

**32<sup>nd</sup>**  
**Annual Report**  
**2017-2018**



**VXL Instruments Limited**

## VXL Instruments Limited

### BOARD OF DIRECTORS

Mr. Arun Kumar Bhuwania	Chairman and Non Independent Director
Mr. Madireddy V. Nagaraj	Managing Director
Mr. M. V. Shetty	Whole Time Director
Mr. K. Prakash	Director
Mr. N. V. Maslekar	Independent Director (Up to 11 <sup>th</sup> July, 2018)
Mr. Prakash H Rao	Independent Director (Up to 11 <sup>th</sup> July, 2018)
Mrs. Kumkum Bhuwania	Independent Director
Mr. Vivek Gupta	Independent Director (From 11 <sup>th</sup> July, 2018)
Mr. Pranav Viaks Makharia	Independent Director (From 11 <sup>th</sup> July, 2018)
Mr. Rakesh Shridas Damani	Independent Director (From 11 <sup>th</sup> July, 2018)
Mr. Narayana Bhat	CFO & Company Secretary

### AUDIT COMMITTEE

Mr. N V Maslekar	Chairman (Upto 11 <sup>th</sup> July, 2018)
Mrs. Kumkum Bhuwania	Chairman (From 11 <sup>th</sup> July, 2018)
Mr. Vivek Gupta	Member (From 11 <sup>th</sup> July, 2018)
Mr. K Prakash	Member
Mr. Prakash H Rao	Member (Upto 11 <sup>th</sup> July, 2018)
Mr. Rakesh Shridas Damani	Member (From 11 <sup>th</sup> July, 2018)
Mr. Pranav Vikas Makharia	Member (From 11 <sup>th</sup> July, 2018)

### NOMINATION AND REMUNERATION COMMITTEE

Mr. N. V. Maslekar	Chairman (Upto 11 <sup>th</sup> July, 2018)
Mr. Rakesh Shridas Damani	Chairman (from 11 <sup>th</sup> July 2018)
Mr. Arun Kumar Bhuwania	Member
Mr. Prakash H Rao	Member (Upto 11 <sup>th</sup> July 2018)
Mr. K Prakash	Member
Mr. Vivek Gupta	Member
Mr. Pranav Vikas Makharia	Member (From 11 <sup>th</sup> July, 2018)

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. K Prakash	Chairman
Mr. N V Maslekar	Member (Upto 11 <sup>th</sup> July, 2018)
Mr. Prakash H Rao	Member (Upto 11 <sup>th</sup> July 2018)
Mr. Vivek Gupta	Member
Mr. Rakesh Shridas Damani	Member
Mr. Pranav Vikas Makharia	Member

### SHARE TRANSFER / TRANSMISSION COMMITTEE

Mr. Madireddy V Nagaraj	Chairman
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

### AUDITORS

Messrs. YCRJ & Associates  
Chartered Accountants  
Bengaluru

### INTERNAL AUDITORS

Messrs. Cuddapah Ramesh & co.  
Chartered Accountants  
Bengaluru

### SECRETARIAL AUDITORS

Mr. J V Shivaprakash  
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

“House of Excellence”  
No.17, Electronics City, Hosur Road,  
Bengaluru - 560 100  
Tel : 91-80-2852 0046/2852 3252  
Fax : 91-80-2852 0095  
Website: www.vxl.net  
CIN: L85110MH1986PLC272426  
E-mail: cfo@vxl.net

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**THIRTY SECOND ANNUAL GENERAL MEETING**

on Wednesday, 19th September, 2018

at

**“HALL OF QUEST”**

Nehru Planetarium, Nehru Centre,  
Dr. Annie Besant Road, Worli,  
Mumbai – 400 018

at 12.30 p.m

## VXL Instruments Limited

### NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting of the Members of the Company will be held at 12:30 PM, on Wednesday, 19<sup>th</sup> September, 2018 at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018 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, 2018, 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 (DIN: 00515711), Director who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

3. **To appoint Mr. Arunkumar Bhuwania (holding DIN: 00387445) 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, Mr. Arunkumar Bhuwania (holding DIN: 00387445), who was appointed as an Additional Director of the Company by the Board of Directors in its Meeting held on 11<sup>th</sup> July, 2018 in terms of Section 161(1) of the Companies Act, 2013 and who holds office till the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

4. **To appoint Mr. Rakesh Shridas Damani (holding DIN: 07580652) 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 and 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, Mr. Rakesh Shridas Damani

(holding DIN: 07580652), who was appointed as an Additional Director of the Company by the Board of Directors in its Meeting held on 11<sup>th</sup> July, 2018 in terms of Section 161(1) of the Companies Act, 2013 and who holds office till the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

5. **To appoint Mr. Rakesh Shridas Damani (holding DIN: 07580652) as an Independent Director:**

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV 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), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, as may be in force from time to time, Mr. Rakesh Shridas Damani (holding DIN: 07580652), Director of the Company be and is hereby appointed as an Independent Director of the Company for a period of 5 (Five) consecutive years with effect from 11<sup>th</sup> July, 2018, not liable to retire by rotation."

6. **To appoint Mr. Pranav Vikas Makharia (holding DIN: 03587980) 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 and 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, Mr. Pranav Vikas Makharia (holding DIN: 03587980), who was appointed as an Additional Director of the Company by the Board of Directors in its Meeting held on 11<sup>th</sup> July, 2018 in terms of Section 161(1) of the Companies Act, 2013 and who holds office till the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

**7. To appoint Mr. Pranav Vikas Makharia (holding DIN: 03587980) as an Independent Director:**

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV 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), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, as may be in force from time to time, Mr. Pranav Vikas Makharia (holding DIN: 03587980), Director of the Company be and is hereby appointed as an Independent Director of the Company for a period of 5 (Five) consecutive years with effect from 11<sup>th</sup> July, 2018, not liable to retire by rotation.”

**8. To appoint Mr. Vivek Gupta (holding DIN: 00025519) 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 and 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, Mr. Vivek Gupta (holding DIN: 00025519), who was appointed as an Additional Director of the Company by the Board of Directors at its Meeting held on 11<sup>th</sup> July, 2018 in terms of Section 161(1) of the Companies Act, 2013 and who holds office till the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

**9. To appoint Mr. Vivek Gupta (holding DIN: 00025519) as an Independent Director:**

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV 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), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, as may be in force from time to time, Mr. Vivek Gupta (holding DIN: 00025519), Director of the Company be and is

hereby appointed as an Independent Director of the Company for a period of 5 (Five) consecutive years with effect from 11<sup>th</sup> July, 2018, not liable to retire by rotation.”

**10. Approval of 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), 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 2018-19:

Sl. No.	Nature of Transactions	Estimated Value of Transactions per Annum (Rs. in Crores)
1	Purchase of materials/goods	40
2	Sale of materials /goods	55
3	Reimbursement of expenses	5

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all necessary steps to give effect to the above resolution including signing of any Agreements with the related parties and to issue purchase orders or sales invoice on behalf of the Company.”

By Order of the Board  
For VXL Instruments Limited

Place: Bangalore  
Date: 31<sup>st</sup> July, 2018

**Narayana Bhat**  
Chief Financial Officer &  
Company Secretary  
Membership  
No.: ACS 8494

**Address:**  
“Girishree”, 30, Marappa Garden  
7<sup>th</sup> A Cross GardenVilas, Nagarabhavi  
Bangalore- 560 072

## VXL Instruments Limited

### Notes:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.**
- Explanatory Statement as per Section 102 of the Companies Act, 2013 is attached hereto.
- The Register of Members and the Share Transfer books of the Company will remain closed from 14<sup>th</sup> September, 2018 to 19<sup>th</sup> September, 2018 (both days inclusive).
- Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
- Members/proxies should bring the Attendance slip sent herewith duly filled in to attend the Meeting.
- Members are requested to address all their correspondence including change of address etc. to the present Registrars and Share Transfer Agent: Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400 072.
- 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.
- To support the 'Green Initiative', the Members who have not registered their e-mail address are requested to register the same with Registrars and Share Transfer Agent: Bigshare Services Private Limited.
- As regards to re-appointment of Mr. M V Shetty (DIN: 00515711) Managing 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) Listing Regulations, 2015 for the information of the Shareholders:

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

### 10. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing to its members facility to exercise their right to vote at the 32<sup>nd</sup> Annual General Meeting (AGM) by electronic means through e-Voting Services provided by National Securities Depository Limited (NSDL).

The instructions for E-voting are as under:

#### **A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:**

- Open email and open PDF file viz; "VXL Instruments-e-voting.pdf" with your Client ID or Folio No. as password.  
The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
- Click on Shareholder – Login
- Put user ID and password as initial password/ PIN noted in step (i) above. Click Login.
- Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- Select "EVEN" (E-Voting Event Number) of VXL Instruments Limited.
- Now you are ready for e-voting as Cast Vote page opens.
- Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.

- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory/ies who are authorized to vote, to the Scrutinizer through e-mail to sanjay.parabcs@gmail.com with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:**

- (i) Initial password is provided at the bottom of the Attendance Slip for the AGM: EVEN (E-Voting Event Number) USER ID PASSWORD/PIN
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

**Other Instructions:**

- (i) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- (ii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- (iii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (iv) The e-voting period commences on 16<sup>th</sup> September, 2018 (9:00 am) and ends on 18<sup>th</sup> September, 2018 (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 of 12<sup>th</sup> September, 2018 may cast their vote electronically.

The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a Resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.

- (v) The voting rights of shareholders shall be in proportion to their shares of the Paid up Equity Share Capital of the Company as on the cut-off date of 12<sup>th</sup> September, 2018.
- (vi) If the Shareholder exercises his vote both electronically and physically, then the vote cast by him electronically will supercede.
- (vii) 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.

- (viii) 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.
- (ix) 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 NSDL within forty eight (48) hours of passing of the Resolutions at the AGM of the Company and also communicated to BSE Limited.
- (x) Further, members may note the following:
  - a. Remote e-voting shall not be allowed beyond the said date and time.
  - b. The Company is providing facility to vote on a poll to the members present at the Meeting.
  - c. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
  - d. 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.
  - 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: 31<sup>st</sup> July, 2018

**Narayana Bhat**  
Chief Financial Officer  
& Company Secretary  
Membership  
No.: ACS 8494

**Address:**  
"Girishree", 30, Marappa Garden  
7<sup>th</sup> A Cross GardenVilas, Nagarabhavi  
Bangalore- 560 072

## VXL Instruments Limited

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

#### ITEM NO. 3:

At the Meeting of the Board held on 11<sup>th</sup> July, 2018, Mr. Arunkumar Bhuwania was inducted as an Additional Director of the Company. Pursuant to the provisions of Section 161 of the Companies Act, 2013, he will hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with a deposit of requisite amount i.e. 1,00,000/- (Rupees One Lakh only) pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Arunkumar Bhuwania for the office of Director of the Company.

#### Brief profile of Arunkumar Bhuwania is as follows:

Mr. Arun Kumar Bhuwania, aged 71 years, is well known Industrialist of India both in Chemical and Electronic field. He is B.Sc. (Maths) Graduate from Presidency College, University of Calcutta. Has wide range of experience in the field of Dyes, Chemicals and Computer hardware / software distribution of more than 4 decades. He is the chief promoter and Chairman of the Priya Group which includes Priya Limited and Priya International Limited.

Following are the information pertaining to Director seeking re-appointment at the 32<sup>nd</sup> Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2:

Name	Mr. Arunkumar Bhuwania
Date of Birth	30 <sup>th</sup> August , 1947
Date of Appointment	11 <sup>th</sup> July, 2018
Qualifications	B.Sc. (Maths) Graduate from Presidency College, University of Calcutta
Expertise in specific functional area to Electronics Hardware and Software	Management with focus on Business related to electronics hardware and software.
Directorships held in other Public Companies (excluding foreign companies)	Priya Limited Priya International Limited
Membership /Chairmanships of Committees of other public companies (included only Audit and Shareholders/ Investors Grievance Committee)	Priya Limited: a) Member of Audit Committee b) Member of Stakeholder's relationship Committee Priya International Limited: Member of Audit Committee
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 Mr. Arunkumar 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.**

#### ITEM NO. 4, 5,6,7,8 AND 9:

At the Meeting of the Board held on 11<sup>th</sup> July, 2018, Mr. Rakesh Shridas Damani, Mr. Pranav Vikas Makharia and Mr. Vivek Gupta were inducted as Additional Directors of the Company. Pursuant to the provisions of Section 161 of the Companies Act, 2013, they will hold office up to the date of the ensuing Annual General Meeting.

The Company has received notices in writing from members along with deposit of requisite amount i.e., Rs. 1,00,000/- (Rupees One Lakh only) towards each Director pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing the candidatures of Mr. Rakesh Shridas Damani, Mr. Pranav Vikas Makharia and Mr. Vivek Gupta for the office of Directors of the Company.

#### Brief profiles of Mr. Rakesh Shridas Damani, Mr. Pranav Vikas Makharia and Mr. Vivek Gupta are as follows:

**Mr. Rakesh Shridas Damani**, aged 49 years is by qualification Master of Business Administration(MBA) and he is director in Levram Lifesciences Pvt. Ltd.

**Mr. Pranav Vikas Makharia**, aged 25 years is by qualification Bachelors in Banking and Insurance, H.R. College, University of Mumbai and he is the Director in Pal Bakers & Caters Pvt. Ltd., Goodcare Investment Pvt. Ltd. and Atlantis Finvest Pvt. Ltd.



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**Mr. Vivek Gupta**, aged 51 years is by qualification Master of Business Administration(MBA) and he is director in Amigo Travels Pvt. Ltd., Soorajmull Baijnath Pvt. Ltd. and Amigo Travels Online Pvt. Ltd.

The Resolutions mentioned under item nos. 5,6,7,8 and 9 seek the approval of the Shareholders for the appointment of **Mr. Rakesh Shridas Damani**, **Mr. Pranav Vikas Makharia** and **Mr. Vivek Gupta** as Directors and also appointment as Independent Directors of the Company to hold office for a period of five (5) consecutive years with effect from 11<sup>th</sup> July, 2018 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, and the Rules made there under. They are not liable to retire by rotation.

The Company also has received declarations to the effect that they meet the criteria of independence as provided under sub-section (6) of Section 149 of the Companies Act, 2013. In the opinion of the Board, **Mr. Rakesh Shridas Damani**, **Mr. Pranav Vikas Makharia** and **Mr. Vivek Gupta**, fulfil the conditions for their appointments as Independent Directors as specified under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms and conditions of their appointments would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of the AGM.

Following are the information pertaining to Directors seeking re-appointment at the 32<sup>nd</sup> Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2:

Name	Mr. Rakesh Shridas Damani	Mr. Pranav Vikas Makharia	Mr. Vivek Gupta
Date of Birth	9 <sup>th</sup> August, 1964	15 <sup>th</sup> January, 1993	26 <sup>th</sup> September, 1966
Date of Appointment	11 <sup>th</sup> July, 2018	11 <sup>th</sup> July, 2018	11 <sup>th</sup> July, 2018
Qualifications	Master of Business Administration(MBA)	Bachelors in Banking and Insurance	Master of Business Administration(MBA)
Expertise in specific functional area	Finance	Real Estate	Travel and Tourism
Directorships held in other Public Companies (excluding foreign companies)	Levram Lifesciences Private Limited	Pal Bakers And Caterers Private Limited Goodcare Investment Private Limited	Amigo Travels Private Limited Soorajmull Baijnath Private Limited Amigo Travels Online Private Limited
Membership /Chairmanships of Committees of other public companies (included only Audit and Shareholders/ Investors Grievance Committee)	NIL	NIL	NIL
Number of Shares held in the Company	NIL	NIL	NIL

Your Board recommends the Ordinary Resolutions as set out in Item nos. 4,5,6,7,8 and 9 for the approval of the Members.

Except **Mr. Rakesh Shridas Damani**, **Mr. Pranav Vikas Makharia** and **Mr. Vivek Gupta**, none of the Directors, Key Managerial Personnel of the Company or their relatives, is concerned or interested financially or otherwise in the said Resolutions.

### ITEM NO. 10:

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

## VXL Instruments Limited

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 Mr. Arunkumar 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 from Priya Limited & sells finished goods to Priya Limited. The Board of Directors in its Meeting held on 31st July, 2018, reviewed the estimated value of the transactions for the financial year 2018-19 in detail for recommending the same to the Shareholders of the Company for their approval.

In terms of provisions of Regulation 23 of 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 SEBI (LODR) Regulations, 2015, the transactions with the said related party require the approval of members of the Company by Ordinary Resolution.

The Company's best interest 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.

None of the Promoters/Directors/Key Managerial Personnel of the Company other than Mr. Arunkumar 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. 10 of the notice for approval by the members.

Place: Bangalore

Date: 31<sup>st</sup> July, 2018

By order of the board  
for VXL Instruments Limited

**Narayana Bhat**

Chief Financial Officer & Company Secretary

Membership No.: ACS 8494

**Address:**

“Girishree”, 30, Marappa Garden  
7<sup>th</sup> A Cross GardenVilas, Nagarabhavi,  
Bangalore-560 072

**BOARD'S REPORT**

Your Directors have pleasure in presenting the 32nd Annual Report and Audited Financial Statements for the year ended 31st March, 2018 together with the Independent Auditor's Report.

**1. FINANCIAL RESULTS**

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Net revenue from operations	4,589	5,027
Other income	28	7
Profit (Loss) before Depreciation	(171)	(292)
Depreciation	29	32
Profit (Loss) before Taxation	(200)	(324)
Profit (Loss) after Taxation	(200)	(324)

**2. PERFORMANCE OF THE COMPANY:**

The year gone by was a tough year for thin clients. Poor economic growth has resulted in reduction of export sales substantially. However, domestic demand was encouraging. Overall lower sales affected the profitability.

**FUTURE PROSPECTS**

Thin client computing has helped many clients to solve the problem of how to deploy and make available applications to a global workforce, including remote workers. Today's thin client technology promises improved reliability and manageability

Increased demand in the domestic market, sustained economic expansion, renewed confidence of customers in our ability to meet their requirements, preference of the users to our software offering are expected to push the demand for 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**

The Company does not have any employee stock option scheme.

**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.

However, based on the recommendation of the Board, approval of the Shareholders has been sought by way of Postal Ballot to Sell, Lease or otherwise dispose off the Undertakings of the Company limited to, land, buildings and attachments thereto located at 'House of Excellence', No. 17, Electronics City, Hosur Road, Bangalore - 560 100 and at Plot No. 20, Survey No.26, Veerasandra Industrial Area, Bangalore - 560 100, Karnataka, India, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013.

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

There are no material changes after 31st March, 2018 till the signing of this Report.

## VXL Instruments Limited

### **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 expected improved performance of the Company is hoped 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 4 (Four) times from 1st April 2017 to 31st March 2018 on 27th May 2017, 10th August 2017, 31st October 2017 and 31st January 2018.

### **10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

During the financial year under review, there were no changes in the Directors and Key Managerial Personnel of the Company, However, there were few changes post completion of the financial year till the date of this Report. The details of the same are mentioned as follows:

The Board at its Meeting held on 11th July, 2018 appointed Mr. Rakesh Shridas Damani, Mr. Pranav Vikas Makharia and Mr. Vivek Gupta as Additional Directors of the Company who are categorized as Non-Executive and Independent Directors of the Company with effect from 11th July, 2018. The details of Mr. Rakesh Shridas Damani, Mr. Pranav Vikas Makharia and Mr. Vivek Gupta are furnished in the Explanatory Statement to the Notice of the Annual General Meeting pursuant to the provisions of Section 102 of the Companies Act, 2013. The Board recommends their appointment at the ensuing Annual General Meeting of the Company.

Mr. Nandkumar Venkat Rao Maslekar (holding DIN: 00904842) and Mr. Prakash Rao Hangarkatta (holding DIN: 00492187) resigned from the office of Independent Directors of the Company with effect from 11th July, 2018 due to personal reasons. The Board places on record its appreciation of the invaluable contribution and guidance provided by the outgoing Directors.

Mr. M. V. Shetty, Whole Time Director, retires by rotation, as per the Companies Act, 2013 and being eligible, offers himself for re-appointment.

Mr. Arunkumar Bhuwania (holding DIN: 00387445) resigned from the offices of Chairman and Director of the Company with effect from 7th May, 2018. The Board in its Meeting held on 11th July, 2018 appointed Mr. Arunkumar Bhuwania as an Additional Director of the Company who is categorized as Non-Executive and Non-Independent Director of the Company with effect from 11th July, 2018. The details of Mr. Arunkumar Bhuwania are furnished in the Explanatory Statement to the Notice of the Annual General Meeting pursuant to Section 102 of the Companies Act, 2013. The Board recommends his appointment.

As at the financial year ended 31st March, 2018 Mr. Madireddy V. Nagaraj, Managing Director, Mr. M. V. Shetty, Whole-time Director, Mr. Mr. Narayana Bhat, Chief Financial Officer, Company Secretary and Compliance Officer, are the Key Managerial Personnel of the Company.

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

The Company has received necessary declaration from each Independent Director of the Company under 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, NOMINATION AND REMUNERATION COMMITTEE AND STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

Following are the composition of various Committees as on 31st March, 2018:

**i) Composition of Audit Committee:**

- |                         |   |          |
|-------------------------|---|----------|
| a) Mr. N. V. Maslekar   | - | Chairman |
| b) Mr. K. Prakash       | - | Member   |
| c) Mr. Prakash H Rao    | - | Member   |
| d) Mrs. Kumkum Bhuwania | - | Member   |

Notes:

1. Mr. N. V. Maslekar resigned w.e.f. 11<sup>th</sup> July, 2018 and has been replaced by Mrs. Kumkum Bhuwania as the Chairman of the Committee with effect from that date.
2. Mr. Prakash H Rao resigned as Member of the Committee w.e.f. 11<sup>th</sup> July, 2018 and Mr. Rakesh Shridas Damani, Mr. Pranav Vikas Makharia and Mr. Vivek Gupta were appointed as Members of the Committee w.e.f. 11<sup>th</sup> July, 2018.

**ii) Nomination and Remuneration Committee:**

- |                             |   |          |
|-----------------------------|---|----------|
| a) Mr. N. V. Maslekar       | - | Chairman |
| b) Mrs. Arun Kumar Bhuwania | - | Member   |
| c) Mr. Prakash H Rao        | - | Member   |
| d) Mr. K Prakash            | - | Member   |

Notes:

1. Mr. N. V. Maslekar resigned w.e.f. 11<sup>th</sup> July, 2018 and has been replaced by Mr. Rakesh Damani as the Chairman of the Committee who was appointed w.e.f. 11<sup>th</sup> July, 2018.
2. Mr. Prakash H Rao resigned as Member of the Committee w.e.f. 11<sup>th</sup> July, 2018 and Mr. Pranav Vikas Makharia and Mr. Vivek Gupta were appointed as Members of the Committee w.e.f. 11<sup>th</sup> July, 2018.
3. Mr. Arun Kumar Bhuwania resigned as member of Committee w.e.f. 7<sup>th</sup> May, 2018 and again appointed as member of the Committee w.e.f. 11<sup>th</sup> July, 2018.

**iii) Composition of Stakeholders' Relationship Committee:**

- |                      |   |          |
|----------------------|---|----------|
| a) Mr. K Prakash     | - | Chairman |
| b) Mr. N V Maslekar  | - | Member   |
| c) Mr. Prakash H Rao | - | Member   |

Mr. N. V. Maslekar and Mr. Prakash H Rao resigned as Members of the Committee w.e.f. 11<sup>th</sup> July, 2018 and Mr. Vivek Gupta, Mr. Rakesh Damani and Mr. Pranav Vikas Makharia were appointed as Members of the Committee w.e.f. 11<sup>th</sup> July, 2018

**13. RISK MANAGEMENT POLICY:**

The Company has not yet formulated a Risk Management Policy and has in place a mechanism to inform the Board 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.

**14. 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 the website of the Company at url <http://www.vxl.net/percheditor/resources/vxlwhistleblowerpolicy> and there were no cases reported during the last period.

## VXL Instruments Limited

### 15. 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.

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

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

### 17. 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.

### 18. 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**.

### 19. 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 31st Annual General Meeting up to the conclusion of the 36th Annual General Meeting.

### 20. 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. J V Shivaprakash, Bengaluru, a 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 Statutory/Secretarial Auditors:**

During the financial year under review, there were no qualifications, reservations or adverse remarks made by the Statutory Auditors/Secretarial Auditors in their respective Reports.

**21. 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

**(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	Not Applicable
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 Expenditure 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	Rs. 2,54,03,441
(b) Recurring	Nil
(c) Total	Rs. 2,54,03,441
(d) Total R & D expenditure as a percentage of total turnover	5.54

## VXL Instruments Limited

### (D) Foreign exchange earnings and Outgo

Activities relating to exports	Not Applicable
Initiatives taken to increase exports	Not Applicable
Development of new export markets for products and services	Not Applicable
Export plans	Not Applicable
Total Exchange used (Cash basis)	As on 31st March, 2018: Rs.28,60,02,243/-
Total Foreign Exchange Earned (Accrual Basis)	As on 31st March, 2018: Rs.24,90,28,229/-

#### 22. 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 31st March, 2018.

#### 23. 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 atleast 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.

#### 24. MATERIAL ORDER PASSED BY ANY COURT OR REGULATOR OR TRIBUNALS 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.

#### 25. 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.

However, a material related party transaction with Priya Limited which needs approval from the Shareholders in terms of the applicable laws are being placed before Shareholders for due consideration and approval, details of which are appended to the Notice of the 32nd Annual General Meeting in the explanatory statement.

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**.

#### 26. 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 in the Honourable 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. The management is pleased to inform, on 18.07.2018, settlement with 31 workmen was reached (more than 50% of the workmen included in all the pending cases) and the same recorded in the Honourable High Court and in the Industrial Tribunal. The payments to the settled workmen is being done from the deposit placed with the Honourable High Court and there is no cash outflow for the company. There are 28 workmen involved in various cases who have not taken the settlement. Here also after taking into account the deposit and interest thereon placed with the Honourable High Court, the outflow would be negligible, if they were to be settled.

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

**27. 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 7th November, 2016. Further, to the Insolvency Proceedings under the Insolvency Act, 1986 VXL Instruments Limited UK was dissolved on 11th March, 2018.

**28. ANNUAL BOARD EVALUATION:**

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

**29. 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.

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

On the recommendation of the Nomination and Remuneration Committee, the Board has 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.

**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 2018-19 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 31st March, 2018, the gross tangible and intangible assets stood at Rs. 21,55,86,092/- and the net tangible and intangible assets, at Rs. 19,30,18,003/-. Additions during the financial year amounted to Rs. 2,64,51,658/-. 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.

## **VXL Instruments Limited**

The following is a summary of sexual harassment complaints received and disposed off during the financial year 2017-18:

No of complaints received: NIL

No of complaints disposed off: NIL

### **36. MANAGEMENT DISCUSSION AND ANALYSIS:**

As requisite and appropriate Management Discussion and Analysis is covered under this Report itself, a separate note on the same is not being furnished.

### **37. 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, Company's Bankers, Customers, Principals, Business Associates and other Acquaintances.

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: 31st July, 2018

**Madireddy V. Nagaraj**  
*Managing Director*  
DIN: 00515419  
Address: No.23, II Cross,  
Vasanthnagar West  
Bangalore-560 052

**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, 2018**

[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> : narayanbhat@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> 022-62638200 <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.27 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	1443030	0	1443030	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>1443030</b>	<b>0</b>	<b>1443030</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>1443030</b>	<b>0</b>	<b>1443030</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

**32<sup>nd</sup> Annual Report 2017 - 2018**

<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 [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(e) INSURANCE 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	1306029	9200	1315229	9.87	1291941	9200	1301141	9.76	(0.11)
(b) Individual									
(i) (Individual Share Holders holding Nominal Share Capital Upto to Rs. 1 Lakh)	1006440	167400	1173840	8.81	1002385	166600	1168985	8.77	(0.04)
(ii) (Individual Share Holders holding Nominal Share Capital in excess of Rs. 1 Lakh)	894805	0	894805	6.72	906858	0	906858	6.81	0.09
(c) ANY OTHERS (Specify)									
(i) CLEARING MEMBER	1112	0	1112	0.01	1102	0	1102	0.01	(0.00)
(ii) NON RESIDENT INDIANS (NRI)	0	176100	176100	1.32	0	176100	176100	1.32	0.00
(iii) NON RESIDENT INDIANS (REPAT)	16654	0	16654	0.12	16654	0	16654	0.12	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 [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(iv) NON RESIDENT INDIANS (NON REPAT)	234285	0	234285	1.76	241185	0	241185	1.81	0.05
(v) FOREIGN NATIONALS	150100	287500	437600	3.28	150100	287500	437600	3.28	0.00
(vi) OVERSEAS BODIES CORPORATES SUB TOTAL	1785600	5800000	7585600	56.93	1785600	5800000	7585600	56.93	0.00
<b>(B)(2) : Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>5395025</b>	<b>6440200</b>	<b>11835225</b>	<b>88.82</b>	<b>5395825</b>	<b>6439400</b>	<b>11835225</b>	<b>88.82</b>	<b>0.00</b>
<b>(C) Shares held by Custodians for GDR's and ADR's</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>
<b>(Grand Total (A) + (B) + (C))</b>	<b>6880700</b>	<b>6444100</b>	<b>13324800</b>	<b>100.00</b>	<b>6881500</b>	<b>6443300</b>	<b>13324800</b>	<b>100.00</b>	<b>0.00</b>

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ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	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	266350	1.9989	0.00	266350	1.9989	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	2.9110	0.00	387900	2.9110	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	16240	0.1219	0.00	0.00
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

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

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	14,43,030	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	14,43,030	10.83

## VXL Instruments Limited

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

Sl. No.	For Each of the Top10 Shareholders Messrs	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Tefuli Limited	1950000	14.63	1950000	14.63
2	Tintur Investments Limited	1925000	14.45	1925000	14.45
3	Breezotop Investments Limited	1925000	14.45	1925000	14.45
4	Daymount Limited	1785600	13.40	1785600	13.40
5	Priya Limited	900000	6.75	900000	6.75
6	Saroj Bhuwania	220891	1.66	220891	1.66
7	Loknath Agarwala	175000	1.31	175000	1.31
8	ANKUR PODDAR	148109	1.11	148109	1.11
9	HALIFAX PROPERTIES INVESTMENT PVT.LTD.	130651	0.98	130651	0.98
10	Rina Poddar	128527	0.96	128527	0.96

(v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Addition during the year	% of total Shares of the company	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 Madireddy V Nagaraj M V Shetty	319050 29920	2.39 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 Madireddy V Nagaraj M V Shetty					319050 29920	2.39 0.22



**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:  
Rs.7,12,33,878/-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Amount in Rs.

Sl. No.	Particulars of Remuneration	Name of MD/WTD Amount		Total
		Madireddy V Nagaraj Managing Director	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	26,98,992	25,78,992	52,77,984
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	2,86,008	2,86,008	5,72,016
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - Others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	29,85,000	28,65,000	58,50,000
	<b>Ceiling as per the Act</b>	42,00,000	42,00,000	84,00,000

## VXL Instruments Limited

### B. Remuneration to other Directors:

Amount in Rs.

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Mr.N V Maslekar			
	• Fee for attending board / committee meetings	54,000	-	-	54,000
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	54,000	-	-	54,000
2	Other Non-Executive Directors	Mr. K. Prakash	Mrs. Kumkum Bhuwania	Mr. Prakash H. Rao	
	• Fee for attending board / committee meetings	54,000	48,000	54,000	156,000
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	54,000	48,000	54,000	156,000
	Total (B)=(1+2)	1,08,000	48,000	54,000	2,10,000
Overall Ceiling as per the Act -- Within the Limits					

\*Mr. Prakash H Rao and Mr. N V Maslekar resigned from the office of Director w.e.f. 11th July, 2018.

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

Amount in Rs.

Sl.No.	Particulars of Remuneration	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act,1961	14,79,892
	(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 - as % of profit - others, specify...	Nil Nil Nil
5	Others, please specify	Nil
	<b>Total</b>	<b>14,79,892</b>

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**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 Punishment Compounding			None		
<b>B. DIRECTORS</b>					
Penalty Punishment Compounding			None		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty Punishment Compounding			None		

for and on behalf of the Board of Directors

Place: Bangalore  
Date : 31<sup>st</sup> July, 2018

**Madireddy V. Nagaraj**  
Managing Director  
DIN: 00515419  
Address: No.23, II Cross,  
Vasanthnagar West  
Bangalore-560 052

**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

## VXL Instruments Limited

### SECRETARIAL AUDIT REPORT

ANNEXURE - II

(FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018)

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule

No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**The Members,  
VXL Instruments Limited,  
Mumbai - 400 093**

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

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 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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 (Buy Back of Securities) Regulations, 1998;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The other following general laws as may be applicable to the Company during the audit:
  - The Competition Act, 2002 and the Rules thereon.
  - Electronics Hardware Technology Park (EHTP) Scheme.
  - The Environmental Protection Act, 1986.
  - The Factories Act 1948.
  - The Water (Prevention and control of Pollution) Act, 1974.
  - The Air (Prevention and control of Pollution) Act, 1981.
  - The Hazardous Waste (Management and Handling) Rules, 1989.

vii) The other general laws as may be applicable to the Company during the audit. I have also examined compliance with the applicable clauses of: The Listing Agreements entered into by the Company with BSE Limited and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 wherever applicable.

The Secretarial Standards issued by the Institute of Company Secretaries of India. During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I state that since the provisions relating to Audit of Accounts and the related financial records including Customs, Central Excise and Sales Tax, Goods and Service Tax records of the Company have been covered under the Financial Audit, the same are not dealt with in any manner in my Secretarial Audit Report.

I further report that:

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the year under review. 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.

Majority decision is carried through 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 during the financial year, there were no transactions affecting the financial position of the Company.

Date: 30.05.2018

Place: Bengaluru

V Shivaprakash  
Company Secretary  
FCS No: 7488  
C P No.: 7123

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

## VXL Instruments Limited

### Annexure A'

To,  
The Members  
VXL Instruments Limited  
Mumbai- 400 093

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of 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, we followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Central Excise and Customs Law, Central and State Sales Tax Laws.
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.

Date: 30.05.2018  
Place: Bengaluru

V Shivaprakash  
Company Secretary  
FCS No: 7488  
C P No.:7123

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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	Elcinotech Solutions Pvt Ltd	Rishabh Shetty
2.	Nature of contracts /arrangements /transactions	Purchases, Sales and Services	Leave and License Agreement	Software Development	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.	Development of Inventory Software	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 2017-18(Rs.) 60,34,66,949	Transaction value for the previous Financial Year 2017-18 (Rs.)18,00,000	Transaction value for the previous Financial Year 2017-18 (Rs.) – Nil	Transaction Value for the previous Financial Year 2017-18 (Rs.) – Rs. 3,84,340
		Estimated Transaction Value for the Financial Year 2018 -19 (Rs.) 100,00,00,000/-	Estimated Transaction Value for the Financial Year 2018- 19 (Rs.) 18,00,000	Estimated transaction value for the Financial Year 2018-19 (Rs.) – Rs. 4,20,000	Estimated transaction value for the Financial Year 2018-19 (Rs.) Rs.6,00,000
6.	Date(s) of approval by the Board	31st July, 2018		30th May, 2018	
7.	Amount paid as advances	Nil	Nil	Nil	Nil

for and on behalf of the Board of Directors

Place: Bangalore  
Date : 31<sup>st</sup> July, 2018

**Madireddy V. Nagaraj**  
Managing Director  
DIN: 00515419  
Address: No.23, II Cross,  
Vasanthnagar West  
Bangalore-560 052

**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

**VXL Instruments Limited****ANNEXURE – IV****THE RATIO OF THE REMUNERATION OF EACH DIRECTOR**

<b>Requirements</b>	<b>Disclosure</b>
(i) The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the Financial Year;	Managing Director Mr. Madireddy V Nagaraj 11.51:1 Whole-Time Director Mr. M. V. Shetty 11.00:1
(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;	Managing Director NIL % Whole-Time Director: NIL % CFO & Company Secretary:-NIL %
(iii) The percentage increase in the median remuneration of employees in the Financial Year;	17.5%
(iv) The number of permanent employees on the rolls of Company as on 31/03/2018	As on 31st March, 2018 73 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 : 31<sup>st</sup> July, 2018

**Madireddy V. Nagaraj**  
Managing Director  
DIN: 00515419  
Address: No.23, II Cross,  
Vasanthnagar West  
Bangalore-560 052

**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 8 (Eight) Directors comprising of 2 (Two) Executive Directors, 2 (Two) Non-Executive Directors and 4 (Four) Independent Directors.

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 details of the Directors' attendance at the Meetings of the Board of your Company during the financial year end 31<sup>st</sup> March, 2018 are given below:

Name of Director	DIN	Category of Directorship	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. Arun Kumar Bhuwania	00387445	Non-independent & Non Executive Additional Director	1	No	2	Nil
Mr. N. V. Maslekar	00904842	Independent & Non Executive	4	No	4	Nil
Mr. Prakash H Rao	00492187	Independent & Non Executive	4	No	-	Nil
Mrs. Kumkum Bhuwania	07160610	Independent & Non Executive	4	No	-	Nil
Mr. M. V. Shetty	00515711	Promoter - Executive	4	Yes	-	Nil
Mr. Madireddy V. Nagaraj	00515419	Promoter - Executive	3	Yes	4	Nil
Mr. K. Prakash	00542262	Non Executive	4	No.	-	-

**Notes:**

\*Mr. Arun Kumar Bhuwania resigned from the offices of Chairman and Director w.e.f. 7th May, 2018 and again appointed as Non Executive and Non-Independent Director of the Company w.e.f. 11th July, 2018.

\*\*Mr. Nandkumar Venkat Rao Maslekar (holding DIN: 00904842) and Mr. Prakash Hangarkatta (holding DIN: 00492187) resigned from the office of Independent Directors of the Company with effect from 11th July, 2018.

Further, Mr. Rakesh Shridas Damani, Mr. Pranav Vikas Makharia and Mr. Vivek Gupta were appointed as Additional Directors of the Company who are categorized as Non-Executive and Independent Directors of the Company with effect from 11th July, 2018. :

**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 Directors duly met Four (4) times during the financial year on 27<sup>th</sup> May 2017, 10<sup>th</sup> August 2017, 31<sup>st</sup> October 2017 and 31<sup>st</sup> January 2018.

None of the Non-executive Directors has any material pecuniary relationship or transactions with the Company except Mr. Arun Kumar Bhuwania who is interested in Priya Limited.

**3. AUDIT COMMITTEE:**

The Audit Committee is responsible for over view 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.

The Audit Committee comprises of Mr. N V Maslekar Chairman (upto 11<sup>th</sup> July 2018), Mrs. Kumkum Bhuwania Chairman, Independent Director (From 11<sup>th</sup> July 2018), Mr. Vivek Gupta, Independent Director (From 11<sup>th</sup> July 2018), Mr. K Prakash Non-Independent Director, Mr. Prakash H Rao, Independent Director(Upto 11<sup>th</sup> July, 2018) , Mr. Rakesh Shridas Damani, Independent Director (From 11<sup>th</sup> July, 2018) & Mr. Pranav Vikas Makharia, Independent Director (From 11<sup>th</sup> July, 2018) as members of the Committee.

The terms of reference of this Committee include the matters covered under SEBI (LODR) Regulations, 2015.

**Meetings and the attendance during the financial year**

The Committee met 4 (Four) times during the financial year on 27<sup>th</sup> May 2017, 10<sup>th</sup> August 2017, 31<sup>st</sup> October 2017 and 31<sup>st</sup> January 2018.

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

Name of Director	No. of Meetings attended	Remarks
Mr. N. V. Maslekar	4	Nil
Mrs. Kumkum Bhuwania	4	Nil
Mr. Prakash H. Rao	4	Nil
Mr. K. Prakash	4	Nil

**4. NOMINATION AND REMUNERATION COMMITTEE:**

The Company has set up a Nomination and Remuneration Committee to determine/review the remuneration, performance and related bonuses of management/compensation of the Directors and of senior management.

The Committee met 1 (One) time during the financial year on 31<sup>st</sup> January, 2018

The Nomination and Remuneration Committee has the following objectives:

- Formulation of criteria for persons to become Directors and to senior management positions including KMPs and recommending to the Board for their appointments and removal.
- Continuous review and evaluation of the performance of the Board members.
- Broadly oversee the Administrative and Executive compensation programme.
- Any other functions as may be mandated by the Board or any Statutes or enactment

The details of remuneration paid to the Directors during the financial year 2017-18 are stated below:

**a. Executive Directors**

(Amount in Rs.)

Name	Salary	Fixed Commission	Perquisites	Sitting Fees	Total
Mr. Madireddy V. Nagaraj	26,98,992	Nil	2,86,008	Nil	29,85,000
Mr. M. V. Shetty	25,78,992	Nil	2,86,008	Nil	28,65,000
<b>Total</b>	<b>52,77,984</b>	<b>Nil</b>	<b>5,72,016</b>	<b>Nil</b>	<b>58,50,000</b>

## VXL Instruments Limited

**b. Non-executive Directors:** (Amount in Rs.)

Name	Sitting fees	Commission
*Mr. Arun Kumar Bhuwania	-	NIL
Mr. K. Prakash	54,000	Nil
**Mr. N. V. Maslekar	54,000	NIL
Mrs. Kumkum Bhuwania	48,000	NIL
***Mr. Prakash H Rao	54,000	NIL
<b>Total</b>	<b>2,10,000</b>	<b>NIL</b>

\*Mr. Arun Kumar Bhuwania resigned from the offices of Chairman and Director w.e.f. 7th May, 2018.

\*\*Mr. N. V. Maslekar resigned from the offices of Director w.e.f. 11th July, 2018.

\*\*\*Mr. Prakash H Rao resigned from the office of Director w.e.f. 11th July, 2018.

### 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

This Committee looks into redressing of Shareholders' complaints like non-transfer of Shares, non-receipt of Annual Report. As of 31<sup>st</sup> March, 2018, the Committee comprised of Mr. K Prakash and Mr. N. V. Maslekar and Mr. Prakash H Rao.

The Committee met once during the financial year ended on 31<sup>st</sup> January 2018.

There were no pending share transfers as on the same date.

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

Mr. Narayana Bhat  
CFO & Company Secretary  
VXL Instruments Limited  
"House of Excellence"  
No.17, Electronics City  
Hosur Road, Bengaluru-560 100  
E-Mail: narayanbhat@vxl.net  
Phone: 91-80-2852 0046 Fax: 91-80-2852 0095

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

### 7. INDEPENDENT DIRECTORS' MEETING:

During the year under review, the Independent Directors met on 31<sup>st</sup> January 2018, *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., Mr. N. V. Maslekar, Mrs. Kumkum Bhuwania and Mr. Prakash H. Rao were present at the Meeting.

### 8. PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Listing Agreement, 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.,

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board/Committee's, who were evaluated on parameters such as level of engagement and

## 32<sup>nd</sup> Annual Report 2017 - 2018

contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Corporate Secretarial Department. The Board was satisfied with the evaluations result which reflected the overall engagement and effectiveness of the Board and its Committees.

### 9. GENERAL BODY MEETINGS:

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

Year	Date	time	Venue
2014-15	21 <sup>st</sup> September, 2015	12.00 Noon	Woodlands Hotel, No. 5, Rajaram Mohan Roy Road, Bengaluru-560 025
2015-16	30 <sup>th</sup> August, 2016	01.00 PM	Hall of Quest, Nehru Planetarium, Nehru Centre, Dr. Annie Beasant Road, Worli, Mumbai-400 018
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

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

21 <sup>st</sup> September, 2015	<ol style="list-style-type: none"><li>1. Approval of related party transaction</li><li>2. Alteration of Memorandum of Association of the Company</li><li>3. Alteration of Articles of Association of the Company</li></ol>
30 <sup>th</sup> August, 2016	<ol style="list-style-type: none"><li>1. Appointment of Mr. Madireddy V Nagaraj as Managing Director of the Company</li><li>2. Appointment of Mr. M V Shetty as Whole Time Director of the Company</li></ol>
13 <sup>th</sup> September, 2017	<ol style="list-style-type: none"><li>1. Approval of Material Related Party Transactions with Priya Limited</li><li>2. Increase in borrowing powers and powers to hypothecate etc</li><li>3. Fees for delivery of any document through a particular mode of delivery to a member</li></ol>

There are no items required to be passed as a Special Resolution at the ensuing Annual General Meeting (AGM) to be held on 19th September, 2018.

### 10. POSTAL BALLOT:

No Resolution was passed during the financial year attracting Postal Ballot However, the Company has proposed a Special Resolution in relation to the Sale, Lease or otherwise dispose off the undertakings/ properties of the Company pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013. The Notice of the Postal Ballot dated 24.07.2018 has been dispatched to the Shareholders on 27.07.2018. Mr. Vijayakrishna K T, a Practising Company Secretary, Bengaluru is appointed as the Scrutinizer for carrying out Postal Ballot and E-voting Process in a fair and transparent manner.

## VXL Instruments Limited

- a. In compliance with the provisions of Section 110 and other applicable provisions of the Act read with the related Rules, the Company has provided e-voting facility to all its members. The Company has engaged the services of National Securities Depository Limited (NSDL) for providing the e-voting facility to the members.
- b. The Members have the option to vote electronically or through physical Ballot Forms.
- c. The Company has dispatched the Postal Ballot notices and forms along with the Postal Ballot Form and Reply Envelope to all the Members whose name appeared in the Register of members/ list of beneficiaries as on the cut-off date.
- d. The Company has also published the notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and the applicable Rules.
- e. The voting rights are reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date.
- f. Members exercising their votes through Postal Ballot were requested to send the duly completed and signed Postal Ballot forms as per the details stated in the Notice.
- g. The Postal Ballot forms will be kept under the safe custody of the Scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such Postal Ballot forms.
- h. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the consolidated results of the voting by Postal Ballot and will be announced by the Chairman at the Registered Office of the Company. The result would also be uploaded on the website of the Company and communicated to the Stock Exchange.

### 11. SUBSIDIARY COMPANY:

VXL Instruments Limited (UK), ceased to be a Subsidiary Company upon the winding up Order passed by the Hon'ble High Court of Justice, Chancery Division, Companies Court (Court) UK under the provisions of the Insolvency Act, 1986 on 7<sup>th</sup> November, 2016. Pursuant to this VXL Instruments Limited (UK) was dissolved on 11th March, 2018.

### 12. RELATED PARTY TRANSACTIONS:

There were Related Party Transactions during the financial year. It has been disclosed in 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. 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 Managing Director and the 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 31<sup>st</sup> March, 2018.

**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 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018.

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

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 31<sup>st</sup> March, 2018.

Place: Bengaluru  
Date: 31st July, 2018

Madireddy V Nagaraj  
Managing Director  
DIN: 00515419

**18. General Shareholder information:**

<b>Annual General Meeting</b>	
Date	19th September 2018
Time	12.30 P.M.
Venue	“Hall of Quest”, Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.
Financial Calender	April to March
Date of Book Closure	14th September, 2018 to - 19th September, 2018
Dividend payment date	NIL`
Listing on Stock Exchange	BSE Limited
Scrip code is	517399 in the BSE Limited

**VXL Instruments Limited****19. Stock Market (BSE) price data for the year**

(in Rs.)

Month	High	Low
April 2017	8.50	7.02
May 2017	9.12	7.44
June 2017	8.59	7.98
July 2017	9.85	9.01
August 2017	10.33	9.46
September 2017	9.00	8.99
October 2017	9.80	8.95
November 2017	8.95	8.50
December 2017	8.88	8.00
January 2018	9.00	6.09
February 2018	9.00	6.09
March 2018	8.73	8.73

**20 REGISTRAR AND TRANSFER AGENTS:**

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

Their address is furnished below:

Bigshare Services Private Limited

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

Makwana Road, Marol, Andheri East, Mumbai – 400 059

**Tel.:** 022-62638200

**Fax. :** 022-62638299

**Email:** info@bigshareonline.com

**Website:** www.bigshareonline.com

**21. SHARE TRANSFER SYSTEM:**

The Company's Share Transfer Committee meets if required and expeditiously handles the procedures related to application for transfer of shares.

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

Distribution of shareholding as on 31<sup>st</sup> March, 2018:

Face Value Rs.10/-

Range (in Rs.)	No. of Share Holders	% of Total Share Holders	Total Holding in Rs.	% of Total Capital
1 - 5,000	4055	89.8914	51,63,680	3.8752
5,001 - 10,000	199	4.4114	16,31,980	1.2248
10,001 - 20,000	107	2.3720	16,12,280	1.2100
20,001 - 30,000	41	0.9089	10,38,310	0.7792
30,001 - 40,000	14	0.3104	5,01,450	0.3763
40,001 - 50,000	12	0.2660	5,66,380	0.4251
50,001 - 1,00,000	34	0.7537	22,76,840	1.7087
1,00,001 & above	49	1.0862	12,04,57,080	90.4007
				100.0000



## Shareholding pattern as on 31-03-2018:

Category	No of Shares	% Holding
Directors	3,48,970	2.62
Promoter but not Director	8,14,080	6.11
Directors ' and Promoters' Relatives	5,00,871	3.76
<b>Total A</b>	<b>16,63,921</b>	<b>12.49</b>
Mutual Funds	3,000	0.02
Financial Institutions	900	0.01
Body Corporate	13,01,141	9.76
NRI	2,13,048	1.60
Foreign	80,65,845	60.53
Shares in Transit	–	–
Clearing Member	1,102	0.01
General Public	20,75,843	15.58
<b>Total B</b>	<b>1,16,60,879</b>	<b>87.51</b>
<b>Total A + B</b>	<b>1,33,24,800</b>	<b>100.00</b>

**22. DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

A significant quantum of the Company's Shares are held in the demat form and the Company handles request for dematerialising of the shares in two weeks' time.

**23. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:**

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

**24. ANNUAL CUSTODY / ISSUER CHARGES:**

The Company has paid the Annual Custody / Issuer charges for the financial year 2017-18 to NSDL and CDSL.

**25. 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.

This Corporate Governance Report of the Company for the financial year 2017-18 is in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**26. ADOPTION OF THE NON-MANDATORY REQUIREMENTS:**

- i. Nomination and Remuneration Committee has duly been constituted.
- ii. 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.
- iii. 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.
- iv. 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.
- v. Audit Committee has duly been constituted, and its scope and functions has already detailed elsewhere in this report.
- vi. 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.
- vii. Reconciliation of Share Capital Audit Report is conducted every financial quarter and placed before the Audit Committee and the Board for review.

## **VXL Instruments Limited**

### **27. PRACTISING COMPANY SECRETARY CERTIFICATION ON CORPORATE GOVERNANCE:**

Compliance certificate from the practicing company secretary regarding compliance of conditions of corporate governance is attached to the Board's Report and is a part of this Annual Report.

### **28. PLANT LOCATIONS:**

Export Oriented Factory  
# 17, "House of Excellence"  
Electronics City  
Hosur Road, Bengaluru-560 100  
Phone: +91-80-2852 0046

### **29. ADDRESS FOR CORRESPONDENCE:**

VXL Instruments Limited  
# 17, "House of Excellence"  
Electronics City  
Hosur Road, Bengaluru - 560 100  
Phone : +91-80- 2852 0046  
Fax : +91-80-2852 0095  
URL : [www.vxl.net](http://www.vxl.net)  
CIN : L85110MH1986PLC272426  
Email : [cfo@vxl.net](mailto:cfo@vxl.net)

### **30. REGISTERED OFFICE:**

VXL Instruments Limited  
No. 252, 5<sup>th</sup> 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 : 31st July, 2018

**Madireddy V. Nagaraj**  
Managing Director  
DIN: 00515419  
Address: No.23, II Cross,  
Vasanthnagar West  
Bangalore-560 052

**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. Madireddy V. Nagaraj, Managing Director and Mr. Narayana Bhat, CFO and Company Secretary 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, 2018.
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.

**Narayana Bhat**  
CFO & Company Secretary

**Madireddy V. Nagaraj**  
Managing Director

**Place: Bengaluru**  
**Date: 30th May, 2018**

**VXL Instruments Limited**

**ANNEXURE - B**

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS REQUIRED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To  
The Members  
**VXL Instruments Limited**  
Bangalore

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 financial year ended 31st March, 2018 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

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 in the Listing Regulations.

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: 31st July, 2018

**Vijaykrishna K T**  
Practising Company Secretary  
FCS.: 1788  
CP.: 980

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF VXL INSTRUMENTS LIMITED**

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **VXL Instruments Ltd** ("the company"), which comprise the Balance Sheet as at 31st March 2018, 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").

***Management's Responsibility for the Financial Statements***

The Company's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

***Opinion***

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, and its Loss (including other comprehensive income) on that date.

## VXL Instruments Limited

### **Report on Other Legal and Regulatory Requirements**

- 1) 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.
- 2) As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss(Including Other Comprehensive Income) and the Statement of Changes in Equity 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, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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**".
  - (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 k of note No.2 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.

### **Other Matter**

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 prepared in accordance with Ind AS, included in these Ind AS financial statements, have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated May 27, 2017 expressed an unmodified opinion

Place: Bangalore  
Date: 30.05.2018

**For YCRJ & Associates**  
Chartered Accountants  
Firm Registration No. 006927S  
(Vijayendra R Nayak)  
Partner  
Membership No. 203184

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

*(referred to in paragraph 1 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 2018.)*

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 every year year, according to which all the fixed assets were physically verified by the management in the year 2017-18. 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.
- (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 any deposits from public.
- (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 generation of electrical energy and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (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, 2018 for a period of more than six months from the date they became payable: ((c) According to the information and explanations given to us, details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2018 on account of dispute are given below:

<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 Damages, Interest under appeal Fund	3.37	2001-2004	EPFO Tribunal
CST Act 1956	Central Sales Tax	59.73	2001-02 to 2004-05 and 2011-12	Deputy Commissioner of Commercial Taxes / Joint Commissioner of Commercial Taxes

**VXL Instruments Limited**

Finance Act 1994	Service Tax	1278.92	2009-10 to 2013-14	Central Excise & Service Tax Appellate Tribunal / Commissioner Appeals
Central Excise Act 1944	Cenvat Credit Refund	18.35	2011-12 to 2016-17	Commissioner Appeals Central Tax/ Assistant Commissioner of 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 requisite approvals mandated by 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, 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.
- (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 him 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.

Place: Bangalore  
Date: 30.05.2018

**For YCRJ & Associates**  
Chartered Accountants  
Firm Registration No. 006927S  
(Vijayendra R Nayak)  
Partner  
Membership No. 203184



**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")**

We have audited the internal financial controls over financial reporting of VXL Instruments Limited as of 31st March 2018 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***

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***

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

***Meaning of Internal Financial Controls over Financial Reporting***

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## **VXL Instruments Limited**

### ***Inherent Limitations of Internal Financial Controls Over Financial Reporting***

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2018, 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.

Place: Bangalore  
Date: 30.05.2018

**For YCRJ & Associates**  
Chartered Accountants  
Firm Registration No. 006927S  
(Vijayendra R Nayak)  
Partner  
Membership No. 203184

<b>BALANCE SHEET AS AT 31st MARCH, 2018</b>				
(Amount in Rs.)				
<b>Particulars</b>	<b>Note No.</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant and equipment	1	16,74,34,645	16,91,48,143	16,97,71,554
Other Intangible assets	2	1,79,917	2,74,524	3,15,819
Intangible assets under development	3	2,54,03,441	-	-
Financial assets				
(i) Investments	4	11,000	11,000	11,000
(ii) Other financial assets	5	58,84,449	53,51,060	53,24,050
Other non-current assets	6	33,98,062	33,98,062	71,51,598
<b>Total Non-current Assets</b>		<b>20,23,11,514</b>	<b>17,81,82,790</b>	<b>18,25,74,021</b>
<b>Current Assets</b>				
Inventories	7	11,52,23,848	13,99,48,654	16,53,48,268
Financial assets				
(i) Trade receivables	8	25,13,59,611	12,18,55,705	9,35,92,631
(ii) Cash and cash equivalents	9	21,33,212	95,20,153	1,13,43,506
(iii) Other bank balance	10	70,82,454	43,50,338	31,61,411
(iv) Other financial assets	11	1,22,50,324	9,48,894	25,81,035
Current tax assets (Net)	12	5,59,192	91,07,327	55,58,683
Other current assets	13	3,15,31,202	1,45,85,674	2,77,55,292
<b>Total Current Assets</b>		<b>42,01,39,843</b>	<b>30,03,16,745</b>	<b>30,93,40,827</b>
<b>Total Assets</b>		<b>62,24,51,357</b>	<b>47,84,99,535</b>	<b>49,19,14,848</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	14	13,33,58,750	13,33,58,750	13,33,58,750
Other Equity	15	(1,39,27,758)	59,23,659	3,85,15,943
<b>Total Equity</b>		<b>11,94,30,992</b>	<b>13,92,82,409</b>	<b>17,18,74,693</b>
<b>LIABILITIES</b>				
<b>Non-current Liabilities</b>				
Financial Liabilities				
(i) Long-term borrowings	16	5,87,58,231	4,13,63,182	3,79,23,239
(ii) Other financial liabilities	17	50,000	-	-
Provisions	18	19,20,249	16,72,949	38,15,932
<b>Total Non-current Liabilities</b>		<b>6,07,28,480</b>	<b>4,30,36,131</b>	<b>4,17,39,171</b>

**VXL Instruments Limited**

<b>BALANCE SHEET AS AT 31st MARCH, 2018 (cont...)</b>				(Amount in Rs.)
<b>Particulars</b>	<b>Note No.</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Trade payables	<b>19</b>	<b>42,60,63,954</b>	27,89,97,093	26,45,23,993
(ii) Other financial liabilities	<b>20</b>	<b>1,24,75,647</b>	1,44,02,188	1,00,23,399
Provisions	<b>21</b>	<b>28,90,333</b>	17,24,447	8,09,945
Other current liabilities	<b>22</b>	<b>8,61,951</b>	10,57,267	29,43,646
<b>Total Current Liabilities</b>		<b>44,22,91,885</b>	29,61,80,995	27,83,00,983
<b>Total Liabilities</b>		<b>50,30,20,365</b>	33,92,17,126	32,00,40,154
<b>Total Equity and Liabilities</b>		<b>62,24,51,357</b>	47,84,99,535	49,19,14,848

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 : 30th May 2018  
Place : Bangalore

**Madireddy V. Nagaraj**  
*Managing Director*  
DIN : 00515419

**K. Prakash**  
*Director*  
DIN : 00542262

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

**Narayana Bhat**  
*CFO & Company Secretary*

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018**

**1 Property, Plant and Equipment**

Particulars	Cost or Deemed cost				Accumulated depreciation and impairment				Carrying Amount as at 31 March 2018
	Balance As at 01 April 2017	Addi- tions	Dispo- sals	Balance As at 31March 2018	Balance As at 01 April 2017	Depre- ciation expense	Dispo- sals	Balance As at 31 March 2018	
<b>Property plant and equipment</b>									
LAND	1546,21,20	-	-	1546,21,200	-	-	-	-	1546,21,200
BUILDING	138,69,322	-	-	138,69,322	92,30,497	3,18,026	-	5,48,523	43,20,799
PLANT & MACHINERY	29,96,076	2,20,000	-	32,16,076	10,28,049	2,43,837	-	12,71,886	19,44,190
MOTOR VEHICLES	64,73,334	-	-	64,73,334	28,59,382	7,15,218	-	35,74,600	28,98,734
OFFICEEQUIPMENT	38,05,464	4,10,817	-	42,16,281	19,29,163	6,98,551	-	26,27,714	15,88,568
Computers	45,79,452	2,91,664	-	48,71,116	32,61,798	5,83,085	-	38,44,883	10,26,233
Furniture & Fittings	22,80,183	1,17,032	-	23,97,215	11,67,999	1,94,294	-	13,62,293	10,34,923
<b>Total</b>	<b>1886,25,032</b>	<b>10,39,513</b>	<b>-</b>	<b>1896,64,545</b>	<b>194,76,887</b>	<b>27,53,011</b>	<b>-</b>	<b>222,29,899</b>	<b>1674,34,645</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**PREVIOUS YEAR**

Particulars	Cost or Deemed cost				Accumulated depreciation and impairment				Carrying Amount
	Balance As at 01 April 2016	Additions	Disposals	Balance As at 31 March 2017	Balance As at 01 April 2016	Depreciation expense	Disposals	Balance As at 31 March 2017	as at 31 March 2017
<b>Property plant and equipment</b>									
LAND	1546,21,200			1546,21,200		-	-		1546,21,200
BUILDING	138,69,322			138,69,322	87,99,471	4,31,026		92,30,497	46,38,825
PLANT & MACHINERY	29,96,076			29,96,076	7,90,868	2,37,181		10,28,049	19,68,027
MOTOR VEHICLES	49,70,814	19,58,924	(4,56,404)	64,73,334	23,59,210	7,69,962	(2,69,790)	28,59,382	36,13,952
OFFICE EQUIPMENT	33,33,290	4,72,174		38,05,464	12,73,605	6,55,558		19,29,163	18,76,301
Computers	43,56,683	2,22,768		45,79,452	24,48,003	8,13,795		32,61,798	13,17,653
Furniture & Fittings	22,80,183			22,80,183	9,84,858	1,83,141		11,67,999	11,12,185
<b>Total</b>	<b>1864,27,570</b>	<b>26,53,866</b>	<b>(4,56,404)</b>	<b>1886,25,032</b>	<b>166,56,016</b>	<b>30,90,663</b>	<b>(2,69,790)</b>	<b>194,76,887</b>	<b>1691,48,143</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018**

**2 Intangible Assets**

Particulars	Cost or Deemed cost				Accumulated depreciation and impairment				Carrying Amount
	Balance As at 01 April 2017	Additions	Disposals	Balance As at 31 March 2018	Balance As at 01 April 2017	Depreciation expense	Disposals	Balance As at 31 March 2018	as at 31 March 2018
SOFTWARE LICENSE	5,09,402	8,704	-	5,18,106	2,34,878	1,03,311	-	3,38,189	1,79,917
<b>Total</b>	<b>5,09,402</b>	<b>8,704</b>	<b>-</b>	<b>5,18,106</b>	<b>2,34,878</b>	<b>1,03,311</b>	<b>-</b>	<b>3,38,189</b>	<b>1,79,917</b>
<b>PREVIOUS YEAR</b>									
Particulars	Cost or Deemed cost				Accumulated depreciation and impairment				Carrying Amount
	Balance As at 01 April 2016	Additions	Disposals	Balance As at 31 March 2017	Balance As at 01 April 2016	Depreciation expense	Disposals	Balance As at 31 March 2017	as at 31 March 2017
SOFTWARE LICENSE	4,56,652	52,750	-	5,09,402	1,40,833	94,045	-	2,34,878	2,74,524
<b>Total</b>	<b>4,56,652</b>	<b>52,750</b>	<b>-</b>	<b>5,09,402</b>	<b>1,40,833</b>	<b>94,045</b>	<b>-</b>	<b>2,34,878</b>	<b>2,74,524</b>

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**VXL Instruments Limited**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018**

<b>3 Intangible Asset Under Development</b>						
(Amount in Rs.)						
Particulars	Opening balance as at 01.04.2016	For the Period	Capitalisation	Closing balance as at 31.03.2017	For the Period	Closing balance as at 31.03.2018
<b>Research &amp; Development Expenditure in respect of development of Thin client Embedded Operating systems at HSR Building</b>	-	-	-	-	-	-
Travelling Exp. :	-	-	-	-	70,438.00	70,438
Director's Remuneration	-	-	-	-	26,86,712.00	26,86,712
Group Gratuity contribution to Fund with LIC	-	-	-	-	6,67,571.00	6,67,571
Telephone/Internet Exp.	-	-	-	-	2,68,403.00	2,68,403
Maintenance Exp.	-	-	-	-	9,206.00	9,206
Miscellaneous Exp.	-	-	-	-	20,459.00	20,459
Contribution to Provident Fund , EDLI & ESI (including administration charges)	-	-	-	-	9,31,453.00	9,31,453
Power , Water and Fuel	-	-	-	-	4,97,295.00	4,97,295
Repairs & Maintenance - Others	-	-	-	-	34,228.00	34,228
Rent	-	-	-	-	29,04,000.00	29,04,000
Salaries & Wages (Other than Directors)	-	-	-	-	16229139	162,29,139
Software maintenace Charges	-	-	-	-	11,678.00	11,678
Staff welfare Expenses	-	-	-	-	4,45,516.00	4,45,516
Repairs & Maintenance - Vehicles	-	-	-	-	1,93,627.00	1,93,627
Leave Encashment	-	-	-	-	433716	4,33,716
<b>Grand Total</b>	-	-	-	-	<b>254,03,441</b>	<b>254,03,441</b>

**4 Investments**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
<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	51,69,261
Less: Provision for diminution in value of Investments	51,69,261	51,69,261	51,69,261
<b>Carrying Amount</b>	-	-	-
<b>(b) ELCIA ESDN Private Limited</b>			
1100 equity shares of ELCIA ESDN Private Limited of par value of Rs. 10, fully paid up	11,000	11,000	11,000
<b>Carrying Amount</b>	11,000	11,000	11,000
<b>Total Carrying Amount of Investments</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>

**Basis of valuation**

1. Investments are stated at cost.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018

## 5 Other financial assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
<b>(a) Security Deposits - Considered Good</b>			
Rental deposits			
HSR Layout Building	13,08,411	12,22,814	14,00,000
Other Rental Deposits	2,80,000	1,30,000	1,30,000
Other Deposits	25,71,193	25,44,193	25,90,075
<b>Total</b>	<b>41,59,604</b>	<b>38,97,007</b>	<b>41,20,075</b>
<b>(b) Other Financial Assets (Unsecured)</b>			
<b>Considered Good</b>			
Advance to Suppliers	13,000	13,000	13,000
Receivable from statutory authorities			
EPF	10,69,469	10,69,469	10,69,469
High Court of Karnataka	5,12,972	2,42,180	1,21,506
Others	1,29,404	1,29,404	-
<b>Considered Good Total</b>	<b>17,24,845</b>	<b>14,54,053</b>	<b>12,03,975</b>
<b>Considered Doubtful</b>			
<b>(a) Trade Receivables</b>			
<b>Receivable from related parties :</b>			
VXL Instruments Ltd-UK	4,61,72,358	4,61,71,564	4,61,71,564
Others	9,73,940	9,73,940	8,88,345
<b>Total</b>	<b>4,71,46,298</b>	<b>4,71,45,504</b>	<b>4,70,59,909</b>
Less : Allowance for Expected Credit Losses	4,71,46,298	4,71,45,504	4,70,59,909
<b>Trade Receivables Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(b) Advances</b>			
Employees & Other Advances	11,04,560	11,04,560	1,72,990
Less : Allowance for Expected Credit Losses	11,04,560	11,04,560	1,72,990
<b>Advances Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Considered Doubtful Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Financial Assets (Unsecured) Total</b>	<b>17,24,845</b>	<b>14,54,053</b>	<b>12,03,975</b>
<b>Total</b>	<b>58,84,449</b>	<b>53,51,060</b>	<b>53,24,050</b>

## 6 Other non-current assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
Mat Credit Entitlement	33,98,062	33,98,062	33,98,062
IT Refund Receivable	-	-	37,53,536
<b>Total</b>	<b>33,98,062</b>	<b>33,98,062</b>	<b>71,51,598</b>

## 7 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
Raw Materials	10,63,07,369	13,20,24,899	15,24,90,834
Raw Materials in Transit	57,25,045	44,52,213	13,05,857
Finished Goods	31,91,434	34,71,542	1,15,51,578
<b>Total</b>	<b>11,52,23,848</b>	<b>13,99,48,654</b>	<b>16,53,48,268</b>

**VXL Instruments Limited**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**
**8 Trade receivables**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
<b>Unsecured, Considered Good</b>			
Receivable from related parties :			
Priya Limited	16,92,09,677	9,60,94,644	6,67,48,167
Sattva Etech India Private Limited	6,12,625	6,12,625	6,23,187
Receivable from others	8,15,37,310	2,51,48,436	2,62,21,277
<b>Total</b>	<b>25,13,59,611</b>	12,18,55,705	9,35,92,631

**9 Cash and Cash Equivalents**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
Balances with Banks			
- On Current Accounts	5,61,688	54,73,713	72,52,258
- On Deposit Accounts (Having Maturity less than 3 Months from date of deposit)-Short Term Deposits	12,41,754	34,49,490	37,82,281
- On Exchange Earners Foreign Currency Account	68,933	21,466	18,433
Cheques, Drafts on hand	1,39,892	1,13,558	1,34,632
Cash on Hand	1,20,945	4,61,927	1,55,903
<b>Total</b>	<b>21,33,212</b>	95,20,153	113,43,506

**10 Other Bank Balances**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
Special Term Deposits (having maturity more than 3 months)	70,82,454	43,50,338	31,61,411
<b>Total</b>	<b>70,82,454</b>	43,50,338	31,61,411

**11 Other Financial Asset**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
<b>Secured Considered Good</b>			
Deposits Receivable	21,03,445	-	-
<b>Total</b>	<b>21,03,445</b>	-	-
<b>Unsecured Considered Good</b>			
Advance to Suppliers #	83,54,614	8,00,345	20,23,233
Employee Advances			
To related parties-Madireddy V Nagaraj (Director)	9,63,204	-	-
To Others	1,93,815	1,48,549	1,13,456
Interest accrued but not due on deposits	6,35,246	-	4,44,346
<b>Total</b>	<b>101,46,879</b>	9,48,894	25,81,035
<b>Total Other Financial Asset</b>	<b>122,50,324</b>	9,48,894	25,81,035

# Advance paid to supplier includes USD 1,26,000 (Rs.81,01,800/-) advance paid to M/s Delta Technologies Limited. However the vendor has failed supply the material and agreed to refund the advance

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018

## 12 Current Tax Asset (Net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
<b>Current tax Asset</b>			
IT Refund Receivable	-	37,53,536	-
TDS Receivable/Advance Tax	5,59,192	53,53,791	55,58,683
<b>Total Other Financial Asset</b>	<b>5,59,192</b>	<b>91,07,327</b>	<b>55,58,683</b>
<b>Total</b>	<b>5,59,192</b>	<b>91,07,327</b>	<b>55,58,683</b>

## 13 Other Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
Prepaid Expenses	18,37,887	18,05,745	24,18,095
<u>Balance with statutory / Government authorities :</u>			
Excise Duty Receivable	14,03,838	14,98,896	105,19,261
Customs Duty Receivable		780	3,61,068
VAT Refundable / Input Tax Credit	9,48,260	40,40,828	111,05,939
Service Tax Receivable	-	25,28,134	218
GST Input credit	226,29,926	-	-
Other Statutory Claims Receivable	47,11,291	47,11,291	33,50,711
<b>Total</b>	<b>315,31,202</b>	<b>145,85,674</b>	<b>277,55,292</b>

## 14 Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
<b>Note: 1 SHARE CAPITAL</b>			
<b>AUTHORISED:</b>			
1,50,00,000 Equity Shares of Rs.10/- each	13,35,00,000	13,35,00,000	13,35,00,000
<b>Total</b>	<b>13,35,00,000</b>	<b>13,35,00,000</b>	<b>13,35,00,000</b>
<b>ISSUED :</b>			
1,33,50,000 Equity Shares of Rs.10/- each	13,32,48,000	13,32,48,000	13,32,48,000
<b>Subscribed and fully paid-up</b>			
1,33,24,800 Equity Shares of Rs.10/- each	13,32,48,000	13,32,48,000	13,32,48,000
<b>Share Forfeited Account</b>	<b>1,10,750</b>	<b>1,10,750</b>	<b>1,10,750</b>
<b>Total</b>	<b>13,33,58,750</b>	<b>13,33,58,750</b>	<b>13,33,58,750</b>

## Foot Notes:

- i. Reconciliation of the number of shares outstanding at the beginning and as on 31st March 2018

## VXL Instruments Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018

#### Equity Share

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number	Amount in Rs.	Number	Amount in Rs.
Number of equity shares at the beginning of the Year	1,33,24,800	13,32,48,000	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>	<b>1,33,24,800</b>	<b>13,32,48,000</b>

#### 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' 2018, 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

During the previous year, the Company has forfeited 25,200 equity shares, the amount received against the same is shown under share forfeited account.

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

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Tefuli Ltd	19,50,000	14.63	19,50,000	14.63
Tintur Investments Ltd	19,25,000	14.45	19,25,000	14.45
Breezetop Investments Ltd	19,25,000	14.45	19,25,000	14.45
Daymount Ltd	17,85,600	13.40	17,85,600	13.40
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>

#### 15 Other Equity

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital Reserve	20,53,645	20,53,645	20,53,645
Revaluation Reserve	15,12,20,744	15,12,20,744	15,12,20,744
Securities Premium Account	13,73,26,077	13,73,26,077	13,73,26,077
Other Reserves	25,99,897	25,99,897	25,99,897
Surplus / (Deficit) in Statement of Profit & Loss Account	(30,71,28,121)	(28,72,76,704)	(25,46,84,420)
<b>Total</b>	<b>(1,39,27,758)</b>	<b>59,23,659</b>	<b>3,85,15,943</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018****16 Long-term borrowings**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
<b>Secured Rupee Term Loans</b>			
From Bank	13,63,183	19,68,135	10,21,305
From Financial Institutions & Others	-	-	1,24,739
Total	13,63,183	19,68,135	11,46,044
Less: Instalments of term loan payable within a year	6,04,952	6,04,954	7,22,805
<b>Total Secured Long Term Borrowings</b>	<b>7,58,231</b>	13,63,182	4,23,239
<b>Unsecured</b>			
From related party Inter Corporate Deposit with Priya International Limited	5,80,00,000	4,00,00,000	3,75,00,000
<b>Total Unsecured Long Term Borrowings</b>	<b>5,80,00,000</b>	4,00,00,000	3,75,00,000
<b>Total</b>	<b>5,87,58,231</b>	4,13,63,182	3,79,23,239

**Notes**

1. All Term loans are secured by hypothecation of vehicles.

2. The loan is repayable in -

(a) 36 equated monthly instalments of Rs. 26,123/- each

(b) 60 equated monthly instalments of Rs. 18,061/- each

(c) 60 equated monthly instalments of Rs. 20,112/- each

The agreements commence from various dates beginning from 1.8.2016 and ending on 1.7.2021

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

**17 Other financial liabilities**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
Rent Deposit Received from Related Party - Priya Limited	50,000	-	-
<b>Total</b>	<b>50,000</b>	-	-

**18 Provisions**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
<b>Provision for employee benefits</b>			
Gratuity	-	-	9,89,347
Leave Benefits	19,20,249	16,72,949	28,26,585
<b>Total</b>	<b>19,20,249</b>	16,72,949	38,15,932

**19 Trade Payables**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
Payable to related Parties- Priya Limited	4221,01,204	2442,31,483	2354,73,347
Payable to other than Related Parties	39,62,750	347,65,610	290,50,646
<b>Total</b>	<b>4260,63,954</b>	2789,97,093	2645,23,993

**VXL Instruments Limited**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018**
**20 Other Financial liabilities**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
(a) Current maturities of long-term debt	6,04,952	6,04,954	7,22,805
(b) Interest payable on ICD with Priya International Limited.	31,20,054	21,14,765	30,37,499
(c) Advances from Customers	700	-	3,690
(d) Outstanding Liabilities for Expenses			
Salary Payable	2,11,802	2,51,340	2,90,048
Other Outstanding Liabilities	42,18,211	45,12,211	56,08,668
Incentive/Bonus payable	10,48,875	10,15,704	9,48,789
(e) Book Overdraft	32,71,053	59,03,215	-5,88,101
<b>Total</b>	<b>124,75,647</b>	<b>144,02,188</b>	<b>100,23,399</b>

**21 Provisions**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
<b>Provision for employee benefits</b>			
Leave Benefits	28,90,333	17,24,447	8,09,945
<b>Total</b>	<b>28,90,333</b>	<b>17,24,447</b>	<b>8,09,945</b>

**22 Other current liabilities**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01,2016
<b>Duties &amp; Taxes Payable</b>			
Professional Tax Payable	10,000	10,400	10,400
Income Tax (TDS) Payable	4,35,218	6,02,282	12,87,365
Service Tax Payable	-	23,841	218
GST payable	8,321	-	-
FBT Payable	-	-	69,871
Excise Duty Payable - PLA	-	-	12,83,509
<b>Statutory Liabilities Payable other than Duties &amp; Taxes</b>			
EPF Payable	2,48,523	2,61,866	2,73,441
ESI payable	30,485	29,474	18,842
Others	1,29,404	1,29,404	-
<b>Total</b>	<b>861950.52</b>	<b>1057267</b>	<b>2943646</b>

**32<sup>nd</sup> Annual Report 2017 - 2018**

**Statement of profit and loss for the year ended 31st March 2018**

Particulars	Notes	For the year ended Mar 31, 2018	For the year ended Mar 31, 2017
<b>Income</b>			
Revenue from operations	23	45,89,37,451	51,79,28,550
Other income	24	28,13,954	11,96,694
<b>Total Income</b>		<b>46,17,51,405</b>	<b>51,91,25,244</b>
<b>Expenses</b>			
Cost of materials consumed	25	37,93,45,406	42,77,93,184
Purchase of stock-in-trade	26	4,28,54,344	-
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	27	2,80,108	80,80,036
Employee benefits expenses	28	2,18,03,251	4,54,46,402
Finance Costs	29	69,86,813	94,73,330
Depreciation and Amortisation Expenses	30	28,56,322	31,84,708
Other Expenses	31	2,76,11,108	5,78,01,880
<b>Total expenses</b>		<b>48,17,37,353</b>	<b>55,17,79,539</b>
Profit before exceptional items and tax		(199,85,948)	(3,26,54,295)
Add: Exceptional items		-	-
Profit before tax		(1,99,85,948)	(3,26,54,295)
<b>Profit for the period from continuing operations</b>		<b>(1,99,85,948)</b>	<b>(3,26,54,295)</b>
<b>Other Comprehensive Income</b>	32		
<b><u>Items that will be subsequently not re-classified to Profit &amp; Loss Statement</u></b>			
(a) Re-measurement of Defined Benefit Obligations/Assets		48,933	2,39,197
(b) Fair Value Adjustment through Other Comprehensive Income		85,597	(1,77,186)
<b>Total other comprehensive income</b>		<b>1,34,530</b>	<b>62,011</b>
<b>Total comprehensive income for the period</b>		<b>(1,98,51,418)</b>	<b>(3,25,92,284)</b>
Earnings per share (Face Value <sup>1</sup> 10/- per share)			
Not annualised :			
(1) Basic (in Rs.)		(1.49)	(2.45)
(2) Diluted (in Rs.)		(1.49)	(2.45)

As per our report attached of even date.

**For YCRJ & ASSOCIATES**

Chartered Accountants

Firm's Registration No: 0006927S

For and on behalf of the Board

**Vijayendra R Nayak**

Partner

M. No. 203184

Date : 30th May 2018

Place : Bangalore

**Madireddy V. Nagaraj**

Managing Director

DIN : 00515419

**K. Prakash**

Director

DIN : 00542262

**M. V. Shetty**

Whole Time Director

DIN : 00515711

**Narayana Bhat**

CFO & Company Secretary

**VXL Instruments Limited****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018****23 Revenue From Operations**

<b>Particulars</b>	<b>For the year ended Mar 31, 2018</b>	For the year ended Mar 31, 2017
Sale of Products - Data Processing Units		
Inland sales	16,11,21,771	11,47,60,931
Export sales	24,90,28,229	38,67,79,869
Excise Duty	29,25,627	1,52,26,787
Trading Sales	4,49,26,355	-
Other Operating Revenue		
AMC / Repair Services	9,35,469	11,60,963
<b>Total</b>	<b>45,89,37,451</b>	<b>51,79,28,550</b>

**24 Other Income**

<b>Particulars</b>	<b>For the year ended Mar 31, 2018</b>	For the year ended Mar 31, 2017
Interest Income on Bank Deposits	10,00,573	3,99,383
Interest on Income Tax Refund	16,26,248	
Interest Income on Others	1,28,427	18,193
Dividend Income on Long Term Investments	-	-
Other non-operating income (net of expenses)		
(i) Net gain / loss on sale of fixed assets	-	77,303
(ii) Refund received from Statutory Authorities	-	2,06,571
(iii) Sale of Scrap	6,114	13,741
(iv) Others	52,592	4,81,503
<b>Total</b>	<b>28,13,954</b>	<b>11,96,694</b>

**25 Cost of materials consumed**

<b>Particulars</b>	<b>For the year ended Mar 31, 2018</b>	For the year ended Mar 31, 2017
Raw materials	37,92,43,806	42,74,08,139
Packing Materials - Imported	1,01,600	3,85,045
<b>Total</b>	<b>37,93,45,406</b>	<b>42,77,93,184</b>

**26 Purchase of stock-in-trade**

<b>Particulars</b>	<b>For the year ended Mar 31, 2018</b>	For the year ended Mar 31, 2017
Purchase of stock-in-trade	4,28,54,344	-
<b>Total</b>	<b>4,28,54,344</b>	<b>-</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018****27 Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade**

<b>Particulars</b>	<b>For the year ended Mar 31, 2018</b>	<b>For the year ended Mar 31, 2017</b>
Inventories at the beginning of the year		
(a) Work in Progress	-	-
(b) Finished Goods	34,71,542	1,15,51,578
(c) Stock-in-Trade	-	000
	34,71,542	1,15,51,578
Inventories at the end of the year		
(a) Work in Progress	-	-
(b) Finished Goods	31,91,434	34,71,542
(c) Stock-in-Trade	-	-
	31,91,434	34,71,542
<b>Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade</b>	<b>2,80,108</b>	<b>80,80,036</b>

**28 Employee Benefits Expenses**

<b>Particulars</b>	<b>For the year ended Mar 31, 2018</b>	<b>For the year ended Mar 31, 2017</b>
Salaries & Wages (Other than Directors)	1,52,80,658	3,85,22,910
Director's Remuneration	27,12,805	27,40,244
Leave Encashment	11,76,476	6,77,308
Contribution to provident & Other Funds		
Provident Fund, EDLI & ESI (including administration charges)	8,68,037	21,17,120
Group Gratuity with LIC	8,78,796	4,41,797
Others	800	252
Staff welfare Expenses	8,85,679	9,46,771
<b>Total</b>	<b>2,18,03,251</b>	<b>4,54,46,402</b>

**29 Finance Cost**

<b>Particulars</b>	<b>For the year ended Mar 31, 2018</b>	<b>For the year ended Mar 31, 2017</b>
Interest Cost		
Interest on Bills Discounted	19,26,822	57,17,964
Interest on Term Loan from Banks	1,66,600	83,004
Interest - on Inter Corporate Deposit	43,97,548	31,91,178
Interest - Others	44,648	79,460
Other Borrowing Costs	4,51,195	4,01,723
<b>Total</b>	<b>69,86,813</b>	<b>94,73,330</b>

**30 Depreciation and Amortisation**

<b>Particulars</b>	<b>For the year ended Mar 31, 2018</b>	<b>For the year ended Mar 31, 2017</b>
Amortisation	1,03,311	94,045
Depreciation	27,53,011	30,90,663
<b>Total</b>	<b>28,56,322</b>	<b>31,84,708</b>

**VXL Instruments Limited**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**
**31 Other Expenses**

Particulars	For the year ended Mar 31, 2018	For the year ended Mar 31, 2017
Consumption of Stores & Spare parts	5,55,820	3,70,526
Power , Water and Fuel	11,81,204	16,91,603
Rent	18,00,000	44,40,000
Repairs & Maintenance - Buildings	2,08,029	1,92,253
Repairs & Maintenance - Plant & Machinery	1,44,035	-
Repairs & Maintenance - Vehicles	8,88,884	11,10,775
Repairs & Maintenance - Others	2,96,746	3,62,353
Insurance	7,06,280	6,23,260
Rates & Taxes	15,10,549	25,46,973
Remuneration to Auditors		
Towards Audit Fees	3,00,001	4,00,000
Towards Exp.	7,058	19,927
Consultancy /Professional Charges	40,89,489	41,47,679
Testing and Certification charges	7,63,837	20,97,690
Excise Duty	29,25,627	1,52,26,787
Software maintenance Charges	2,94,714	36,63,489
Freight & Forwarding Charges :		
Clearing Charges	3,95,597	6,38,508
Freight Outwards-Domestic	15,25,940	14,47,833
Freight Outwards-Overseas	10,72,624	62,56,330
Transportation Charges	3,38,414	1,66,168
Allowance for Expected Credit Losses	-	10,17,165
Travelling Exp. :		
Travel expenses (domestic)	6,74,310	9,19,284
Travel expenses (overseas)	-	2,45,458
Travel Expenses-Director Overseas	-	80,239
Telephone/Internet Exp.	7,66,986	12,92,129
Postage / courier charges	2,43,369	2,76,453
Directors' Sitting Fees	2,15,240	3,60,000
Advertisement / Sales Promotion / Brokerage / Post sales support / Entertainment	6,20,757	8,17,812
Sales Commission	-	10,87,755
Exchange Fluctuation	11,13,930	4,87,863
Service charges - Thin client	22,35,958	20,36,745
Stock Exchange Listing fees	2,95,000	4,49,500
Maintenance Exp.	2,31,837	3,96,638
Printing & Stationery	2,23,610	2,94,874
Security services	11,05,243	9,83,353
Miscellaneous Exp.	8,80,019	16,54,456
<b>Total</b>	<b>2,76,11,108</b>	<b>5,78,01,880</b>

**32 Other Comprehensive Income**

Particulars	For the year ended Mar 31, 2018	For the year ended Mar 31, 2017
(a) <u>Re-measurement of Defined Benefit Obligations/Assets</u>		
Gratuity	48,933	2,39,197
<b>Total</b>	<b>48,933</b>	<b>2,39,197</b>
(b) <u>Fair Value Adjustment through Other Comprehensive Income</u>		
Fair Value Adjustment of Interest-free Rental Deposit	85,597	(1,77,186)
<b>Total</b>	<b>85,597</b>	<b>(1,77,186)</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018

## Statement of Changes in Equity

## a. Equity share capital

Movement during the period Particulars	As at March 31, 2018		As at March 31, 2017	
	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>	<b>1,33,24,800</b>	<b>13,33,58,750</b>

## b.. Reconciliation of other equity at the beginning and as on 31st March' 2018

Particulars	As at March 31, 2018	As at March 31, 2017
<u>Capital Reserve</u>		
Balance at beginning of the period	20,53,645	20,53,645
Additions/(Deletions)	-	-
<b>Balance at end of the period</b>	<b>20,53,645</b>	<b>20,53,645</b>
<u>Revaluation Reserve</u>		
Balance at beginning of the period	15,12,20,744	15,12,20,744
Additions/(Deletions)	-	-
<b>Balance at end of the period</b>	<b>15,12,20,744</b>	<b>15,12,20,744</b>
<u>Securities Premium Account</u>		
Balance at beginning of the period	13,73,26,077	13,73,26,077
Addition / (deletion) during the year / period	-	-
<b>Balance at end of the period</b>	<b>13,73,26,077</b>	<b>13,73,26,077</b>
<u>Other Reserves - General Reserve</u>		
Balance at beginning of the period	25,99,897	25,99,897
Addition / (deletion) during the year / period	-	-
<b>Balance at end of the period</b>	<b>25,99,897</b>	<b>25,99,897</b>
<u>Statement of Profit and Loss</u>		
Balance at beginning of the period	(28,72,76,704)	(25,46,84,420)
Net profit for the period / year	(1,99,85,948)	(3,26,54,295)
Other Comprehensive Income / (Expense)	1,34,530.00	62,011.00
<b>Balance at end of the period</b>	<b>(30,71,28,121)</b>	<b>(28,72,76,704)</b>
<b>Total</b>	<b>(1,39,27,758)</b>	<b>59,23,659</b>

As per our report attached of even date.

## For YCRJ &amp; ASSOCIATES

Chartered Accountants

Firm's Registration No: 0006927S

Vijayendra R Nayak

Partner

M. No. 203184

Date : 30th May 2018

Place : Bangalore

For and on behalf of the Board

Madireddy V. Nagaraj

Managing Director

DIN : 00515419

K. Prakash

Director

DIN : 00542262

M. V. Shetty

Whole Time Director

DIN : 00515711

Narayana Bhat

CFO &amp; Company Secretary

**VXL Instruments Limited**
**Statement of Cash flows for the year ended March 31, 2018**

Sl. Particulars No.	2017-18 Amount in Rupees	2016-17 Amount in Rupees
<b>A Net profit / (loss) before tax</b>	<b>(1,99,85,948)</b>	<b>(3,26,54,295)</b>
<b>Adjustment for :</b>		
(Net gain) / loss on sale of fixed assets	-	(77,303)
Interest received	<b>(27,55,248)</b>	(4,17,576)
Depreciation and amortisation expense	<b>28,56,322</b>	31,84,708
Allowance for Expected Credit Losses	-	10,17,165
Interest expense	<b>65,35,618</b>	90,71,606
<b>Operating profit before working capital changes</b>	<b>(1,33,49,255)</b>	<b>(1,98,75,695)</b>
<b>Adjustments for:</b>		
Increase / (Decrease) in other non-current financial liabilities	<b>50,000</b>	-
Increase / (Decrease) in long term provisions	<b>2,96,233</b>	(19,03,786)
Increase / (Decrease) in Trade payables	<b>14,70,66,861</b>	1,44,73,100
Increase / (Decrease) in other current financial liabilities	<b>(19,26,541)</b>	43,78,789
Increase / (Decrease) in short term provisions	<b>11,65,886</b>	9,14,502
Increase / (Decrease) in other current liabilities	<b>(1,95,316)</b>	(18,86,379)
(Increase) / Decrease in other non-current financial asset	<b>(4,47,792)</b>	(2,04,196)
(Increase) / Decrease in other non-current assets	-	37,53,536
(Increase) / Decrease in Inventories	<b>2,47,24,806</b>	2,53,99,614
(Increase) / Decrease in Trade receivables	<b>(12,95,03,907)</b>	(2,92,80,239)
(Increase) / Decrease in Other bank balance	<b>(27,32,116)</b>	(11,88,927)
(Increase) / Decrease in other current financial asset	<b>(1,13,01,430)</b>	16,32,141
(Increase) / Decrease in other current assets	<b>(1,69,45,528)</b>	1,31,69,618
<b>Net cash generated from/(used in) operating activities</b>	<b>(30,98,098)</b>	93,82,079
Direct taxes paid	<b>85,48,135</b>	(35,48,644)
<b>Net Cash(used in)/generated from Operating Activities</b>	<b>54,50,037</b>	58,33,435
<b>B Cash flow from investing activities</b>		
Interest received	<b>27,55,248</b>	4,17,576
Purchase of Property, plant and equipment	<b>(10,39,513)</b>	(26,53,866)
Purchase of Other Intangible Assets	<b>(8,704)</b>	(52,750)
Intangible assets under development generated	<b>(2,54,03,441)</b>	-
Proceeds from sale of fixed assets	-	2,63,917
<b>Net cash (used in)/generated from investing activities</b>	<b>(2,36,96,410)</b>	(20,25,123)

**Statement of Cash flows for the year ended March 31, 2018****C Cash flow from financing activities**

Proceeds/(Repayment) from long term borrowings	1,73,95,050	34,39,943
Interest paid	<u>(65,35,618)</u>	<u>(90,71,607)</u>
<b>Net cash (used in)/generated from financing activities</b>	<b>1,08,59,432</b>	<b>(56,31,665)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b><u>(73,86,942)</u></b>	<b><u>(18,23,352)</u></b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>95,20,154</b>	<b>1,13,43,506</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>21,33,213</b>	<b>95,20,154</b>
<b>Restricted Cash Balance</b>	<b>-</b>	<b>-</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.

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 : 30th May 2018

Place : Bangalore

For and on behalf of the Board

**Madireddy V. Nagaraj**

*Managing Director*

DIN : 00515419

**K. Prakash**

*Director*

DIN : 00542262

**M. V. Shetty**

*Whole Time Director*

DIN : 00515711

**Narayana Bhat**

*CFO & Company Secretary*

## VXL Instruments Limited

### Notes to the Ind AS financial statements for the year ended March 31, 2018

#### 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. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

##### (a) Basis of preparation

###### Compliance with Ind AS

- (i) For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of Schedule III of the Companies Act, 2013. In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2016 and guidelines issued by the Securities Exchange Board of India (SEBI), these financial statements as at and for the year ended March 31, 2018 (the "Ind AS Financial Statements") are the first financial statements, the Company has prepared in accordance with Ind AS.
- (ii) The Company had prepared a separate set of financial statements for the year ended March 31, 2017 and March 31, 2016 in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 (the "Audited Previous GAAP Financial Statements"), which were approved by the Board of Directors of the Company on May 27, 2017 and May 30, 2016 respectively. The management of the Company has compiled the Special Purpose Comparative Ind AS Financial Statements using the Audited Previous GAAP Financial Statements and made required Ind AS adjustments.
- (iii) The Company has followed the provisions of Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. April 1, 2016. In accordance with Ind AS 101, the Company has presented reconciliations of Shareholders' equity under Previous GAAP and Ind ASs as at March 31, 2017, and April 1, 2016 and of the Loss after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2016.
- (iv) This financial statement is approved for issue by the Board of Directors on May 30, 2018.

##### (b) Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention except for:

- (i) land which is carried at re-valued amounts
- (ii) Interest free security deposit which has been measured at fair value and on an accrual method of accounting, except for -defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS.

##### (c) Use of estimates and judgments

The preparation of these financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize. Estimates include the useful lives of property plant and equipment and intangible assets, allowance for credit losses on receivables/advances, future obligations in respect of retirement benefit plans, fair value measurement etc.

**(d) Fair value measurement**

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

**(e) Functional and presentation currency**

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency. All financial information presented in Rupees has been rounded to the nearest rupee.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing sales taxes (Goods and Service Tax/VAT) and other indirect taxes excluding excise duty.

Revenue from sales is recognised when all significant risks and rewards of ownership of the commodity sold are transferred to the customer which generally coincides with delivery.

Warranty are recognized as and when claims are lodged by customers to the extent agreed to by the company

Dividend income is recognised when the right to receive payment is established. Interest income is recognised on accrual basis using effective rate of interest method.

**b) Property, Plant and Equipment**

The Company has applied Ind AS 16 with retrospective effect for all of its property, plant and equipments at the transition date, viz., 1 April 2016.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as of April 01, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost on the transition date.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## VXL Instruments Limited

### (c) Capital work in progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.

### (iii) Depreciation

Depreciation on assets has been provided on Straight line basis at the useful lives specified in the Schedule II of the Companies Act, 2013. Depreciation on additions/ deductions is calculated pro-rata from/ to the date of additions/ deletions.

Assets in the course of development or construction and freehold land are not depreciated.

Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use. Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value.

Property Plant & Equipment purchased/installed during the year costing upto Rs.5,000/- individually are written off during the same year.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a Straight Line basis over its expected useful life.

The Company depreciates its fixed assets over the useful life prescribed in the Companies Act 2013 except for moulds which are depreciated over 3 years and servers for 5 years which is different from that prescribed in Schedule II of the Act based on technical evaluation.

Individual items of assets costing upto Rs. 5,000 are fully depreciated in the year of acquisition.

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit derived from such costs.

When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively.

### d) Intangible assets and Amortisation

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The Company currently does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life on straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.



**e) Financial instruments****Financial Assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost (unless the same are designated as fair value through profit or loss (FVTPL)):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (unless the same are designated as fair value through profit or loss)

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments at FVTPL are a residual category for debt instruments and all changes are recognised in profit or loss.

Investments in equity instruments are classified as FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in OCI for equity instruments which are not held for trading.

Interest income, dividend income and exchange difference (on debt instrument) on FVTOCI debt instruments is recognised in profit or loss and other changes in fair value are recognised in OCI and accumulated in other equity. On disposal of debt instruments FVTOCI the cumulative gain or loss previously accumulated in other equity is reclassified to profit & loss. However in case of equity instruments at FVTOCI cumulative gain or loss is not reclassified to profit & loss on disposal of investments.

**Financial Liabilities**

Financial liabilities are classified at initial recognition, as financial liabilities as fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Loans and borrowings are subsequently measured at amortised costs using Effective Interest Rate method.

Financial liabilities at fair value through profit or loss (FVTPL) are subsequently measured at fair value.

Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**Impairment of financial assets (Expected Credit Loss Model)**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset and financial guarantees not designated at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument, through the expected life of the financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the life-time expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk has not increased significantly, the Company measures the loss allowance at an

## VXL Instruments Limited

amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the life-time cash shortfalls that will result if the default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of a change in the amount of the expected credit loss. To achieve that, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

### (f) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

### Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit/(loss) is adjusted for the effects of:

- (a) transactions of a non-cash nature;
- (b) any deferrals or accruals of past or future operating cash receipts or payments and,
- (c) all other items of income or expense associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

### Current & Non Current classification:

#### Current Asset:

An asset shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded.
- (c) It is expected to be realized within twelve months after the reporting date, or
- (d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

#### Current Liabilities:

A liability shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;<sup>3</sup>
- (c) it is due to be settled within twelve months after the reporting date : or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not effect its classification. All other liabilities shall be classified as non-current.

### (g) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**(h) Inventories**

Inventories are valued at the lower of cost (FIFO) and net realisable value. Costs incurred in bringing the inventory to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated costs necessary to make the sale.

Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provided to net realisable value.

**Investments**

Investments, which are readily realizable and are intended to be held for not more than one year, are classified as current investments. All other investments are classified as long term investments.

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties. The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

**(j) Taxation**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

## VXL Instruments Limited

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### **Minimum Alternate Tax (MAT)**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

### **(k) Employee benefit schemes**

#### **(i) Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

#### **Compensated absences:**

Compensated absences accruing to employees and which can be carried to future periods but where there are restrictions on availment or encashment or where the availment or encashment is not expected to occur wholly in the next twelve months, the liability on account of the benefit is determined actuarially using the projected unit credit method.

#### **(ii) Post-employment benefits**

##### **Defined benefit plans – Gratuity and Provident fund**

##### **Gratuity**

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets if any. This cost is included in employee benefit expense in the statement of profit and loss. The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets if any. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

#### **(l) Provision for liabilities and charges, Contingent liabilities and contingent assets**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed in notes in case of a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation or a present obligation arising from past events, when no reliable estimate is possible. Contingent assets are disclosed in the financial statements where inflows of economic benefits are probable.

Contingent assets are not recognised but disclosed in the notes to financial statements when an inflow of economic benefits is probable.

**(m) Foreign currency transactions**

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the statement of profit and loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

**(n) Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

**(o) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue are accounted for based on the cost price. Revenue, expenses which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses".

**(p) Research and development**

Expenditure towards research is charged to the statement of profit and loss in the year it is incurred. Expenditure towards development is recognized as an intangible asset when the company is able to demonstrate the technical feasibility of completing the intangible asset and how the intangible asset will generate probable future economic benefits.

**(q) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

## **VXL Instruments Limited**

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

### **(r) Use of Estimates and Judgments**

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. In particular, information about significant areas of estimation on uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements.

**2 Notes on accounts forming part of financial statements****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.

**First time adoption of Ind AS**

The Company has prepared opening balance sheet as per Ind AS as of April 1, 2016 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below: The Company has opted to continue with the carrying value for all of its PPE as recognised in its previous GAAP financial as deemed cost at the transition date.

**Disclosure pursuant to Ind AS 12 - "Income taxes"**

The Company does not have taxable income and hence provision for current tax has not been made. The Company has unused MAT credit amounting to Rs.33,98,062/- as at March 31, 2018 & as at March 31, 2017.

**Payments to Auditor (excluding GST/Service Tax)**

Particulars	31-03-2018	31-03-2017
As Auditor - for statutory audit and limited review	3,00,001	2,90,000
Towards re-imbursment of expenses	7,058	9,927
<b>Total</b>	<b>3,07,059</b>	<b>2,99,927</b>

**a Leave Salary**

The Company has made provision for leave salary on actuarial valuation basis using the Project Unit Credit Method as per IndAS 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	Amounts in INR	
	31-03-2018	31-03-2017
Number of employees	67	63
Average age (years)	42	43
Average remaining working life (years)	16	15
Present Value of the Obligation at the Beginning	33,97,396	36,36,530
Present Value of the Obligation at the End	48,10,582	33,97,396
Current liability	28,90,333	17,24,447
Non-Current liability	19,20,249	16,72,949
<b>Financial Assumptions</b>		
Particulars	31-03-2018	31-03-2017
Discount rate (per annum)	7.45%	7.65%
Salary growth rate (per annum)	7.00%	7.00%
<b>Demographic Assumptions</b>		
Particulars	31-03-2018	31-03-2017
Mortality Rate (as % of IALM 2006-08)	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%

## VXL Instruments Limited

### b 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 2018 is Rs.4,61,72,358/- . 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, and accounts of the subsidiary as at 31.03.2017 & 31.03.2018 are not available. Hence consolidated accounts are not prepared.

#### Disclosure pursuant to Ind AS 33 "Earnings per share"

(Amount in INR)

Particulars	31-03-2018	31-03-2017
<b>Basic earnings per equity share:</b>		
Profit for the year attributable to owners of the Company for calculating basic earnings per share (*)	(1,98,51,418)	(3,25,92,284)
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>(1.49)</b>	<b>(2.45)</b>
<b>Diluted EPS</b>	<b>(1.49)</b>	<b>(2.45)</b>

#### Disclosure pursuant to Ind AS 109 "Financial Instruments"

As per Ind AS 109, the financial instruments ( Interest-free Rental Deposits) are to be presented at Fair Value .Accordingly, the item has been presented as follows :

Particulars	31-03-2018	31-03-2017
Amount of deposit	14,00,000	14,00,000
Discount Rate adopted (Max. Available FD rate in the Market)	7%	7%
Carrying Amount of the Asset	13,08,411	12,22,814
Fair Value Adjustment of the deposit through Other Comprehensive Income made	85,597	(1,77,186)

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 Ind AS

### c Disclosure pursuant to Ind AS 8 - Disclosure of prior period errors

In accordance with Para 42 of aforesaid standard, the income tax excess provision of Rs.37,53,536/- relating to AY 2014-15 has been corrected & presented retrospectively as at & with effect from the transition date by suitably adjusting the opening Equity (surplus) & Assets as at 01.04.2016

### d Disclosure pursuant to Ind AS 19 "Employee benefits":

#### 1 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.5,82,641/- ( PY : Rs.15,74,572/-) 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.

#### 2 Defined benefit plans

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.



## 32<sup>nd</sup> Annual Report 2017 - 2018

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 31.03.2018 :

Particulars	Amount in INR	
	As at 31.03.2018	As at 31.03.2017
1 Change in benefit obligation		
Projected Obligation at the beginning of the year	78,14,224	75,31,113
Projected Obligation at the end of the year	91,79,520	78,14,224
2 Change in Plan Assets		
Fair Value of the Plan Assets at the beginning of the year	78,68,786	65,41,766
Fair Value of the Plan Assets at the end of the year	82,46,499	78,68,786
Excess of (Obligations over Plan Assets)		
/ Plan Assets Over Obligation	(9,33,021)	54,562.00
Current liability	-	54,562
Non-Current liability	(9,33,021)	-
<b>Total</b>	<b>(5,58,784)</b>	<b>(2,39,197)</b>
4 Category of assets		
100% Insurer Managed Funds	82,46,499	78,68,786
5 Key Assumptions		
Discount Rate	7.65%	7.45%
Salary Escalation Rate	7.00%	7.00%

**e Dues to Micro, Small and Medium Enterprises:**

There have been no claimed transactions during the year with Micro, Small and Medium Enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006.

**f Disclosure pursuant to Ind AS 36 "Impairment of Assets"**

Based on a review of the future discounted cash flows of the project facility, the recoverable amount is higher than the carrying amount and hence no provision for impairment is made for the year.

**g Disclosure of segment information pursuant to Ind AS 108 "Operating Segments"**

**Primary/Secondary Segment reporting format**

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

**Secondary Segments have been identified on the basis of the nature of products manufactured by the Company**

**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

## VXL Instruments Limited

<b>Primary Segments (Geographical Segments)</b>		<b>Amounts in INR</b>	
Description	<b>31-Mar-18</b>	31-Mar-17	
<b>Segment Revenue</b>			
( a ) Domestic Segment	<b>2099,09,222</b>	1359,39,218	
( b ) Export Segment	<b>2490,28,229</b>	3819,89,332	
Net sales/income from operations	<b>4589,37,451</b>	5179,28,550	
<b>Segment Results</b>			
Domestic	<b>167,74,330</b>	147,52,341	
Overseas	<b>151,56,814</b>	431,86,097	
Segment Results before tax & Finance costs:	<b>319,31,144</b>	579,38,438	
Less :			
Finance Costs	<b>69,86,813</b>	94,73,330	
Other unallocable expenditure / (Income)	<b>447,95,749</b>	810,57,392	
Profit / (Loss) Before Tax	<b>(198,51,418)</b>	(325,92,284)	
Less : Provision for Taxes	-	-	
<b>Profit / (Loss) After Tax</b>	<b>(198,51,418)</b>	<b>(325,92,284)</b>	
<b>Secondary Segments (Business Segments)</b>			
<b>Revenue (Sales and Services)</b>			
Data Processing Units	<b>4130,75,626</b>	5167,67,587	
Service Charges	<b>9,35,469</b>	11,60,963	
Trading	<b>449,26,355</b>	-	
<b>Total</b>	<b>4589,37,451</b>	<b>5179,28,550</b>	
<b>h Disclosure of related parties / related party transactions</b>			
<b>i Parties where control exists</b>			
<b>Name of the Related Party</b>	<b>Nature of Relationship</b>		
VXL Instruments Limited (UK)	Subsidiary. The Company holds 60% in the nominal value of equity share capital		
<b>ii Other related parties with whom transactions were carried out during the year</b>			
<b>Name of the Related Party</b>	<b>Nature of Relationship</b>		
Sattva eTech Private Limited	Company in which a Director is interested		
Ksense Technologies Private Limited	Company in which a Director is interested		
Medley Webserve Private Limited	Company in which a Director is interested		
Priya Limited	Company in which a Director is interested		
Priya International Limited	Company in which a Director is interested		
ELCIA ESDM CLUSTER	Company in which a Director is interested		
Brent Properties Investment Private Ltd	Company in which a Director is interested		
<b>iii Key management personnel and their relatives</b>			
Mr. Madireddy V. Nagaraj	Managing Director		
Mr. M.V. Shetty	Whole-Time Director		
Mr. Rishabh Shetty	Son of Mr. M.V. Shetty, Whole Time Director		

iv Ind AS 24 Related party disclosures.		
Particulars	Amounts in INR	
	31-Mar-18	31-Mar-17
<b>Sale of Goods</b>		
PRIYALIMITED	27,97,26,256	35,97,24,104
<b>Sale of services</b>		
PRIYALIMITED	3,94,188	-
<b>Purchase of Goods</b>		
PRIYALIMITED	32,33,34,890	28,14,76,494
<b>Re-imbusement of Expenses</b>		
PRIYALIMITED	11,615	6,444
Brent Properties Investment Pvt Ltd	6,80,800	5,28,384
<b>Interest on long term borrowings</b>		
PRIYA INTERNATIONAL LIMITED	43,97,548	31,91,178
<b>Remuneration paid to Directors</b>		
Mr. Madireddy V. Nagaraj,	32,30,400	32,30,400
Mr. M.V. Shetty	30,96,000	30,96,000
Sitting fees	2,10,240	3,60,000
<b>Remuneration paid to Related Parties</b>		
Mr. Rishabh Shetty	3,84,340	3,27,520
<b>Rent Paid</b>		
Brent Properties Investment Pvt Ltd	18,00,000	18,90,000
v <b>Balances with related parties</b>		
<b>Non Current Assets - Trade Receivables</b>		
- <b>Considered doubtful</b>		
VXL Instruments Limited, UK	4,61,72,358	4,61,71,564
Less : Allowance for Expected Credit Losses	4,61,72,358	4,61,71,564
<b>Long Term Borrowings</b>		
Inter Corporate Deposit with Priya International Limited	5,80,00,000	4,00,00,000
<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	31,20,054	21,14,765
<b>Trade Payables</b>		
Priya Limited	42,21,01,204	24,42,31,483
<b>Trade Receivables</b>		
Priya Limited	16,92,09,677	9,60,94,644
Sattva Etech India Private Limited	6,12,625	6,12,625
<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
i <b>Operating Leases:</b>		
The Company has taken various residential / commercial premises under cancelable operating leases. These lease agreements are normally renewed on expiry. The lease agreements provide an option to the Company to renew the lease period at the end of the period. There are no exceptional / restrictive covenants in the lease agreements. Rent debited to profit and loss account Rs. 18,00,000/-. Contingent rent recognized in the Profit and Loss Account Rs. Nil.		
Obligations on long-term, non-cancelable operating leases:		
	Amounts in INR	
Particulars	31-Mar-18	31-Mar-17
Lease rentals recognized during the year	18,00,000	44,40,000
Lease obligations payable:		
Due in a period between one year and five years	29,04,000	29,04,000
Due after five years	Nil	Nil

## VXL Instruments Limited

### j Disclosure pursuant to Ind AS 23 “Borrowing Costs”

Borrowing cost capitalised during the year is Rs. NIL

### k Disclosures as per Ind AS 37 - “Provisions, Contingent Liabilities and Contingent assets

#### Movement in provisions:

Particulars	Amounts in INR	
	31-Mar-18	31-Mar-17
Leave Benefits		
Opening balance	33,97,396	36,36,530
Additions	11,76,476	6,82,978
Transferred to Intangible Assets Under development	4,33,716	-
Utilised	(1,97,006)	(9,22,112)
Reversals	-	-
<b>Closing balance</b>	<b>48,10,582</b>	<b>33,97,396</b>
<b>Contingent liabilities</b>		
<b>Guarantees</b>		
Counter Guarantees in respect of guarantees issued by Bankers (Covered by 100% Deposits)	41,86,438	39,57,200
<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 ]	3,36,896	3,36,896
ii Central Sales Tax liability under appeal	59,73,220	57,70,209
iii Service Tax Liability under dispute on the import of software license sticker labels considered as goods by Customs while importing	12,78,92,260	10,34,66,834
iv Cenvat Credit Refund under dispute. Matter under appeal with Commissioner of Central Excise.	18,35,026	14,03,292

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.

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

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.

#### For YCRJ & ASSOCIATES

Chartered Accountants

For and on behalf of the Board

Firm's Registration No: 0006927S

**Vijayendra R Nayak**

Partner  
M. No. 203184

Date : 30th May 2018

Place : Bangalore

**Madireddy V. Nagaraj**

Managing Director  
DIN : 00515419

**K. Prakash**

Director  
DIN : 00542262

**M. V. Shetty**

Whole Time Director  
DIN : 00515711

**Narayana Bhat**

CFO & Company Secretary

**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<br>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 2018   |
| 4. 32nd Annual General Meeting                                     | : | Date - 19th September 2019<br>Time - 12.30 pm<br>Venue - <b>“HALL OF QUEST”</b><br>Nehru Planetarium, Nehru<br>Centre, Dr. Annie Besant<br>Road, Worli,<br>Mumbai – 400 018   |
| 5. Registrar of Members & Share Transfer<br>Book Closure           | : | 14.09.2018 to 19.09.2018<br>(both days Inclusive)   |
| 6. E-Voting Dates  | : | Starts on 16.09.2018 9.00 am to<br>18.09.2018 5.00 pm   |
| 7. Result Date   | : | 21.09.2018  |
| 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   |



**VXL INSTRUMENTS LIMITED**

CIN: L85110MH1986PLC272426

Registered Office : No. 252, 5<sup>th</sup> Floor, Building No. 2, Solitaire Corporate Park, Chakala, Andheri East, Mumbai – 400093

Telephone: +91 22-42872197 Email: cfo@vxl.net Web: www.vxl.net

**ATTENDANCE SLIP**

**32<sup>nd</sup> ANNUAL GENERAL MEETING, WEDNESDAY, 19<sup>TH</sup> SEPTEMBER, 2018 AT 12:30 PM**

**This attendance slip duly filled in to be handed over at the entrance of the meeting hall**

Name of the attending Member (in block letters):.....

Member's Folio Number: .....

Client I.D. No. : .....

D.P.I.D No: .....

Name of the Proxy (in Block Letters, to be filled in if the proxy attends instead of the members)

.....

No. of Shares held: .....

I hereby record my presence at the Thirty Second Annual General Meeting of the Company held on Wednesday, 19<sup>th</sup> September, 2018, at 12:30 PM at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018.

To be signed at the time of handing  
over the slip

Signature of member / Proxy

VXL INSTRUMENTS LIMITED

CIN:L85110MH1986PLC272426

Registered Office : No. 252, 5<sup>th</sup> Floor, Building No. 2, Solitaire Corporate Park, Chakala,  
Andheri East, Mumbai – 400093

Telephone: +91 22-42872197 Email: cfo@vxl.net Web: www.vxl.net

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN No. : L85110MH1986PLC272426  
Name of the Company : VXL INSTRUMENTS LIMITED  
Registered office : No. 252, 5<sup>th</sup> Floor, Building No. 2, Solitaire Corporate Park, Chakala,  
Andheri East, Mumbai – 400093

Name of the member (s) :

Registered address :

E-mail Id:

Folio No/ Client Id :

DP ID :

I/We, being the member (s) holding ..... shares of the above named company, hereby appoint

1. Name : .....

Address : .....

E-mail Id : .....

Signature: ....., or failing him

2. Name : .....

Address : .....

E-mail Id : .....

Signature: ....., or failing him

3. Name : .....

Address : .....

E-mail Id : .....

Signature: ....., or failing him

## VXL Instruments Limited

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Second Annual General Meeting of the Company, to be held on Wednesday, 2018 at 12:30 PM at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018 and at any adjournment(s) thereof in respect of such Resolutions as are indicated below:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements including Audited Balance Sheet as at 31<sup>st</sup> March, 2018, 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 (DIN: 00515711), Director who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

3. To appoint Mr. Arunkumar Bhuwania (holding DIN: 00387445) as Director
4. To appoint Mr. Rakesh Shridas Damani (holding DIN: 07580652) as Director
5. To appoint Mr. Rakesh Shridas Damani (holding DIN: 07580652) as an Independent Director
6. To appoint Mr. Pranav Vikas Makharia (holding DIN: 03587980) as Director
7. To appoint Mr. Pranav Vikas Makharia (holding DIN: 03587980) as an Independent Director
8. To appoint Mr. Vivek Gupta (holding DIN: 00025519) as Director
9. To appoint Mr. Vivek Gupta (holding DIN: 00025519) as an Independent Director.
10. Approval of related party transaction with Priya Limited.

Date;

Affix  
Revenue  
Stamp

Signature of shareholder

Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**



**32<sup>nd</sup> Annual Report 2017 - 2018****VXL INSTRUMENTS LIMITED****CIN:L85110MH1986PLC272426****Registered Office : No. 252, 5<sup>th</sup> Floor, Building No. 2, Solitaire Corporate Park, Chakala, Andheri East, Mumbai – 400093****Telephone: +91 22-42872197 Email: cfo@vxl.net Web: www.vxl.net****Form No. MGT-12****Polling Paper****32<sup>nd</sup> ANNUAL GENERAL MEETING, WEDNESDAY, 19<sup>TH</sup> SEPTEMBER, 2018***[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]*

Name of the Company: VXL Instruments Limited

Registered office : No. 252, 5<sup>th</sup> Floor, Building No.2, Solitaire Corporate Park, Chakala, Andheri East, Mumbai – 400093**BALLOT PAPER**

Sl. No	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
<b>ORDINARY BUSINESS</b>				
1.	To receive, consider and adopt the Audited Financial Statements including Audited Balance Sheet as at 31 <sup>st</sup> March, 2018, 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 (DIN: 00515711), Director who retires by rotation and being eligible, offers himself for re-appointment.			
<b>SPECIAL BUSINESS</b>				
3	To appoint Mr. Arunkumar Bhuwania (holding DIN: 00387445) as Director			

**VXL Instruments Limited**

No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
4	To appoint Mr. Rakesh Shridas Damani (holding DIN: 07580652) as Director			
5	To appoint Mr. Rakesh Shridas Damani (holding DIN: 07580652) as an Independent Director			
6	To appoint Mr. Pranav Vikas Makharia (holding DIN: 03587980) as Director			
7	To appoint Mr. Pranav Vikas Makharia (holding DIN: 03587980) as an Independent Director			
8	To appoint Mr. Vivek Gupta (holding DIN: 00025519) as Director			
9	To appoint Mr. Vivek Gupta (holding DIN: 00025519) as an Independent Director			
10.	Approval of related party transaction with Priya Limited.			

Place:

Date:

(Signature of the shareholder)

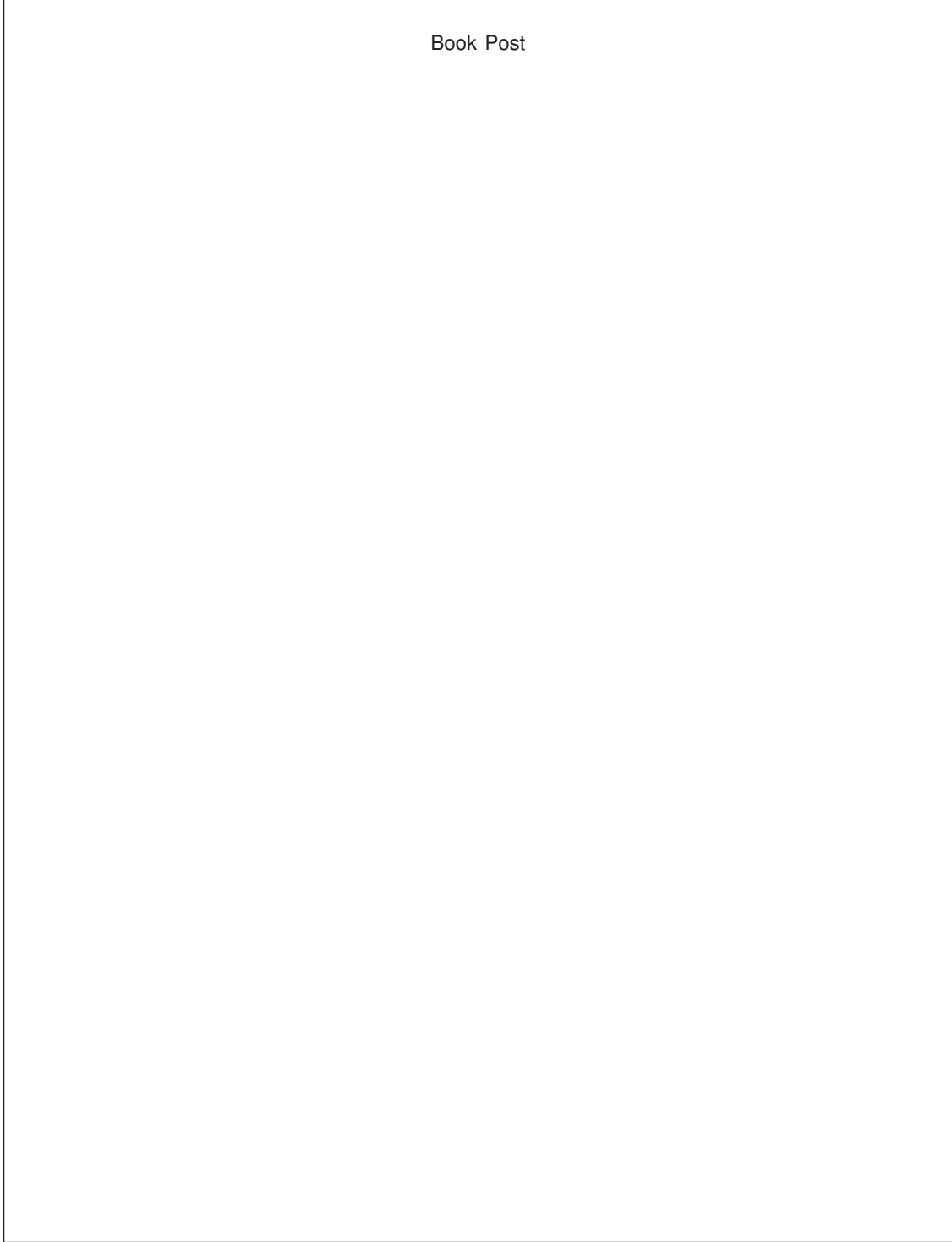
**Route Map Image**



**Route Map Link:**

<https://www.google.co.in/maps/place/Nehru+Centre/@18.9895517,72.8169858,17z>  
[data=!4m5!3m4!1s0x3be7ce87c5bfe10b:0xa108b290fd8963b5!8m2!3d18.9892423!4d72.8150868?hl=en&authuser=0](https://www.google.co.in/maps/place/Nehru+Centre/@18.9895517,72.8169858,17z/data=!4m5!3m4!1s0x3be7ce87c5bfe10b:0xa108b290fd8963b5!8m2!3d18.9892423!4d72.8150868?hl=en&authuser=0)

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