangible Assets Under Development	-	-
Benefits Paid	(18,590)	(14,28,052)
Present Value of the Obligation at the End	43,98,361	35,05,845
<b>Current liability</b>	<b>16,82,410</b>	<b>15,47,143</b>
<b>Non-Current liability</b>	<b>27,15,951</b>	<b>19,58,702</b>
<b>Financial Assumptions</b>		
Discount rate (per annum)	6.60%	7.70%
Salary growth rate (per annum)	7.00%	7.00%

**Demographic Assumptions**

Mortality Rate (as % of IALM 2012-14)	100.00%	100.00%
Normal retirement age	58 years	58 years
Attrition / Withdrawal rates, based on age: (per annum)		
Upto 30 years	5.00%	5.00%
31 to 40 years	3.00%	3.00%
Above 40 years	2.00%	2.00%
Rate of Leave Availment (per annum)	5.00%	5.00%
Rate of Leave Encashment during employment (per annum)	0.00%	0.00%

**(b) Defined contribution plans**

The Company makes Provident Fund contributions to defined contribution retirement benefit plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Company recognised Rs.13,30,152/- (PY : Rs.14,16,791/-) for provident fund contributions in the profit and loss account. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**(c) Defined benefit plans-Gratuity**

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme Master Policy of the Life Insurance Corporation of India, a defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method as per Ind AS 19, with actuarial valuations being carried out at each balance sheet date.

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at 31.03.2020 :

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Change in benefit obligation</b>		
Projected Obligation at the beginning of the year	7,510,349	9,179,520
Interest Cost	579,529	701,734
Current Service Cost	555,124	444,374
Past Service Cost	-	-
Benefits Paid	-	(3,914,411)
Actuarial (Gain) / Loss	490,175	1,099,132
Projected Obligation at the end of the year	9,135,177	7,510,349
<b>Change in Plan Assets</b>		
Fair Value of the Plan Assets at the beginning of the year	6,474,994	8,246,499
Expected Return on Plan Assets	499,636	630,409
Employer's Contributions	4,641	1,432,047
Benefits Paid	-	(3,914,411)
Return on plan assets	1,011	80,450
Adjustment related to prior year	-	-
Fair Value of the Plan Assets at the end of the year	6,980,282	6,474,994

## VXL Instruments Limited

<b>Excess of (Obligations over Plan Assets) / Plan Assets Over Obligation</b>	<b>(21,54,895)</b>	<b>(10,35,355)</b>
Non-Current Liability as per Actuarial Valuation	<b>(21,54,895)</b>	<b>(10,35,355)</b>
Excess Asset maintained with LIC not considered in Actuarial Valuation		
Current liability	-	-
Net Non-Current Liability	<b>(21,54,895)</b>	<b>(10,35,355)</b>
<b>Expenses Recognized during the period :</b>		
In Income Statement	<b>6,35,017</b>	5,15,699
Expenses capitalized/Impairment to Intangible Assets Under Development	-	-
In Other Comprehensive Income	<b>4,89,164</b>	10,18,682
<b>Components of OCI</b>		
Actuarial (gains) / losses :		
change in demographic assumptions	<b>191</b>	-
change in financial assumptions	<b>5,84,203</b>	(23,929)
experience variance	<b>(94,219)</b>	11,23,061
Return on plan assets	<b>(1,011)</b>	(80,450)
<b>Total of OCI</b>	<b>4,89,164</b>	10,18,682
<b>Category of assets</b>		
100% Insurer Managed Funds	<b>69,80,282</b>	64,74,994
<b>Key Assumptions</b>		
Discount Rate	<b>6.60%</b>	7.70%
Salary Escalation Rate	<b>7.00%</b>	7.00%

### 6 Disclosure pursuant to Ind AS 32,107 & 109 : Accounting, Presentaion & disclosure of Financial Instruments

#### (i) Financial Assets :

##### (a) Investments :

VXL Instruments Limited, U.K., a subsidiary in which the Company has 60% share holding amounting to Rs. 51,69,261/- has accumulated losses in excess of its total paid up capital. Net receivable from VXL Instruments Limited, U.K., as at 31st March 2020 is Nil . The company has made provision for doubtful debts and diminution in investments against these receivables and investments. A winding up order was made against the Subsidiary on 7th November 2016. Pursuant to the winding up proceedings the subsidiary was dissolved on March 11, 2018.

##### (b) Trade Receivables :

##### Ageing Analysis of the Trade Receivables :

Particulars	0-30 days past due	31-90 days past due	91-180 days past due	> 181 days past due	Total
Net Carrying Amount as on 31-03-2020	1,78,09,565	3,18,56,156	1,55,16,031	1,39,73,314	<b>7,91,55,066</b>
Net Carrying Amount as on 31-03-2019	33,83,322	1,79,17,813	-	17,09,660	<b>2,30,10,795</b>

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**(c) Others :**

As per Ind AS 109, the financial instruments are to be presented at Fair Value .Accordingly, the item has been presented as follows :

Particulars	As at March 31, 2020	As at March 31, 2019
Original Amount of deposit	49,00,000	49,00,000
Discount Rate adopted (Max. Available FD rate in the Market)	7%	7%
Carrying Amount of the Asset	44,70,633	43,55,348
Fair Value Adjustment of the deposit through Profit and Loss Statement	2,92,471	98,305
Fair Value Adjustment of the deposit through Other Comprehensive Income made	-	91,589

**(d) Financial Liabilities :**

It is pertinent to note that there is no material Financial Liability item that needs to be re-stated at Fair Value in accordance with these Standards .

**7 Disclosure pursuant to Ind AS 33 “Earnings per share”**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Basic earnings per equity share:</b>		
Profit for the year attributable to owners of the Company for calculating basic earnings per share (‘)	(1,00,93,374)	(2,88,10,175)
Weighted average number of equity shares outstanding for calculating basic earnings per share	1,33,24,800	1,33,24,800
<b>Basic EPS</b>	<b>(0.76)</b>	<b>(2.16)</b>
<b>Diluted EPS</b>	<b>(0.76)</b>	<b>(2.16)</b>

**8 Disclosure pursuant to Ind AS 8 - Disclosure of prior period errors**

There are no material prior period items requiring re-statement or re-classification of the items and figures of the comparative financial statements, during the year.

## VXL Instruments Limited

### 1 Disclosure pursuant to the Micro, Small and Medium Enterprises Development (MSMED) Act 2006.

The following disclosure pursuant with Micro, Small and Medium Enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006.

Particulars	As at March 31, 2020	As at March 31, 2019
1. The Principal and the Interest due thereon as at 31st Mar,2020		
a.) Principal	10,01,077	-
b.) Interest	7,252	-
2. The amounts paid by the Company beyond the appointed day for the period ending 31st Mar,2020		
a.) Principal	-	-
b.) Interest	-	-
3. The Interest due and payable for the period of delay (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	-	-
4. The interest accrued and remaining unpaid as at the year ending 31st Mar, 2020-	-	-
5. The amount of further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

The information has been given in respect of such suppliers on the basis of information available with the Company based on information received from such suppliers.

### 2 Disclosure pursuant to Ind AS 21 - The Effects of Changes in Foreign Exchange : (a) Value of Imports calculated on CIF basis:

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Raw Materials	4,05,59,158	9,29,79,884
(ii) Components and Spare parts	-	-
(iii) Capital Goods	-	-
<b>Total</b>	<b>4,05,59,158</b>	<b>9,29,79,884</b>

### (b) Expenditure in Foreign currency on account of :

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Foreign Travel	2,77,521	-
(ii) Professional, Consultancy and Foreign Technician Fees	2,00,992	1,78,296
(iii) Others	12,000	-
<b>Total</b>	<b>4,90,513</b>	<b>1,78,296</b>

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#### 3 Disclosure of segment information pursuant to Ind AS 108 "Operating Segments"

(a) Primary/Secondary Segment reporting :

The risk return profile of the Company's business is determined based on the geographical area in which it operates. Therefore, Geographical Segments have been identified as Primary Segments

(b) Secondary Segments have been identified on the basis of the nature of products manufactured by the Company.

(c) Segment assets and liabilities :

Fixed assets used in the Company's business and liabilities contracted have not been identified to any of the reportable segments as the fixed assets and services are used interchangeably between segments.

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Primary Segments (Geographical Segments)</b>		
<u>Segment Revenue</u>		
( a ) Domestic Segment	9,37,12,338	6,43,90,609
( b ) Export Segment	9,87,24,222	9,28,94,858
Net sales/income from operations	19,24,36,560	1,57,2,85,467
<u>Segment Results</u>		
Domestic	3,24,12,200	(14,21,352)
Overseas	3,41,45,656	(9,85,218)
Segment Results before tax & Finance costs & Exceptional items	6,65,57,856	(24,06,570)
Less :		
Finance Costs	90,01,084	68,94,491
Other unallocable expenditure / (Income)	6,71,35,685	7,63,75,517
Exceptional Items	(25,297)	7,35,12,559
Profit / (Loss) Before Tax	(96,04,210)	(1,21,64,020)
Less : Provision for Taxes	-	1,57,19,062
<b>Profit / (Loss) After Tax</b>	<b>(96,04,210)</b>	<b>(2,78,83,082)</b>
<b>Secondary Segments (Business Segments)</b>		
<u>Revenue (Sales and Services)</u>		
Data Processing Units	19,17,09,229	15,64,71,273
Service Charges	7,27,331	8,14,194
<b>Total</b>	<b>1,92,436,560</b>	<b>15,72,85,467</b>

#### 4 Disclosure of related parties / related party transactions pursuant to Ind AS - 24 :

(i) Parties where control exists

**Name of the Related Party**

VXL Instruments Limited (UK)

**Nature of Relationship**

Subsidiary. The Company holds 60% in the nominal value of equity share capital

(ii) Other related parties with whom transactions were carried out during the year

**Name of the Related Party**

Priya Limited \*

Priya International Limited \*

Brent Properties Investment Private Ltd \*

Aurotech Technologies Dmcc

VXL Software Solutions Pvt. Ltd

**Nature of Relationship**

Company in which a Director is interested

Company in which a Director is interested

Company in which a Director is interested

Company Share holder

Company in which a Director is interested

## VXL Instruments Limited

### (iii) Key management personnel and their relatives

Mr. M.V. Shetty Whole-Time Director  
Mr. Rishabh Shetty Son of Mr. M.V. Shetty, Whole Time Director

### (iv) Related party Transactions :

Particulars	As at March 31, 2020	As at March 31, 2019
<b>1. Transactions</b>		
<b>Sale of Goods</b>		
PRIYALIMITED	1,32,29,064	14,20,78,150
<b>Sale of services</b>		
PRIYALIMITED - Repairs & Maintenance	57,750	1,61,425
Lease Rent - Priya Ltd	30,000	1,50,000
<b>Sale of motor vehicle</b>		
Mr. Madireddy V. Nagaraj	-	3,00,000
<b>Purchase of Goods</b>		
PRIYALIMITED	1,32,945	4,01,25,620
<b>Re-imbusement of Expenses</b>		
PRIYA LIMITED -Service charges	-	62,892
Brent Properties Investment Pvt Ltd	1,38,645	4,90,301
<b>Sale of Goods</b>		
PRIYA INTERNATIONAL LIMITED	-	3,1,30,834
Aurotech Technologies Dmcc	29,80,323	-
<b>Purchase of Goods</b>		
PRIYA INTERNATIONAL LIMITED	-	14,48,536
<b>Interest on long term borrowings</b>		
PRIYA INTERNATIONAL LIMITED	20,17,742	55,11,414
<b>Remuneration paid to Directors</b>		
Mr. Madireddy V. Nagaraj,	-	13,85,950
Mr. M.V. Shetty	28,80,000	28,80,000
<b>Sitting Fees</b>		
Sitting fees	2,59,000	3,19,000
<b>Remuneration paid to Related Parties</b>		
Mr. Rishabh Shetty	7,11,256	5,61,953
<b>Professional/Consultancy Charges</b>		
N V Maslekar	-	6,30,000
M V Nagaraj	-	18,44,983
<b>Rent Paid</b>		
Brent Properties Investment Pvt Ltd *	6,00,000	18,00,000
<b>Long-Term Borrowings</b>		
Inter Corporate Deposit from Priya International Limited received *	1,17,00,000	76,00,000
Inter Corporate Deposit from Priya International Limited re-paid *	1,04,00,000	53,00,000
<b>2. Account Balances :</b>		
<b>Non Current Assets - Trade Receivables- Credit Impaired</b>		
VXL Instruments Limited, UK	4,61,72,358	4,61,72,358
Less : Allowance for Bad and Doubtful Debts	4,61,72,358	4,61,72,358
<b>Borrowings- Long Term</b>		
Inter Corporate Deposit from Priya International Limited	-	6,03,00,000
<b>Borrowings- Short Term</b>		

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Brent Properties Investment Pvt Ltd *	-	12,00,000
<b>Non-current Other financial liabilities</b>		
Rental Deposit received from Priya Limited *	-	50,000
<b>Current Other Financial liabilities</b>		
Priya International Limited-Interest on ICD *	-	25,38,306
<b>Trade Payables</b>		
Priya Limited *	-	-
Brent Properties Investment Pvt Ltd *	-	18,21,241
Aurotech Technologies Dmcc-Advance	1,06,665	
<b>Trade Receivables</b>		
Priya Limited	-	2,09,47,359
PRIYA INTERNATIONAL LIMITED *	-	1,88,356
Sattva Etech India Private Limited	-	6,12,625
VXL Software Solutions Pvt. Ltd	-	-
<b>Non current Investments</b>		
VXL Instruments Limited, UK	51,69,261	51,69,261
Less: Provision for diminution in value of Investments	51,69,261	51,69,261

\*Mr. Arun Kumar Bhuwania was resigned on 11.07.2019, therefore related parties transaction was considered up to 11.07.2019. Closing balance as on 31/03/2020 also not considered at the end of year for related parties.

**5 Disclosures pursuant to Ind AS - 116 “ Leases” :**

The Company's Lease asset classes primarily consist of leases for Land and Building . The Company assesses whether a Contract contains a lease, at inception of a Contract. Effective April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019. A contract is or contains , a lease if the contact conveys the right to control the use of an identified assets for a period of time in exchange for consideration .To assess whether a contract conveys the right to control the use of an identified asset , the Company assesses whether: (i)the contract involves the use of an identified asset , (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) of and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of these leases.

The effect of this adoption is insignificant on the operating profit, net profit for the period and earnings per share. Ind AS 116 resulted in an increase in cash outflows from financing activities on account of lease payments.

## VXL Instruments Limited

### 6 Disclosures as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent assets "

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(a) Contingent liabilities</b>		
<b>Guarantees</b>		
Counter Guarantees in respect of guarantees issued by Bankers (Covered by 100% Deposits)	<b>32,18,040</b>	33,97,240
<b>Other money for which Company is contingently liable</b>		
(i) Employee Provident Fund Damages, Interest under appeal [Net of Rs. 10,69,469/- deposited with the respective authorities ]	<b>3,36,896</b>	3,36,896
(ii) Central Sales Tax liability under appeal	<b>59,73,220</b>	59,73,220
(iii) Service Tax Liability under dispute on the import of software license sticker labels considered as goods	<b>12,78,92,260</b>	12,78,92,260
(iv) Cenvat Credit Refund under dispute. Matter under appeal with Commissioner of Central Excise.	<b>4,31,734</b>	4,31,734

Sl. No. i: The Honourable High Court of Karnataka has directed the Assistant Provident Commissioner to consider the grievance of the Company for reducing the penalty.

Sl. No. ii: Karnataka High Court disposed off the sales tax review petition filed by the assessee with a direction to the Assessing Officer to consider rectification application. Matter is pending before the jurisdictional local vat officer.

Sl. No. iii : In respect of Service Tax pending before the Commissioner Appeals and Customs Excise and Service Tax Appellate Tribunal (CESTAT), the Company's Consultants are of the opinion that the Company has good chances of winning the case and hence no provision has been made for the same.

SL. No. iv. Disallowance of unutilised cenvat credit for which Company has preferred appeal before Commissioner of Appeals. Pending disposal of appeal, no provision is made.

**7** Figures of the previous year have been re-cast / re-grouped / re-arranged in conformity with the presentation of the current year.

**8** In the opinion of the Board, the current assets, loans & advances, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

Notes on Accounts forming part of Financial Statements in Note-38 & Significant Accounting Policies in Note-39. As per our report attached of even date.

#### For YCRJ & ASSOCIATES

Chartered Accountants

Firm's Registration No: 0006927S

**Vijayendra R Nayak**

Partner

M. No. 203184

Date : 30-06-2020

Place : Bangalore

ICAI:UDIN:20203184AAAAGV3543

For and on behalf of the Board

**M.V.Shetty**

Whole Time Director

DIN : 00515711

**Shipra Vyas**

Company Secretary

**Vivek Gupta**

Independent Director

DIN : 00025519

**Kishan S Rao**

Chief Financial Officer

**VXL Instruments Limited**

**INFORMATION FOR THE BENEFIT OF INVESTORS**

- |   |   |   |
|---|---|---|
| 1. Registered Office  | : | #252,, 5th Floor, Building No.2,<br>Solitaire Corporate Park,<br>Chakala Andheri (East), Mumbai - 400093<br>Tel : 91 22 2824 5210<br>Fax : 91 22 4287 2197<br>URL : Website : www.vxl.net<br>CIN : L85110MH1986PLC272426<br>E-mail : cfo@vxl.net  |
| 2. Registrars and Share Transfer Agent details of Registrar and | : | Bigshare Services Private Limited<br>1st Floor, Bharat Tin Works Building, Opp.<br>Vasant Oasis, Makwana Road, Marol,<br>Andheri East, Mumbai – 400 059<br><b>Tel.:</b> 022-62638200<br><b>Fax. :</b> 022-62638299<br><b>Email:</b> info@bigshareonline.com<br><b>Website:</b> www.bigshareonline.com |
| 3. Year ended on  | : | 31 <sup>st</sup> March 2020   |
| 4. 34th Annual General Meeting                                  | : | Date - 18th December 2020<br>Time - 2.00 pm<br>Venue - Video Conferencing (“VC”)  |
| 5. Registrar of Members & Share Transfer Book Closure           | : | 12.12.2020 to 18.12.2020<br>(both days Inclusive)   |
| 6. E-Voting Dates   | : | Starts on 15.12.2020 9.00 am to<br>17.12.2020 5.00 pm   |
| 7. Result Date  | : | 19.12.2020  |
| 8. Shares listed in Stock Exchange at                           | : | BSE Limited   |
| 9. Annual fees to Stock Exchanges                               | : | Paid up to date (Mumbai)  |
| 10. Paid – up Share Capital                                     | : | Rs. 1332.48 Lakhs   |