



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



ISO 9001: 2015
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ISO 14001: 2015
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To
Department of Corporate Services
BSE Limited
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400 001

Date: 26.08.2022

Dear Sirs,

SUB: Copy of Annual Report.

Ref: Scrip Code-517399

Pursuant to the provisions of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the copy of Annual Report along with the notice of Thirty Sixth (36th) Annual General Meeting of the Company to be held at 12.00 Noon on Wednesday, the 21st day of September, 2022 through Video Conference (VC) or Other Audio Visual Means (OAVM) as per the Companies Act, 2013.

Please take the documents on record and kindly treat this as compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you

Yours faithfully

Reshma M
Company Secretary and Compliance Officer
Membership No.:A33180

36th
Annual Report
2021 - 2022



VXL Instruments Limited

BOARD OF DIRECTORS

Mr. Vittal Mangalore Shetty
Mrs. Shruti Bhuwania (w.e.f 10.07.2021)
Ms. Anita Jaiswal (w.e.f 29.07.2021)
Ms. Hema Thakur Kiran (w.e.f 29.07.2021)

Whole Time Director
Non-Executive Director
Independent Director
Independent Director

Mr. Mahesh Kumar K V
Ms. Reshma M (w.e.f 03.08.2022)

Chief Financial Officer
Company Secretary & Compliance Officer

AUDIT COMMITTEE

Ms. Hema Thakur Kiran (w.e.f 29.07.2021) Chairperson
Ms. Anita Jaiswal (w.e.f 29.07.2021) Member
Mr. Vittal Mangalore Shetty Member

STATUTORY AUDITORS

Messrs YCRJ & Associates
Chartered Accountants
Bengaluru

NOMINATION AND REMUNERATION COMMITTEE

Ms. Hema Thakur Kiran (w.e.f 29.07.2021) Chairperson
Ms. Anita Jaiswal (w.e.f 29.07.2021) Member
Ms. Shruti Bhuwania (w.e.f 29.07.2021) Member

INTERNAL AUDITORS

Messrs Hande & Associates
Chartered Accountants
Bengaluru (Upto 30.09.2021)

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Ms. Hema Thakur Kiran (w.e.f 29.07.2021) Chairperson
Ms. Anita Jaiswal (w.e.f 29.07.2021) Member
Mr. Vittal Mangalore Shetty Member

Messrs Ishwar & Gopal
Chartered Accountants
Bengaluru (From 01.10.2021)

SECRETARIAL AUDITORS

Mr. Vijayakrishna K T
Practising Company Secretary
Bengaluru

BANKERS

Bank of Baroda
HDFC Bank Ltd.
State Bank of India

**REGISTRARS AND SHARE
TRANSFER AGENTS**

Bigshare Services Private Limited
Office No. S6-2, 6th Floor, Pinnacle
Business Park, Next to Ahura Centre
Mahakali Caves Road, Andheri (East)
Mumbai 400 093
Tel.: 022-62638200
Fax. : 022-62638299

REGISTERED & CORPORATE OFFICE

#252, 5th 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

WORKS

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

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THIRTY SIXTH ANNUAL GENERAL MEETING
on Wednesday, 21st September, 2022

VXL INSTRUMENTS LIMITED

CIN: L85110MH1986PLC272426

Registered Office: 252, 5th Floor, Building No. 2, Solitaire Corporate Park Chakala,
Andheri (East), Mumbai – 400 093

Phone: +91 22 28245210 Fax: +91 22 42872197

E-mail: cs@vxl.net Website: www.vxl.net

NOTICE

Notice is hereby given that the Thirty Sixth (36th) Annual General Meeting (AGM) of the Members of the Company will be held at 12.00 Noon, on Wednesday the 21st September, 2022 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in conformity with the regulatory provisions and the Circulars issued by the Ministry of Corporate Affairs, Government of India, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements as at 31st March, 2022, together with Independent Auditors' Report and the Board's Report including Secretarial Audit Report thereon.
2. To appoint a Director in place of Ms. Shruti Bhuwania (DIN: 06630867), Non-Executive Director, who retires by rotation and being eligible, offers herself for re-appointment.
3. To re-appoint Messrs YCRJ & Associates, Chartered Accountants, Bengaluru, as Statutory Auditors of the Company and fix their remuneration:

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

"RESOLVED THAT pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, Messrs YCRJ & Associates, Chartered Accountants, Bengaluru, having registration No.006927S, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Statutory Auditors, in terms of the provisions of Section 141 of the Act, and the Rules made thereunder, be and are hereby re-appointed as the Statutory Auditors of the Company for second term of five consecutive years, who shall hold office from the conclusion of this 36th Annual General Meeting till the conclusion of the 41st Annual General Meeting to be held in the year 2027, at a remuneration in addition to applicable taxes and re-imbursment of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company as may be decided by the Board of Directors of the Company every year."

SPECIAL BUSINESS:

4. To re-appoint Mr. Mangalore Vittal Shetty (DIN: 00515711), as Whole Time Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 2(94), 196, 197, 198, 203 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 for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Members be and is hereby accorded for the re-appointment of Mr. Mangalore Vittal Shetty (DIN 00515711), as Whole time Director of the Company for a period of three (3) years effective from October 1, 2022 up to September 30, 2025 (both days inclusive), at the remuneration and on the terms and conditions set out below:

- i) Salary of Rs. 2,00,000/- per month (Rupees Two Lakhs only)
- ii) Commission: In addition to salary, perquisites and other allowances, commission based on the net profit of the Company computed in the manner laid down in Section 197 and other applicable provisions, if any, of the Companies Act, 2013. Such Commission shall be of such percentage and of such amount as the Board of Directors of the Company may determine keeping in view the performance of the Company in respect of each financial year.

In addition to salary and commission, the following shall be allowed to Mr. M.V.Shetty

- iii) Housing : Mr. M.V. Shetty shall be entitled to rent free furnished residential accommodation.

In case no accommodation is provided by the Company, Mr. M. V. Shetty shall be entitled to House Rent Allowance of Rs. 50,000/- per month.

- iv) Reimbursement of gas, electricity, water charges and furnishings.
v) Reimbursement of medical expenses for self and family as per Company rules.
vi) Leave Travel Concession for self and family as per Company rules.
vii) Fees to clubs subject to maximum of two clubs.
viii) Personal Accident Insurance, as per Company rules.
ix) Provision of car for business and personal purposes.
x) Telephone at the residence.

M.V.Shetty will be paid the following perquisites which shall not be included in the computation of the ceiling on the remuneration in the event the Company has no profits or its profits are inadequate in any financial year during the aforesaid period.

- xi) Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per Company Schemes to the extent these either single or put together are not taxable under the Income Tax Act, 1961.
xii) Earned/Privilege leave: On full pay and allowances as per rules of the Company. Leave encashment also as per Company rules.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 as may be agreed to by the Board of Directors and Mr. M V Shetty.”

5. To approve/ratify Material Related Party Transactions with VXL Software Solutions Private Limited.

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

“RESOLVED THAT pursuant to the provisions of Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements), 2015 (the Listing Regulations) and other applicable provisions, if any of the Listing Regulations, Section 188 of the Companies Act, 2013 and Rules made thereunder, including statutory modification(s) or re- enactment thereof for the time being in force and as may be notified from time to time, consent of the members of the Company be and is hereby accorded to ratify the contract(s)/ arrangement(s)/ transaction(s) entered into with VXL Software Solutions Private Limited during the year 2021-22 as detailed in the table forming part of the Explanatory Statement annexed to this notice with respect to Sale, purchase or supply of goods or services or any other transactions of whatever nature, at arm’s length basis and in the ordinary course of business, notwithstanding that such transactions exceed the approved threshold limits.

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

By Order of the Board
For VXL Instruments Limited

Place: Bengaluru
Date: 25.08.2022

Reshma. M
Membership No.: A33180
Company Secretary & Compliance Officer
Address: #7, Flat No. B4,
Y D Homes Apartment, 2nd Main,
Gopal Reddy Layout, Banaswadi, Bengaluru - 560043

Notes:

1. In view of disruptions caused by COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular (GC) No. 2/2022 dated May 5, 2022, GC No. 19/2021 dated December 8, 2021, and GC. No.14/2020 dated April 8, 2020, GC No. 17/2020 dated April 13, 2020 and GC No. 20/2020 dated May 5, 2020 (collectively "MCA Circulars"), permitted companies to conduct Annual General Meeting (AGM) through video conferencing or other audio visual means (VC) till December 30, 2022, subject to compliance with various conditions mentioned therein. SEBI vide Circular No. 62 dated May 13, 2022 extended the relaxations pertaining to dispatch of hard copies of Annual Reports and Proxy Forms to listed entities who conduct their AGM through electronic mode till December 31, 2022 subject to certain conditions. In compliance with the MCA Circulars, SEBI Circulars and applicable provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") the 36th AGM of your Company is being convened and conducted through VC.
2. The Company has facilitated the members to participate in the 36th AGM through VC facility provided by Central Depository Services Limited (CDSL). The instructions for participation by members are given in the subsequent paragraphs. Participation in AGM through VC shall be allowed on a first-come-first-served basis.
3. As per MCA Circulars, members attending the 36th AGM through VC will be reckoned for the purpose of quorum as per Section 103 of the Companies Act, 2013.
4. For exercising the votes by the members by electronic means, the Company has provided the facility of remote e-voting as well as e-voting during the AGM. The procedure for using the remote e-voting facility as well as e-voting during the AGM is given in the subsequent paragraphs.
5. Members joining the AGM through VC shall be permitted to exercise their right to vote using the e-voting facility at the AGM, provided they have not cast their votes using remote e-voting facility. The members who have already cast their votes prior to AGM using the remote e-voting facility may also join the AGM through VC; but shall not be entitled to cast their votes again at the AGM.
6. As per the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and such proxy need not be a member of the Company. Since 36th AGM is being held through VC as per MCA Circulars and SEBI Circulars, physical attendance of the members has been dispensed with. Accordingly, **the facility for appointment of proxies by the members will not be available for the 36th AGM** and hence the Proxy Form and Attendance Slip are not annexed to this notice. Similarly, as this AGM is being held through VC, the **route map is not annexed to this notice**.
7. Corporate members may authorize their representatives for casting the votes using remote e-voting facility or for participation and voting in the AGM using VC. Institutional Investors are encouraged to attend and vote at the AGM through VC.
8. In line with MCA Circulars and SEBI Circulars, the Annual Report for the Financial Year 2021-22 along with Notice of 36th AGM of the Company *inter-alia* indicating the process and manner of e-voting are being sent only by electronic mode to those members whose email IDs are registered with the Company/Depository Participant(s) for communication.

Members may note that the aforesaid documents may also be downloaded from the Company's website under the Investor-Annual Results section at <https://www.vxl.net/investors/annual-result> or from the website of BSE Limited at www.bseindia.com.

In line with MCA Circulars, the Company has enabled a process for the limited purpose of receiving the AGM Notice and Annual Report (including remote e-voting instructions) electronically. To support the 'Green Initiative', the Members who have not registered their e-mail address are requested to register the same with Registrar and Share Transfer Agent: Bigshare Services Private Limited.

9. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the directors are interested, maintained as per the Companies Act, 2013 will be available for electronic inspection by the members during the AGM. All the documents referred to in the Notice will also be available for electronic inspection by the members without any fee from the date of circulation of this notice up to the date of AGM. Members seeking to inspect such documents may send an email to cs@vxl.net.
10. Members seeking clarifications on the Annual Report are requested to send an email to cs@vxl.net on or before 14.09.2022. This would enable the Company to compile the information and provide replies at the meeting.
11. The Register of Members and the Share Transfer books of the Company will remain closed from 15.09.2022 to 21.09.2022 (both days inclusive).
12. The Shares of the Company are compulsorily traded in dematerialized form as per the directions of the Stock Exchange. Accordingly, members who have not opted for dematerialization of shares are once again reminded to take steps to dematerialize their holdings. Further, the members may note that as per SEBI (LODR) (Fourth Amendment) Regulations, 2018, with effect from April 1, 2019, except in case of transmission or transposition of securities, no transfer of securities shall be processed unless the securities are held in the dematerialized form. Accordingly, shareholders holding equity shares in physical form are urged to get their shares dematerialized so that they will be able to transfer them freely and participate in corporate actions.
13. Members holding the shares in physical form are requested to communicate the changes, if any, in their addresses, bank account details and other necessary details to the Company's Registrar and Share Transfer Agent, Bigshare Services Private Limited, Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093. Members holding the shares in dematerialized form are requested to communicate such changes to the concerned Depository Participant.
14. Members who are yet to register their e-mail address/Mobile No. are requested to register the same with the Depository through their Depository Participants in respect of shares held in dematerialized form. Members holding the shares in physical form may register their e-mail address/Mobile No. by writing to the Company's Registrar and Share Transfer Agent.
15. Non-resident Indian shareholders are requested to immediately inform the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be, about the following matters: the change in residential status on return to India for permanent settlement, and the particulars of the NRE account with a bank in India, if not furnished earlier.
16. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form may submit their PAN details to the Company's Registrar and Share Transfer Agents or the Company.
17. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting, is annexed hereto.

18. Procedure for e-voting and joining AGM through VC:

In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the 36th AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting agency. The facility to cast the votes by the members using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

The voting period begins on 18.09.2022 (9.00 AM IST) and ends on 20.09.2022 (5.00 PM IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (Record date) of 14.09.2022 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

To increase the efficiency of the e-voting process, SEBI, vide Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, intended to enable e-voting to all the demat account holders by way of a single login credential, through their Demat accounts/ websites of Depositories/ Depository Participants. Demat account holders should be permitted to cast their votes without having to register again with the e-voting service providers, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

As required by this Circular, Individual shareholders holding securities in demat mode are allowed to vote through their demat accounts maintained with Depositories and Depository Participants. Hence, members are advised to update their mobile numbers and email ids in their respective demat accounts to access e-voting facility.

The detailed e-voting procedure is as under:

- (a) Pursuant to above said SEBI Circular, login procedure for e-voting and joining virtual meetings for Individual share holders holding securities in demat mode is given below:

Shareholder Type	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting the vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there will be links provided to access the system of all e-voting service providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.</p>

	<p>Alternatively, the user may directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile & email as recorded in the demat account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting service providers.</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>Users who have already registered for NSDL IDeAS facility, may visit the e-Services website of NSDL i.e., https://eservices.nsd.com either on a Personal Computer or on a mobile. On clicking on the 'Beneficial Owner' icon under 'Login' under 'IDeAS' section, a new screen will open. After successful authentication using the User ID and Password, user will be able to see e-voting services. Click on 'Access to e-Voting' under e-voting services will lead to e-voting page. Click on company name or e-voting service provider name will redirect to e-voting service provider website for casting the vote during the remote e-voting period or joining virtual meeting & voting during the meeting.</p> <p>If the user has not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select 'Register Online for IDeAS' portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp.</p> <p>Alternatively, the user may visit the e-voting website of NSDL i.e., https://www.evoting.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-Voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.</p>
<p>Individual Shareholders (holding securities in Demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-Voting service provider name will redirect to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned web sites.

VXL Instruments Limited

For any technical issues related to login through Depository i.e., CDSL and NSDL, individual shareholders holding securities in Demat mode may access the helpdesk as under:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issues in login may contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or call at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issues in login may contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

(b) The instructions for remote e-voting for Members (other than individual shareholders holding shares in Demat form) & physical shareholders are as under:

- (i) The Members should log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" module.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID.
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first-time user, follow the steps given below:

	For shareholders holding shares in Demat Form (other than Individual shareholders) and in Physical Form
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).
	<ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details or Date of Birth (DOB)	<ul style="list-style-type: none"> ● Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login. ● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii) above.

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

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

- (e) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- (f) Click on the EVSN relevant to 'VXL Instruments Limited' on which you choose to vote.
- (g) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" is available for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (h) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (i) After selecting the resolution, if you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (j) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (k) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
If a demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on 'Forgot Password' and enter the details as prompted by the system.

Instructions for Members attending the AGM through VC are as under:

- (i) Members will be provided with a facility to attend the AGM through VC through the CDSL e-voting system. Members may access the same at www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC will be available in shareholder/members login where the EVSN of Company will be displayed.
- (ii) The Members can join the AGM through VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- (iii) System requirements for best VC experience:
Through any internet enabled device i.e., Laptop, Desktop, Smartphone or a Tablet may be used to join the meeting, members are encouraged to join the AGM through Laptop/Tablet for better experience. Laptop with at least Core2duo processor, 1GB RAM, good quality multimedia kit and latest version of Internet Browser are preferred. Members are requested to download the Cisco WebEx meeting tool in advance and enable the camera during the AGM.

Members connecting from Mobile Devices, Tablets or Laptop connected via Mobile Hotspot might experience Audio/Video loss due to fluctuations in their respective networks. To mitigate any such glitches, it is recommended to use stable Wi-Fi or LAN connection (without proxy & firewall) with a speed of 2 Mbps or more.
- (iv) Members who would like to ask questions or express their views at the AGM may register themselves as a speaker by sending a mail with their name, Demat account number/folio number, email id, mobile number to cs@vxl.net on or before 14.09.2022. The Company reserves the right to limit the number of members asking the questions depending on the time availability at the AGM.
- (v) Only those shareholders who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting.

Instructions for Members for e-voting during the AGM are as under: -

- (i) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- (ii) Only those members, who are present in the AGM through VC facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
- (iii) If any votes are cast by the members through e-voting available during the AGM and if those members have not participated in the meeting through VC facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.
- (vi) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote again at the AGM.

Note for Non – Individual Shareholders and Custodians:

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

Other instructions:

- (i) 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 14.09.2022.
- (ii) The Board of Directors has appointed Mr. Sanjay Parab (Membership No. FCS 6613 & CP No-7093), Practising Company Secretary, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (iii) The Scrutinizer will submit his report to the Chairman of the Meeting or to any other person authorized by the Company after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 2 working days from the conclusion of the AGM. The result declared along with the Scrutinizer's Report shall be communicated to the Stock Exchange, CDSL and RTA and will also be displayed on the Company's website, <https://www.vxl.net/investors/disclosures>.

Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the AGM Notice and holding shares as of the cut-off date i.e., 14.09.2022 may obtain the login ID and password by sending a request to helpdesk.evoting@cdslindia.com or by contacting the RTA, Bigshare Services Private Limited, Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093.

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

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

By Order of the Board
For VXL Instruments Limited

Place: Bengaluru
Date: 25.08.2022

Reshma. M
Membership No.: A33180
Company Secretary & Compliance Officer
Address: #7, Flat No. B4,
Y D Homes Apartment, 2nd Main,
Gopal Reddy Layout, Banaswadi, Bengaluru- 560043

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

Item No 3: To re-appoint Messrs YCRJ & Associates, Chartered Accountants, Bengaluru, as Statutory Auditors of the Company and fix their remuneration.

Shareholders of the Company had approved the appointment of Messrs YCRJ & Associates, Chartered Accountants, Bengaluru, as Statutory Auditors of the Company at the 31st Annual General Meeting held in the year 2017, for a term of five years.

Pursuant to Section 139(2) of the Act, the Company can appoint an audit firm for a second term of five consecutive years. Accordingly and in the best interest of the Company, the Board proposes to re-appoint Messrs YCRJ & Associates, Chartered Accountants, Bengaluru, as Statutory Auditors of the Company for second term of 5 (Five) consecutive years commencing from the conclusion of this AGM and till the conclusion of 41st AGM, to be held in the year 2027, at a remuneration of Rs. 2,90,000/- (Rupees Two Lakhs Ninety Thousand Only) in addition to applicable taxes and re-imbusement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company as may be decided by the Board of Directors of the Company every year.

Messrs YCRJ & Associates, Chartered Accountants, Bengaluru, have provided their consent and confirmed that their re-appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act, and Companies (Audit and Auditors) Rules, 2014, as amended from time to time. They have further confirmed that they are not disqualified to be reappointed as statutory auditor in terms of the provisions of the Sections 139(1), 141(2) and 141(3) of the Act, and the provisions of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this Resolution.

The Board, on the recommendation of the Audit Committee, recommends the Ordinary resolution set forth in Item No. 3 of the notice for approval of the members.

Item No 4: To re-appoint Mr. M V Shetty (DIN: 00515711), as Whole Time Director of the Company.

The Board of Directors of the Company ("the Board") at its meeting held on 3rd August 2022, on the recommendation of the Nomination and Remuneration Committee and subject to the necessary approvals, accorded its approval for re-appointment of Mr. M V Shetty, as Whole-time Director for a further period of three years w.e.f. 01.10.2022 and for payment of remuneration and also for revision in the remuneration payable to Mr. M V Shetty, Whole-time Director w.e.f. 01.10.2022

The proposed remuneration will be within the limits prescribed by the Companies Act, 2013 and Schedule V thereto.

Other information as required by Schedule V of the Companies Act, 2013:

I General Information

- (a) Nature of Industry: Electronic Hardware Industry
- (b) Date of Commencement of Business: 28.02.1986
- (c) Financial Performance:

(Rs. in Lakhs)

For the year ended	31-03-2022	31-03-2021
Total Income	1,357.28	778.60
Total Expenses	1,376.37	1,201.88
Loss before Tax	19.09	423.28
Exceptional items	-	319.84
Provision for Taxation (Income Tax)	-	123.47
Mat Credit	(9.42)	-
Loss after Tax and Extraordinary items	9.67	226.91
Loss After Tax carried to the Balance Sheet	9.67	226.91

- d. Export performance and net foreign exchange collaboration: The Company has no foreign collaboration; however, the foreign exchange earnings and outgo during FY. 2021- 22 are as hereunder:
- Foreign Currency Earnings (Accrual basis) = Rs. 2,00,53,458/-
Foreign Currency Expenditure (Accrual basis) = Rs. 13,14,263/-
(Exports are mainly through Third Parties)
- e. Foreign investments or collaborators: The Company has no foreign collaboration.

II INFORMATION ABOUT Mr. M. V. SHETTY:

1. Background details of Mr. M.V. Shetty: He is M. Tech., IIT, Mumbai – One of the Promoters of the Company Having more than 33 years of experience in Telecommunication, Product Design, Development and Quality/Process Management. He was responsible for bringing world class desktop products (Industrial, ergonomic and tool design). He was part of design team of various products of VXL Data Logger, CNC Terminals and thin clients etc. He has good experience in designing ruggedised products for defence applications.
2. Past Remuneration Approved: Salary Rs. 1,50,000/- per month and Allowances and perquisites Rs.90,000/- per month.
3. Recognition or awards: He is credited with bringing out Thin Client well head of the European countries. He has championed the launch of Energy Star compliant and Environmental friendly Thin Clients.
4. Job Profile and his suitability: The Whole-Time Director will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and his functions will be under the overall authority of the Board.
The Whole-Time Director shall adhere to the Company's Code of Business Conduct and Ethics for Directors and Management Personnel.
5. Remuneration Proposed: Salary Rs. 2,00,000/- per month and Allowances of Rs. 50,000/- per month and perquisites as mentioned in the resolution.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The remuneration proposed for Mr. M. V. Shetty is comparatively low in the industry keeping in view the responsibilities assigned to him and his background.
7. Pecuniary relationship with the managerial personnel: His Son Mr Rishab Shetty is employed as - Senior Software Engineer.

III OTHER INFORMATION:

1. Reasons of loss or inadequate profits: Due to heavy accumulated loss, profits are inadequate.
2. Steps taken or proposed to be taken for improvement: Your Company has strengthened its R&D Division to differentiate our products in terms of software. Your Company has come up with various revised, improved version of thin clients and also added laptop to its product portfolio. Tie up with Global leaders in the field of Information Technology and ongoing negotiation with prospective buyers is expected to boost the sales and productivity.
3. Expected increase in productivity and profits in measurable terms: Productivity and Profits are expected to increase by 20%

This Statement may also be regarded as a disclosure under Regulation 36 of the Listing Regulations.

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

Except Mr. M V Shetty, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said Resolution.

VXL Instruments Limited

ITEM NO. 5: To approve Material Related Party Transactions with VXL Software Solutions Private Limited.

Pursuant to the regulation 23 of the Listing Regulations and other applicable provisions, if any of the Listing Regulations read with Section 188 of the Companies Act, 2013 and Rules made thereunder, including statutory modification(s) or re- enactment thereof for the time being in force and as may be notified from time to time with respect to Related Party Transactions, shall require prior approval of the Audit Committee and that all material Related Party Transactions shall require prior approval of the Shareholders.

VXL Software Solutions Private Limited is a "Related Party" as per the definition under Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shareholders may recall that the transactions entered with VXL Software Solutions Private Limited for the year 2021-22 was approved at their 35th Annual General Meeting held on 27th September 2021 to an extent of Rs. 100 Lakhs. However, the transactions with Related Party crossed by an amount of Rs. 31.00 Lakhs due to unexpected sale and purchase transactions during the said year 2021-22. Therefore, such transactions which are carried on in excess of the ceiling limit of Rs. 100.00 Lakhs was examined and it was ratified by the Audit Committee. Now, the same is brought before the shareholders to approve/ratify the transactions entered with the Related Party.

The following information is placed before the members:

Sl.No.	Particulars	Information
1	Name of the Related Party	VXL Software Solutions Private Limited
2	Nature of relationship	Director Interested
3	Name of Director(s) or key Managerial Personnel who is related	Ms. Shruti Bhuwania
4	Nature, material terms, monetary Value and particulars of the transactions	<p>Nature of the Transactions: Purchases, Sales and Services</p> <p>Material Terms: Ongoing - based on periodical requirements</p> <p>Other Particulars: Orders procured by VXL Software Solutions Private Limited, Domestic Annual Maintenance Contracts, service of thin clients, Sale of software are carried out through VXL Software Solutions Private Limited.</p> <p>The Audit Committee noted that the transactions with VXL Software Solutions Private Limited exceeded the approved limit of Rs. 100.00 Lakhs due to some unexpected transactions. The Committee reviewed the same and approved/ratified such transactions entered with VXL Software Solutions Private Limited for an additional amount of Rs. 31 Lakhs for the financial year 2021-22 by passing a resolution in their meeting held on 10th February 2022.</p>
5	Any other relevant or important information for the Members	NA

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

The Board recommends the Ordinary Resolution as set out at Item No. 5 of the notice for approval by the Members.

Except Ms Shruti Bhuwania, being related party, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said Resolution.

By Order of the Board
For VXL Instruments Limited

Place: Bengaluru
Date: 25.08.2022

Reshma. M
Membership No.: A33180
Company Secretary & Compliance Officer
Address: #7, Flat No. B4,
Y D Homes Apartment, 2nd Main,
Gopal Reddy Layout, Banaswadi, Bengaluru - 560043

ANNEXURE TO NOTICE

Information pertaining to Director seeking appointment and re-appointment at the AGM as required under Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings:

Particulars	Whole-Time Director	Non Executive & Non Independent Director
Name	Mr. M. V. Shetty	Ms. Shruti Bhuvania
DIN	00515711	06630867
Date of Birth	07.03.1952	21.10.1975
Date of Appointment	01.10.2010	10.07.2021
Qualifications	Master of Technologies	Bachelor of Commerce from Amaravati University
Expertise in specific functional area	Thin Client Technology	Finance, Accounts, Software and Administrative
Directorships held in other public Companies (excluding foreign companies)	Nil	Nil
Membership/ Chairmanships of Committees of other public companies (included only Audit and Stakeholder' Relationship/ Investors Grievance Committee)	Nil	Nil
No. of Board Meetings attended during the year	7	4
No. of Shares held in the Company	Nil	Nil
Relationship with other Directors	Nil	Nil

By Order of the Board
For VXL Instruments Limited

Place: Bengaluru

Date: 25.08.2022

Reshma. M
Membership No.: A33180
Company Secretary & Compliance Officer
Address: #7, Flat No. B4,
Y D Homes Apartment, 2nd Main,
Gopal Reddy Layout, Banaswadi, Bengaluru - 560043

BOARD'S REPORT

Your Directors have pleasure in presenting the 36th (Thirty Sixth) Annual Report and Audited Financial Statements for the financial year ended 31st March, 2022 together with the Independent Auditor's Report.

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

Particulars	2021-22	2020-21
Gross Income	1357.28	778.60
Profit/(Loss) Before Interest and Depreciation	5.84	(367.23)
Finance Charges	17.37	46.56
Gross Profit	556.61	226.78
Provision for Depreciation	7.56	9.49
Profit (Loss) before exceptional and extraordinary items and tax	(19.09)	(423.28)
Exceptional Items	-	319.84
Provision for Tax	(9.42)	123.47
Net Profit (Loss) After Tax	(9.67)	(226.91)
Other Comprehensive Income	3.15	0.37
Total Comprehensive Income	(6.52)	(227.28)
Total Comprehensive Income Attributable to		
a) Owners	-	-
b) Non-Controlling Interest	-	-
Earnings per Equity Share of Rs. 10/- each		
Basic	(0.05)	(1.71)
Diluted	(0.05)	(1.71)
Proposed Dividend on Equity Shares	-	-
Tax on proposed Dividend	-	-

2. PERFORMANCE OF THE COMPANY:

The Company has fared much better compared to previous year to achieve a turnover of Rs. 13.57 Crores. The R&D Team is working in hybrid mode, whereas the Manufacturing division employees are in physical working mode. Your Board is pleased to inform that the above arrangement has not affected the productivity adversely. Manufacturing has delivered all the orders received on time. Further, R&D developed customised solutions in embedded / application software and thin client hardware, to Corporate and Fast food chain. These solutions were well accepted by the customers and we received substantial new orders.

FUTURE PROSPECTS

The thin client market is steady. Trend of customers adopting cloud based solutions in a big way continues which is beneficial to the Company since the Company specializes in providing the end point solutions. The Company is also looking at providing further value added offerings to our existing customers.

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.

Capital structure remained as follows:

Authorized Share Capital—Rs. 15,00,00,000/- divided into 1,50,00,000 Equity Shares of Rs. 10/- each.

Issued Share Capital—Rs. 13,35,00,000/- divided into 1,33,50,000 Equity Shares of Rs. 10/- each.

Paid up Share Capital—Rs. 13,32,48,000/- divided into 1,33,24,800 Equity Shares of Rs. 10/- each fully paid.

Disclosure regarding Issue of Equity Shares with Differential Voting Rights

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

Disclosure regarding issue of Employee Stock Options

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

Disclosure regarding issue of Sweat Equity Shares

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

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

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

6. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There are no material changes after 31st March, 2022 till the signing of this Report.

7. CHANGE IN NATURE OF BUSINESS:

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

8. DIVIDEND:

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

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

9. BOARD MEETINGS:

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

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

The Board of Directors duly met Seven (7) times during the financial year on 02nd June 2021, 28th June 2021, 10th July 2021, 29th July 2021, 12th August 2021, 12th November 2021 and 10th February 2022.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Composition of the Board and Key Managerial Personnel is as follows on 31.03.2022:

Sl. No.	Name	Designation	DIN
1.	Mr. Vittal Mangalore Shetty	Whole Time Director	00515711
2.	Ms. Hema Thakur Kiran	Non-Executive and Independent Director	01363454
3.	Ms. Anita Jaiswal	Non Executive and Independent Director	08485642
4.	Mrs. Shruti Bhuwania	Non-Executive Director	06630867
5.	Mr. Mahesh Kumar K V	Chief Financial Officer	NA
6.	Mrs. Roopa Hegde	Company Secretary and Compliance Officer	NA

1. Mr. Vivek Gupta resigned from the office of Non Executive Independent Director from the closure of business hours of 28th June, 2021.
2. Mr. Rakesh Shridas Damani resigned from the office of Non Executive Independent Director from the closure of business hours of 01st July, 2021.
3. Ms. Shruti Bhuwania was appointed as an Additional Director on 10th July, 2021 at the Board Meeting, on the basis of recommendation by the Nomination and Remuneration Committee and was subsequently appointed as Non-Executive and Non Independent Director at the Annual General Meeting held on 27th September, 2021.
4. Ms. Hema Thakur Kiran was appointed as an Additional Director and Independent Director for the term of 5 years on 29th July, 2021 at the Board Meeting, on the basis of recommendation by the Nomination and Remuneration Committee and was subsequently appointed as Non-Executive and Independent Director at the Annual General Meeting held on 27th September, 2021.
5. Ms. Anita Jaiswal was appointed as an Additional Director and Independent Director for the term of 5 years on 29th July, 2021 at the Board Meeting, on the basis of recommendation by the Nomination and Remuneration Committee and was subsequently appointed as Non-Executive and Independent Director at the Annual General Meeting held on 27th September, 2021.
6. Ms. Mini Bhuwania resigned from the office of Non Executive and Non Independent Director from the closure of business hours of 25th August, 2021.
7. Mr. Radhakrishna Kunjilal Saraswat was appointed as a Non Executive-Independent Director at the Annual General Meeting held on 27th September, 2021 by way of Special Resolution. His office ceased as Non Executive-Independent Director w.e.f. 02nd March, 2022 due to his sad demise. The Board expresses condolences and records the expert service provided by him during his tenure.
8. In terms of the provisions of the Companies Act, 2013 and Articles of Association of the Company, Ms. Shruti Bhuwania, Non Executive and Non Independent Director (holding DIN: 06630867), retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

11. INDEPENDENT DIRECTORS:

As required by the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 and the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019, Ms. Hema Thakur Kiran and Ms. Anita Jaiswal have registered their names in the data bank of Independent Directors maintained by Indian Institute of Corporate Affairs. Annual Declarations received from both of them for the year 2021-22 contain affirmations regarding registrations in the data bank.

The Board has its opinion with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year as per provisions of Companies (Account) Rules, 2014.

Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2018 ("the Listing Regulations") has changed the evaluation criteria of Independent Directors from April 1, 2019. As per the amendment, evaluation of Independent Directors by the entire Board shall include:

- (a) Performance of Directors and
- (b) Fulfilment of independence criteria as specified in the Listing Regulations, and their independence from the management.

Board has evaluated the Independent Directors and confirms that Ms. Hema Thakur Kiran and Ms. Anita Jaiswal fulfilled the independence criteria as specified in the Listing Regulations and their independence from the management.

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations (**Annexure I**).

Details on terms of appointment of Independent Directors and the familiarization program have been displayed on website of the Company at <https://www.vxl.net/investors/independent-directors> and <https://www.vxl.net/investors/disclosures> respectively.

12. COMMITTEES OF THE BOARD :

Currently, the Board has three (3) Committees viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. A detailed note on the composition Committees and other related particulars are provided in the Report on Corporate Governance forming part of this Report.

As on 31st March, 2022, the Committees comprised as follows:

AUDIT COMMITTEE:

- a) Ms. Hema Thakur Kiran - Chairperson
- b) Ms. Anita Jaiswal - Member
- c) Mr. Vittal Mangalore Shetty - Member

NOMINATION AND REMUNERATION COMMITTEE:

- a) Ms. Hema Thakur Kiran - Chairperson
- b) Ms. Anita Jaiswal - Member
- c) Mrs. Shruti Bhwania - Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

- a) Ms. Hema Thakur Kiran - Chairperson
- b) Ms. Anita Jaiswal - Member
- c) Mr. Vittal Mangalore Shetty - Member

13. NOMINATION AND REMUNERATION POLICY:

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

14. RISK MANAGEMENT POLICY:

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

15. 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 the Listing Regulations which is available on website of the Company at <http://www.vxl.net/percheditor/resources/vxlwhistleblowerpolicy.pdf> and there were no cases reported during the period under review.

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

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

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. ANNUAL RETURN:

As required under Section 92(3) of the Companies Act, 2013 and rule 12 of the Companies (Management and Administration) Rules, 2014 read with Companies Amendment Act, 2020, an annual return in MGT-7 is placed in the website of the Company i.e. <https://www.vxl.net/investors/disclosures>.

19. STATUTORY AUDITORS:

At the 31st Annual General Meeting held in the year 2017, Messrs YCRJ & Associates, Chartered Accountants, (Firm Registration No. 006927S) were appointed as the Statutory Auditors to hold office for a term of 5 years, till the conclusion of the 36th Annual General Meeting of the Company to be held in the year 2022. Consequent to the amendments to the Companies Act, 2013, ratification of appointment of the statutory auditor at every Annual General Meeting is no longer required.

Messrs YCRJ & Associates, Chartered Accountants who retire at the ensuing Annual General Meeting of your Company are eligible for re-appointment. Your Company has received written consent and a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules issued thereunder.

The Audit Committee and the Board of Directors recommend the appointment of Messrs YCRJ & Associates, Chartered Accountants as the Statutory Auditors of your Company for the second term for the further period of five years from the conclusion of 36th Annual General Meeting till the conclusion of 41st Annual General Meeting.

QUALIFICATIONS IN THE AUDIT REPORT:

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

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. Vijayakrishna KT, Bengaluru, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor in the form of MR-3 is annexed to this Report as **Annexure - II**.

There were no qualifications or observations by the Secretarial Auditor in Secretarial Audit Report.

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

(D) Foreign exchange earnings and Outgo

Activities relating to exports	Company is an Export Oriented Unit & focus mainly on Export.
Initiatives taken to increase exports	We are putting continuous efforts to increase Export and recapture of Export market.
Development of new export markets for products and services	Efforts are on to develop new Export market.
Export plans	Efforts are on to develop new Export market.
Total Foreign Exchange used (Cash basis)	As on 31 st March, 2022: Rs.13,14,263/-
Total Foreign Exchange Earned (Accrual Basis)	As on 31 st March, 2022: Rs.2,00,53,458/-

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, 2022.

23. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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.

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

No order was passed by any court 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.

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.

Certain cases relating to workmen, which were pending earlier have been resolved fully.

Industrial relations have been cordial and constructive, which have helped your Company to meet customers' 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. Pursuant to this, the Company has requested permission from the Reserve Bank of India for writing off the Investments of £ 108,000 in the Joint Venture.

28. ANNUAL BOARD EVALUATION:

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

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. 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**.

31. LISTING WITH STOCK EXCHANGE:

The Company confirms that it has paid the Annual Listing fees for the Financial Year 2022-23 to BSE Limited where the Company's Shares are listed.

32. CORPORATE GOVERNANCE AND SHAREHOLDERS' INFORMATION

A separate Report on Corporate Governance in terms of Regulation 34 of the Listing Regulations along with a Certificate from a Practicing Company Secretary regarding compliance to the conditions stipulated under Chapter IV of the Listing Regulations is attached to this report as **Annexure V**.

33. CAPITAL EXPENDITURE:

As on 31st March, 2022, the gross tangible and intangible assets stood at Rs. 1,64,17,389/- and the net tangible and intangible assets stood at Rs. 5,45,094/-. Additions during the financial year amounted to Rs. 34,592/-. The Company has not purchased any assets under lease.

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

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

The following is a summary of sexual harassment complaints received and disposed off during the Financial Year 2021-22:

No. of complaints received: NIL

No. of complaints disposed off: NIL

35. MANAGEMENT DISCUSSION AND ANALYSIS:**ECONOMIC SCENARIO AND OUTLOOK**

Covid 19 has subsided. Component shortage is still a challenge. While situation is improving, supply chains of electronics components are not up to the mark as yet. Further, raw material cost is increasing. Shortage of Semiconductor components persist. The Company is trying its best to overcome the challenges by judicious planning and execution.

INDUSTRY OUTLOOK AND OPPORTUNITIES

IIP & PMI have historically been good indicators for business sentiments in Capital Goods Order Intake. Industrial production in India grew marginally beating market expectations. The S&P Global India Manufacturing increased in March beating market expectations. The latest reading marked tenth straight month of expansion in the manufacturing sector, due to faster expansions in both new orders and output, amid an easing of covid-19 restrictions.

However, the Company has new customised solutions which are well accepted by the customers. Microsoft have announced new road maps for Windows Embedded with better security features which are the need of the hour. Moreover, customers are adopting cloud computing at a fast pace. This will also help our business.

36. DISCLOSURE REQUIREMENTS:

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

37. MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company had met on 10th February, 2022 during the year to review the performance of Non-Independent Directors and the Board as a whole, to review the performance of the Non-Executive Directors and other items as stipulated under the Listing Regulations. The Independent Directors have also declared their independence.

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

No Director has received any commission from your Company.

39. DISCLOSURE RELATING TO REMUNERATION OF EMPLOYEES:

There are no employees receiving remuneration more than Rs. 1,02,00,000/- (Rupees One Crore Two Lakhs only) per annum and /or Rs. 8,50,000/- (Rupees Eight Lakhs Fifty Thousand only) per month. Therefore, statement/disclosure pursuant to Sub Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required.

There are no employees posted and working in a country outside India, not being Directors or relatives, drawing more than Rs. 60,00,000/- (Rupees Sixty Lakhs only) per financial year or Rs. 5,00,000/- (Rupees Five Lakhs only) per month as the case may be. Therefore statement/disclosure pursuant to Sub Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be circulated to the members and is not attached to the Annual Report.

40. INVESTORS' EDUCATION AND PROTECTION FUND:

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

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

41. REPORTING OF FRAUD:

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

42. COMPLIANCE WITH THE APPLICABLE SECRETARIAL STANDARDS:

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

43. MAINTENANCE OF COST RECORDS:

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

44. REVISION OF FINANCIAL STATEMENT OR THE REPORT:

As per the Secretarial Standards-4 in case the company has revised its financial statement or the Report in respect of any of the three preceding financial years either voluntarily or pursuant to the order of a judicial authority, the detailed reasons for such revision shall be disclosed in the Report of the year as well as in the Report of the relevant financial year in which such revision is made.

In your Company, no revision of Financial Statement took place in any of the three preceding financial years under consideration.

45. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):

There is no such process initiated during the year, therefore the said clause is not applicable to the Company.

46. FAILURE TO IMPLEMENT ANY CORPORATE ACTION:

No such events took place during the year under consideration.

47. CREDIT RATING OF SECURITIES:

Your Company has not obtained any rating from the credit rating agency for the securities during the year. Therefore, the said clause is not applicable to the Company.

48. ACKNOWLEDGEMENTS:

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

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

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

For and on behalf of the Board of Directors of
VXL Instruments Limited

Place: Bengaluru
Date: 26.05.2022

Shruti Bhuwania
Director
DIN: 06630867
Address: 99, Dariya Mahal,
17th Floor, 80, Nepeansea Road,
Malabar Hill, Mumbai - 400006

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

ANNEXURE I

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
VXL Instruments Limited
Mumbai

Dear Sirs,

We undertake to comply with the conditions laid down under Section 149 and Schedule IV of the Companies Act, 2013 read with the provisions of Listing Regulations in relation to conditions of independence and in particular:

- 1) Apart from receiving director sitting fees/commission, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the immediately three preceding financial years or during the current financial year;
- 2) None of my relatives:
 - a) is holding any security of or interest in the Company, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value not exceeding Rs. 50 lakhs or 2 % of the paid-up capital of the Company, its holding, subsidiary or associate company or such higher sum as may be prescribed;
 - b) is indebted to the Company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the three immediately preceding financial years or during the current financial year;
 - c) has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate company or their promoters, or directors of such holding company; for such amount as may be specified during the three immediately preceding financial years or during the current financial year;
 - d) has any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate company amounting to two per cent or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (b), (c) or (d);
- 3) Neither I nor any of my relatives:
 - a) holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company or any company belonging to the promoter group of the listed entity, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of:
 - i) a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
 - ii) any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

- c) holds together with my relatives two per cent or more of the total voting power of the listed entity; or
 - d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts or corpus from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the Company;
 - e) is a material supplier, service provider or customer or a lessor or lessee of the listed entity;
- 4) I meet the criteria of other qualifications as prescribed under Rule 5 of the (Companies Appointment and Qualification Rules), 2014.
- 5) I am not less than 21 years of age.
- 6) I am not a non-independent director of another company on the board of which any non-independent director of the listed entity as an independent director
- 7) I have registered with the Independent Directors Data Bank maintained by Indian Institute of Corporate Affairs on the <https://www.independentdirectorsdatabank.in>.
- 8) I affirm to make an application for renewal for a further period of one year or five years or for the life-time, within a period of thirty days from the date of expiry of the period up to which my name was applied for inclusion in the data bank.

Hema Thakur Kiran
Independent Director
DIN - 01363454

Anita Jaiswal
Independent Director
DIN - 08485642

ANNEXURE II

**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2022**

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

To
The Members
VXL INSTRUMENTS LIMITED
(CIN: L85110MH1986PLC272426)

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by VXL Instruments Limited for the financial year ended on 31.03.2022 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, 2018;
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (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, 2013 and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (h) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- (j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (k) Circulars/Guidelines issued there under;

(vi) There are no specific laws applicable to the Company pursuant to the business carried by the Company.

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

(1) Employer/Employee Related laws & Rules:

- i. The Factories Act, 1948
- ii. The Employees State Insurance Act, 1948
- iii. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- iv. The Contract Labour (Regulation & Abolition) Act, 1970
- v. The Minimum Wages Act, 1948
- vi. The Payment of Wages Act, 1936
- vii. The Payment of Gratuity Act, 1972
- viii. The Payment of Bonus Act, 1965
- ix. The Maternity Benefits Act, 1961
- x. The Equal Remuneration Act, 1976
- xi. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
- xii. The Karnataka Labour Welfare Fund Act, 1965
- xiii. The Apprentices Act, 1961
- xiv. The Industrial Employment Standing Orders Act, 1946
- xv. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
- xvi. The Karnataka Industrial Establishments (National and Festival Holidays) Act, 1963
- xvii. The Karnataka Public Safety (Measures) Enforcement Act, 2017
- xviii. Karnataka Shops & Commercial Establishment Act, 1961

(2) Environment Related Acts & Rules:

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

(3) Economic/Commercial Laws & Rules:

- i. The Competition Act, 2002
- ii. The Indian Contract Act, 1872
- iii. The Sales of Goods Act, 1930
- iv. The Forward Contracts (Regulation) Act, 1952
- v. The Indian Stamp Act, 1899
- vi. The Transfer of Property Act, 1882
- vii. The Patents Act, 1970
- viii. The Trade Marks Act, 1999
- ix. The Explosives Act, 1884
- x. Legal Metrology Act, 2009

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

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above as may be applicable during the year under review.

Certain non material findings made during the course of the audit relating to the provisions of Companies Act, Secretarial Standards, Labour Laws and SEBI (LODR) Regulations which were addressed suitably to the Management.

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

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

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

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 instance.

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

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

Place: Bengaluru

Date: 26.05.2022

Vijayakrishna K T
Company Secretary
FCS: 1788 CP: 980
UDIN: F001788D000393520

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

'Annexure'

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

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

Place: Bengaluru
Date: 26.05.2022

Vijayakrishna K T
Company Secretary
FCS: 1788 CP: 980
UDIN: F001788D000393520

**ANNEXURE III
FORM No. AOC.2**

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 arm's 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.	Particular	Details			
1	Name(s) of the related party and nature of relationship	Brent Properties Investment Private Limited	Delta Technologies Ltd.	VXL Software Pvt Ltd	Mr Rishabh Shetty
2	Nature of contracts /arrangements /transactions	Leave and License Agreement	Purchases, Sales and Services	Purchases, Sales and Services	Remuneration
3	Duration of the contracts/ arrangements /transactions	Ongoing - based on rental agreement	Ongoing - based on periodical requirements	Ongoing - based on periodical requirements	Ongoing
4	Salient terms of the contracts or arrangements or transactions	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.	Based on Orders procured by Delta Technologies Ltd. Overseas Sale of thin clients, Sale of software are carried out through Delta Technologies Ltd.	Based on Orders procured by VXL Software Pvt Ltd Domestic Annual Maintenance Contracts, service of thin clients, Sale of software are carried out through VXL Software Pvt Ltd	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 Financial Year 2021-22 Rs. 9,72,000/-	Transaction value for the Financial Year 2021-22 (till 25 th August, 2021) Rs. 70,44,755/-	Transaction value for the Financial Year 2021-22 Rs. 64,44,585/- (Sales) & Rs. 63,38,608/- (Purchase)	Transaction value for the Financial Year 2021-22 Rs. 8,75,040/-
		Estimated Transaction Value for the Financial Year 2022-23 Rs. 15,00,000/-	NA	Estimated Transaction Value for the Financial Year 2022-23 Rs. 60,00,000/-	Estimated Transaction Value for the Financial Year 2022-23 Rs. 10,00,000/-
6.	Date of approval by the Board	28 th June, 2021			
7.	Amount paid as advances	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors of
VXL Instruments Limited

Place: Bengaluru
Date: 26.05.2022

Shruti Bhuwania
Director
DIN: 06630867
Address: 99, Dariya Mahal,
17th Floor, 80, Nepeansea Road,
Malabar Hill, Mumbai- 400006

M. V. Shetty
Whole Time Director
DIN: 00515711
Address: No 317, 5th Main,
1st Block, Koramangala,
Bengaluru-560034

ANNEXURE – IV

THE RATIO OF THE REMUNERATION OF EACH DIRECTOR

<u>Requirements</u>	<u>Disclosures</u>
(i) The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the Financial Year;	Whole-Time Director Mr. M. V. Shetty 6.91:1
(ii) The percentage increase in aggregate remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or manager, if any, in the Financial Year;	Whole-Time Director: Nil % CFO & Company Secretary: Nil%
(iii) The percentage increase in the median remuneration of employees in the Financial Year;	44.07%
(iv) The number of permanent employees on the rolls of Company as on 31/03/2022	As on 31 st March 2022 44 Members
(v) The explanation on the relation 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 Personnel is based on remuneration policy of the company.
(vii) Variations in the market capitalisation of the Company, price earning ratio as at 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 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

VXL Instruments Limited

(ix) Comparison of the 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
VXL Instruments Limited

Place: Bengaluru
Date : 26.05.2022

Shruti Bhwania
Director
DIN: 06630867
Address: 99, Dariya Mahal, 17th Floor
80, Nepeansea Road, Malabar Hill,
Mumbai - 400006

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

Annexure V

REPORT ON CORPORATE GOVERNANCE

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.

The Company has adhered to Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

2. BOARD OF DIRECTORS:

The Company currently has 4 (four) Directors comprising of 1 (One) Executive Director, 1 (one) Woman Non-executive non independent Director and 2 (Two) Non-Executive Independent Directors.

As at the financial year ended March 31, 2022, the Board of Directors of the Company comprised of optimum combination of Executive and Non-Executive Directors including a Woman Director.

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 ended 31st March, 2022 are exhibited below:

Name of Directors	DIN	Category of Directorship	Inter-se relationship	No. of Board Meetings attended	Whether attended last AGM	No. of Directorship in other Companies incorporated in India	No. of Committee membership, Members/Chairman in other Companies in India	Names of the listed entities where the person is a director and Category
Mr. Vittal Mangalore Shetty	00515711	Whole-Time Director	Nil	7	Yes	Nil	Nil	Nil
Mr. Vivek Gupta	00025519	Non-Executive and Independent Director	Nil	2	NA	3	Nil	Nil
Mrs. Mini Bhuwania	08640692	Non-Executive and Non-Independent Director	Nil	1	NA	1	Nil	Priya Limited- Non-Executive Non-Independent
Mr. Rakesh Shridas Damani	07580652	Non-Executive and Independent Director	Nil	2	NA	1	Nil	Nil
Ms. Shruti Bhuwania	06630867	Non-Executive and Non-Independent Director	Nil	4	Yes	Nil	Nil	Nil
Ms. Hema Thakur Kiran	01363454	Non-Executive and Independent Director	Nil	3	Yes	1	1	Eurotex Industries And Exports Limited Non-Executive - Independent Director
Ms. Anita Jaiswal	08485642	Non-Executive and Independent Director	Nil	3	Yes	1	2	Waaree Renewable Technologies Limited- Non-Executive - Independent Director
Mr. Radhakrishna Kunjal Saraswat	08485642	Non-Executive and Independent Director	Nil	Nil	No	3	5	1.Priya International Limited 2. Priya Limited 3.Datamatics Global Services Limited - Non-Executive - Independent Director

Notes:

- 1) Mr. Vivek Gupta resigned from the office of Non Executive Independent Director from the closure of business hours of 28th June, 2021. The resignation was due to personal tasks i.e., preoccupation and not able to devote sufficient time to the Company and there is no other material reason for his resignation which is in pursuance of Regulation 30 read with Clause (7B) of Schedule III Part A of the Listing Regulations.
- 2) Mr. Rakesh Shridas Damani resigned from the office of Non Executive Independent Director from the closure of business hours of 01st July, 2021. The resignation was due to unforeseen personal commitments and there is no other material reason for his resignation which is in pursuance of Regulation 30 read with Clause (7B) of Schedule III Part A of the Listing Regulations.
- 3) Ms. Shruti Bhuwania was appointed as an Additional Director on 10th July, 2021 at the Board Meeting, on the basis of recommendation by the Nomination and Remuneration Committee and was subsequently appointed as Non-Executive-and Non-Independent Director at the Annual General Meeting held on 27th September, 2021.
- 4) Ms. Hema Thakur Kiran was appointed as an Additional Director and Independent Director for the term of 5 years on 29th July, 2021 at the Board Meeting, on the basis of recommendation by the Nomination and Remuneration Committee and was subsequently appointed as Non-Executive and Independent Director at the Annual General Meeting held on 27th September, 2021.
- 5) Ms. Anita Jaiswal was appointed as an Additional Director and Independent Director for the term of 5 years on 29th July, 2021 at the Board Meeting, on the basis of recommendation by the Nomination and Remuneration Committee and was subsequently appointed as Non-Executive and Independent Director at the Annual General Meeting held on 27th September, 2021.
- 6) Ms. Mini Bhuwania resigned from the office of Non Executive and Non Independent Director from the closure of business hours of 25th August, 2021.
- 7) Mr. Radhakrishna Kunjilal Saraswat was appointed as a Non Executive-Independent Director at the Annual General Meeting held on 27th September, 2021 by way of Special Resolution. His office was ceased as Non Executive-Independent Director w.e.f. 02nd March, 2022 due to his sad demise.
- 8) In terms of the provisions of the Companies Act, 2013 and Articles of Association of the Company, Ms. Shruti Bhuwania, Non Executive Director (holding DIN: 06630867), retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

The Company has issued letters of appointment to all the Independent Directors as per Schedule IV to the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company at <https://www.vxl.net/investors/independent-directors>.

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

As required by law, brief profiles and other particulars of the Directors seeking appointment/ re-appointment are given in the Notice convening the 36th Annual General Meeting.

Only memberships in Audit Committee and Stakeholders' Relationship Committee have been reckoned for other committee memberships.

The above table excludes directorships in Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

SHARES HELD BY NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors as on 31st March, 2022, who held Shares in the Company, are as under:

Name of Directors	Number of Shares held
Mrs. Shruti Bhuwania	Nil
Ms. Hema Thakur Kiran	Nil
Ms. Anita Jaiswal	Nil

Skills, Expertise and Competence of the Board of Directors

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

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

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

Name of the Director	Areas of expertise					
	1	2	3	4	5	6
Mr. M.V. Shetty	✓	✓	✓	✓	✓	✓
Mrs. Shruti Bhuwania	✓	✓	✓	✓	✓	✓
Ms. Hema Thakur Kiran	✓	✓	✓	✓	✓	✓
Ms. Anita Jaiswal	✓	✓	✓	✓	✓	✓
Mr. Radhakrishna Kunjal Saraswat	✓	✓	✓	✓	✓	✓

DETAILS OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR:

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

The Board of Directors duly met Seven (7) times during the financial year on 2nd June 2021, 28th June 2021, 10th July 2021, 29th July 2021, 12th August 2021, 12th November 2021 and 10th February 2022.

The Board at its Meetings reviewed compliance reports prepared by the Company on quarterly basis.

On need basis, the Directors also considered and passed Resolutions by Circulation in full compliance with the applicable laws.

Compliance with the Code of Conduct for prevention of Insider Trading

The Code of Conduct for Prevention of Insider Trading pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time and approved by the Board of Directors, inter alia, prohibits trading in securities of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company. The code of conduct is available on the website of the Company at <https://www.vxl.net/investors/disclosures>.

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Independent Directors' Meeting:

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

During the financial year under review, the Independent Directors met on 10th February, 2022, *inter alia*, to discuss:

- Evaluation of the performance of the Non-Independent Directors and the Board as a whole
- Evaluation of the quality, content and time lines 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., Ms. Hema Thakur Kiran and Ms. Anita Jaiswal were present at the Meeting.

3. AUDIT COMMITTEE:

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

Due to the resignation of Mr. Vivek Gupta and Mr. Rakesh Shridas Damani, the Audit Committee was re-constituted on 29th July, 2021 comprising of Ms. Hema Thakur Kiran as Chairperson, Ms. Anita Jaiswal and Mr M. V. Shetty as Members of the Committee.

As on 31st March, 2022, the Audit Committee comprised of following:

- Ms. Hema Thakur Kiran - Chairperson
- Ms. Anita Jaiswal - Member
- Mr. M.V. Shetty - Member

Meetings and the attendance during the financial year

The Committee met 5 (Five) times during the financial year on 2nd June 2021, 28th June 2021, 12th August 2021, 12th November 2021 and 10th February 2022.

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

Name of Members	No. of Meetings entitled to attend	No. of Meetings attended
Mr. Vivek Gupta	2	2
Mr. Rakesh Shridas Damani	2	2
Mr. M V Shetty	5	5
Ms. Hema Thakur Kiran	3	3
Ms. Anita Jaiswal	3	3

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

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

- c) Approval of payment to the Statutory Auditors for any other services rendered by them;
- d) Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval,
- e) Reviewing, with the management, the quarterly Financial results before submission to the board for approval
- f) Reviewing the statement of significant related party transactions, if any
- g) Discussion with internal auditors of any significant findings

4. NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Board has constituted Nomination and Remuneration Committee.

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

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

Due to the resignation of Mr. Vivek Gupta, Mr. Rakesh Shridas Damani and Ms Mini Bhuwania, the Nomination and Remuneration Committee was re-constituted on 29th July, 2021 comprising of Ms. Hema Thakur Kiran as Chairperson, Ms. Anita Jaiswal and Ms Shruti Bhuwania as Members of the Committee.

As on 31st March, 2022, the Nomination and Remuneration Committee was comprised of the following Members:

- a) Ms. Hema Thakur Kiran - Chairperson
- b) Ms. Anita Jaiswal - Member
- c) Ms. Shruti Bhuwania - Member

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The Committee met 2 (Two) times during the financial year on 1st July 2021, 12th August 2021.

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

Name of Members	No. of Meetings entitled to attend	No. of Meetings attended
Mr. Rakesh Shridas Damani	1	1
Ms. Mini Bhuwania	1	1
Ms. Hema Thakur Kiran	1	1
Ms. Anita Jaiswal	1	1
Ms. Shruti Bhuwania	1	1

PERFORMANCE EVALUATION:

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

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

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

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

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

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

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

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

This Committee looks into redressing of Shareholders' complaints like non-transfer of Shares, non-receipt of Annual Report.

Due to the resignation of Mr. Vivek Gupta and Mr. Rakesh Shridas Damani the Stakeholders' Relationship Committee was re-constituted on 29th July, 2021 comprising of Ms. Hema Thakur Kiran as Chairperson, Ms. Anita Jaiswal and Mr M. V. Shetty as Members of the Committee.

As of 31st March, 2022, the Committee comprised of following members.

- a) Ms. Hema Thakur Kiran - Chairperson
- b) Ms. Anita Jaiswal - Member
- c) Mr. M V Shetty - Member

The Committee met once during the financial year on 10th February, 2022 and all the Members of this committee were present at the Meeting.

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

Based on information provided by the Company's Registrar & Share Transfer Agents, the status of investor's grievances for the financial year ended March 31, 2022 is as follows:

Particulars	Total No. of Complaints received	Complaints Pending
Direct	NIL	NIL
Through Stock Exchange/SEBI	NIL	NIL

COMPLIANCE OFFICER AND ADDRESS FOR CORRESPONDENCE:

Mr. Mahesh Kumar K V
Chief Financial Officer and Compliance Officer
VXL Instruments Limited
1783, Sector -1, Phoenix House
19th Main, HSR Layout
Bengaluru-560 102, Karnataka
Mobile:+022 - 28245210
Email:cs@vxl.net ; Web:www.vxl.net

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

6. REMUNERATION OF DIRECTORS:

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

The details of remuneration paid to the Directors during the financial year 2021-22 are stated below:

a. Executive Directors:

(Amount in Rs.)

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

b. Non-Executive Directors:

(Amount in Rs.)

Name	Sitting Fees	Commission
Mr. Vivek Gupta	24,000/-	Nil
Mr. Rakesh Shridas Damani	30,000/-	Nil
Ms. Mini Bhuvania	18,000/-	Nil
Ms. Shruti Bhuvania	24,000/-	Nil
Ms. Hema Thakur Kiran	48,000/-	Nil
Ms. Anita Jaiswal	48,000/-	Nil
Mr. Radhakrishna Kunjlal Saraswat	Nil	Nil
Total	1,92,000/-	

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Service Contract / Notice Period / Severance Fee:

- a) The Contract of Service entered into by the Company with Mr. Mahesh Kumar, Chief Financial Officer provides that the Company and the Executive Directors shall be entitled to terminate the agreement by giving 3 months' notice in writing on either side.
- b) No severance fee is payable by the Company to the Executive Directors on termination of the agreement.

7. GENERAL BODY MEETINGS:

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

Year	Date	Time	Venue
2018-19	27th September, 2019	12:00 Noon	Hall of Quest, Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018
2019-20	18th December, 2020	2:00 P.M	Through Video Conferencing
2020-21	27th September, 2021	12:00 Noon	Through Video conferencing

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

27th September, 2019	1. Re-classification of the Promoters of the Company 2. Re-Appointment of Mr. M V Shetty as Whole Time Director of the Company
18th December, 2020	1. Re-classification of the Promoters of the Company
27th September, 2021	1. Appointment of Mr. Radhakrishna Kunjilal Saraswat(DIN: 00015095), as an Independent Director of the Company 2. Continue the Directorship of Mr. M V Shetty(DIN: 00515711), as Whole Time Director of the Company, who will attain the age of 70 years on 7 th March, 2022

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

8. SUBSIDIARY COMPANY:

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

9. 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.

10. MEANS OF COMMUNICATION:

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

11. CEO AND CFO CERTIFICATION:

The CEO and CFO of the Company have certified to the Board of Directors, *inter-alia*, the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under the Listing Regulations, for the period ended 31st March, 2022.

12. 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 <https://www.vxl.net/investors/disclosures>. Requisite annual affirmations of compliance with respective codes have been made by the Directors and Senior Management of the Company for the period 1st April, 2021 to 31st March, 2022.

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

Code of Conduct for Directors and Senior Management
CEO Confirmation

I hereby confirm that:

The Company has obtained from the Directors and Senior Management personnel affirmation that they have complied with the above code for, and in respect of the year ended 31st March, 2022.

Place: Bengaluru

M V Shetty

Date: 26.05.2022

Whole-Time Director

DIN: 00515711

13. GENERAL SHAREHOLDERS' INFORMATION:

AGM: Date : 21st September, 2022
Time : 12.00 Noon
Venue : Through Video Conference

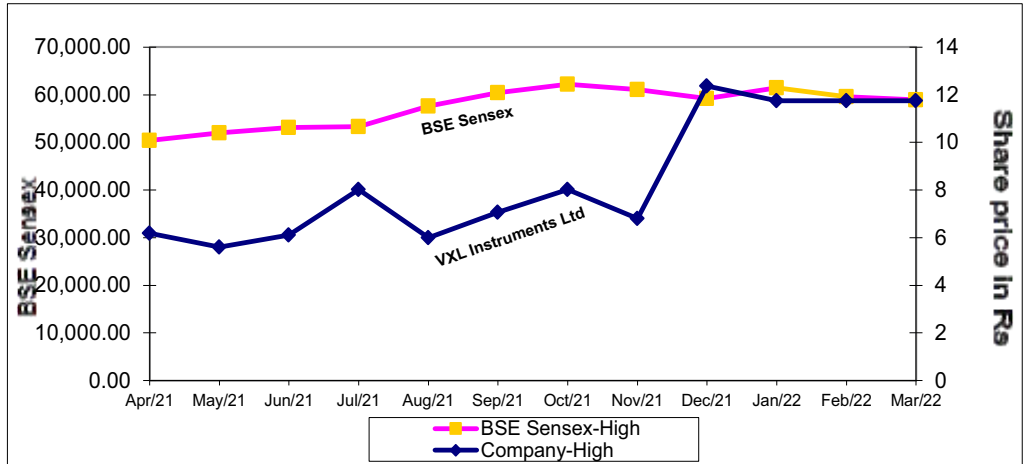
Financial calendar: 1st April, 2021 to 31st March, 2022
Date of Book Closure: 15th September, 2022 to 21st September, 2022
Dividend payment(s): Nil
Listing on Stock Exchange: BSE Limited
Scrip Code is 517399 in the BSE Limited

14. STOCK MARKET (BSE) PRICE DATA FOR THE YEAR:

(Amount in Rs.)

Month	BSE Sensex		Company Market Price	
	High	Low	High	Low
April 2021	50,375.77	47,204.50	6.18	3.99
May 2021	52,013.22	48,028.07	5.60	4.59
June 2021	53,126.73	51,450.58	6.11	4.18
July 2021	53,290.81	51,802.73	8.02	5.52
August 2021	57,625.26	52,804.08	6.00	5.50
September 2021	60,412.32	57,263.90	7.06	5.56
October 2021	62,245.43	58,551.14	8.02	6.15
November 2021	61,036.56	56,382.93	6.81	5.22
December 2021	59,203.37	55,132.68	12.36	5.32
January 2022	61,475.15	56,409.63	11.75	11.17
February 2022	59,618.51	54,383.20	11.75	11.17
March 2022	58,890.92	52,260.82	11.75	11.17

Share price performance in comparison with BSE Sensex*



*Based on BSE Sensex (High) / share price (High) on the last trading day of the month.

15. REGISTRAR AND TRANSFER AGENTS:

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

Their address is furnished below:

Big Share Services Private Limited
 Office No S6-2, 6th Floor, Pinnacle Business Park,
 Next to Ahura Centre, Mahakali Caves Road,
 Andheri (East) Mumbai – 400093.
 Contact No: 022 62638200, DIR : 022 62638268
 Fax No: +91 22 62638299 | 7045454391
 E-mail: info@bigshareonline.com

16. SHARE TRANSFER SYSTEM:

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

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

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

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

18. DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2022:

Face Value Rs.10/-

Range in Rs.	No. of Shareholders	% of Total Share Holders	Total Holding in Rs.	% of Total Capital
1 - 5,000	3,966	89.3444	49,47,030	3.7126
5,001 - 10,000	207	4.6632	16,95,260	1.2723
10,001 - 20,000	118	2.6583	17,75,320	1.3323
20,001 - 30,000	38	0.8560	9,59,960	0.7204
30,001 - 40,000	14	0.3154	5,10,820	0.3834
40,001 - 50,000	11	0.2478	5,18,390	0.3890
50,001 - 1,00,000	38	0.8560	25,82,310	1.9380
1,00,001 & above	47	1.0588	12,02,58,910	90.2519
Total	4,439	100.0000	13,32,48,000	100.0000

Shareholding pattern as on 31st March, 2022:

Category	No. of Shares	% Holding
A. Directors, Promoters & Promoters' Group Shareholding		
Directors	-	-
Promoters and Promoters' Group	11,23,932	8.4349
Total A	11,23,932	8.4349
B. Public Shareholding		
Mutual Funds	3,000	0.0225
Financial Institutions	900	0.0068
Body Corporate	12,56,415	9.4291
NRI	53,14,459	39.8840
Foreign Portfolio Investors	42,645	0.3200
FOREIGN NATIONALS	4,37,600	3.2841
FOREIGN COMPANY	-	-
Shares in Transit	-	-
Clearing Member	5,000	0.0375
Overseas Bodies Corporate	27,10,600	20.3425
General Public/HUF	24,30,149	18.2378
TRUSTS	100	0.0008
Total B	1,22,00,868	91.5651
Total A + B	1,33,24,800	100.0000

19. DEMATERIALIZATION OF SHARES AND LIQUIDITY:

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

Category	Number of Shares	% of Total Issued Capital
Held in dematerialized Form in CDSL	12,48,354	9.37
Held in dematerialized Form in NSDL	95,14,546	71.40
Physical	25,61,900	19.23

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

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

21. ANNUAL CUSTODY / ISSUER CHARGES:

The Company has paid the Annual Custody / Issuer charges for the financial year 2021-2022 to NSDL and CDSL.

22. CERTIFICATION ON CORPORATE GOVERNANCE:

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

23. SECRETARIAL COMPLIANCE CERTIFICATE:

Pursuant to the provisions of the Listing Regulations, the Company has obtained annual 'Secretarial Compliance Certificate' for the financial year 2021-22 in the prescribed format from a practising Company Secretary and filed the same with the Stock Exchange in the prescribed time limit.

24. OTHER DISCLOSURES:

(i) Materially Significant Related Party Transactions

The Company has complied with the requirements of the Companies Act, 2013 and the Listing Regulations on Related Party Transactions. Prior approvals for all Related Party Transactions (RPTs) are obtained from the Audit Committee and the Board.

Approval of Shareholders has been obtained for 'Material Related Party Transactions' in the Annual General Meeting of the Company. Further ratification for approving the transactions that had exceeded the limit during the year, was sought by the Board from Audit committee. After approval by Audit Committee the same is proposed for ratification to the Shareholders in the ensuing Annual General Meeting.

(ii) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.

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

(iii) Vigil Mechanism

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

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

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

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

(v) As the Company has no Subsidiary as on date, the requirement of formulating a specific Policy on dealing with material subsidiaries does not arise.

(vi) Web link where policy on dealing with Related Party Transactions

The Company has disclosed the Policy on dealing with Related Party Transactions on its website at <https://www.vxl.net/investors/disclosures>.

(vii) Commodity Price Risk and Commodity hedging activities

The Company is not exposed to material foreign exchange risk on account of import and export transactions entered, as import of goods is happening in Indian Rupees. Also, it is not a sizable user of various commodities, hence not exposed to the price risk on account of procurement of commodities.

(viii) The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). Hence, details of utilization of funds not required

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

(x) The Company has paid Rs. 2,90,000/- to the Statutory Auditors in the financial year 2021-22 for all the services rendered by them to the Company.

(xi) The Board had accepted recommendations of all the Committees of the Board which is mandatorily required during the year.

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

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

(xiii) The Company follows Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The Company has not adopted a treatment different from that prescribed in any Accounting Standard.

(xiv) Disclosure of list of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad is not applicable.

(xv) The Company has complied with all the mandatory requirements of the Chapter IV of the Listing Regulations. As regards the non-mandatory requirements the extent of compliance has been stated in this report against each item.

25. COMPLIANCE WITH DISCRETIONARY REQUIREMENTS:**(i) Shareholder Rights**

The Company's quarterly and half-yearly financial results including summary of the significant events are published in the newspapers and the results were also uploaded on the Company's website. Therefore, no individual intimations were sent to the Shareholders. However, based on the requests from Shareholders, if any, the Company would provide them individually.

(ii) Audit qualifications

There are no qualifications/ unmodified audit opinion in the Auditors' Report on the Accounts for the year ended 31st March, 2022.

(iii) Reporting of Internal Auditor

The Internal Auditor / Audit Firm report directly to the Audit Committee.

VXL Instruments Limited

26. PLANT LOCATION:

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

27. ADDRESS FOR CORRESPONDENCE:

VXL Instruments Limited
1783, Sector -1, Phoenix House,
19th Main, HSR Layout,
Bengaluru - 560 102, Karnataka
URL : www.vxl.net
CIN : L85110MH1986PLC272426
Email : cfo@vxl.net

28. REGISTERED OFFICE:

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

For and on behalf of the Board of Directors of
VXL Instruments Limited

Place: Bengaluru
Date: 26.05.2022

Shruti Bhwania
Director
DIN: 06630867
Address: 99, Dariya Mahal,
17th Floor, 80, Nepeansea Road,
Malabar Hill, Mumbai- 400006

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

CEO and CFO CERTIFICATION

The Board of Directors
VXL Instruments Limited
Bengaluru

Dear Board Members,

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

1. We have reviewed the Financial Statements and Cash Flow Statement for the year ending 31st March, 2022.
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.

Mahesh Kumar K V
Chief Financial Officer

Vittal Mangalore Shetty
Whole Time Director

Place: Bengaluru
Date : 26.05.2022

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

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, 2022 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: Bengaluru
Date: 26.05.2022

Vijayakrishna KT
Practising Company Secretary
FCS-1788 CP-980
UDIN: F001788D000393432

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members
VXL INSTRUMENTS LIMITED

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of VXL INSTRUMENTS LIMITED having CIN:L85110MH1986PLC272426 and having Registered Office at 252, 5th Floor, Building No. 2, Solitaire Corporate Park, Chakala, Andheri, Mumbai-400093 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2022 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs or any such other Statutory Authority:

Sl. No.	Name of Directors	DIN	Date of appointment in company
1.	Mr. Vittal Mangalore Shetty	00515711	01.10.2010
2.	Ms. Shruti Bhuwania	06630867	10.07.2021
3.	Ms. Hema Thakur Kiran	01363454	29.07.2021
4.	Ms. Anita Jaiswal	08485642	29.07.2021

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

Place: Bengaluru
Date: 26.05.2022

Vijayakrishna KT
Company Secretary
FCS-1788CP-980
UDIN: F001788D000393685

Independent Auditor's Report

To,
The members of VXL Instruments Limited,

Report on the Audit of the Standalone Financial Statements:

Opinion

We have audited the accompanying standalone financial statements of **M/s. VXL Instruments Limited ("the Company")**, which comprise the balance sheet as at March 31, 2022, the statement of Profit and Loss, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- a) We draw your attention to Note No. 9 of the Financial Statement wherein trade receivables reported by the company includes Rs.4.11 Crore is receivable from one of the foreign customers, which is outstanding for more than 1 year and the management of the company is confident of recovering the same.

Our opinion on the financial Statement is not modified in respect of above matter.

Key Audit Matters

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

Sl. No.	Key Audit Matter	Auditor's Response
1.	<p>Revenue Recognition</p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance</p>	<p>Principal Audit Procedures</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including</p> <ul style="list-style-type: none"> ● Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. ● Evaluating the design and implementation of Company's controls in respect of revenue recognition. ● Testing the effectiveness of such controls over revenue cut off at year-end. ● Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period. ● Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditor's report thereon. Such other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action accordingly.

Responsibility of Management for the standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the specified under Section 133 of the Act.
 - (e) On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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 standalone financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there are material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv.
- (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediary"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entity ("Funding Party"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
 - v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013
- 3) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

For YCRJ & ASSOCIATES

Chartered Accountants

Firm's Registration No: 006927S

Place: Bengaluru

Date: 26.05.2022

Vijayendra R Nayak

Partner

M. No. 203184

ICAI:UDIN:22203184AJQJCK9559

“Annexure A” to the Independent Auditors Report

(Referred to in paragraph 2(f) under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the standalone financial statements of the company for the year ended 31st March, 2022)

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) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets. (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As per the information and explanation given to us, all Property, Plant and Equipment, right-of-use assets and other Intangible assets have been physically verified by the management during the year which in our opinion, is reasonable having regard to size of the company and the nature of its assets. As explained to us no material discrepancies were noticed on such verification.
- (c) As per the information and explanation given to us and based on the examination of the records of the Company, there are no immovable properties held by the company. Hence reporting under clause 3(i)(c) of the Order is not applicable.
- (d) As per the information and explanation given to us the Company has not revalued any of its Property, Plant and Equipment (including right of-use assets).
- (e) As per the information and explanation given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- (ii)
- (a) The management has conducted physical verification of inventory at reasonable intervals during the year, in our opinion, the coverage and procedure of such verification by the management is appropriate. As informed to us, any discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such verification.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) As per the information and explanation given to us, the company has not made investments in, provided any guarantee or security or granted any loans, secured or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties. Hence reporting under clause 3(iii) of paragraph 3 of the Order are not applicable.
- (iv) As per the information provided and explanation given to us, there are no loans, investments, guarantees, and security under section 185 and 186 of the Companies Act 2013. Hence the provisions of clause 3(iv) of paragraph 3 of the Order are not applicable.
- (v) As per the information provided and explanation given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) We have been informed that maintenance of cost records under sub section (1) of section 148 of the companies Act 2013 and the rules made there under are not applicable relating to the operations of the company and hence the requirements of clause 3(vi) of the Order is not applicable .

VXL Instruments Limited

(vii)

(a) As per the information and explanations given to us, the company has generally been regular in depositing undisputed statutory dues including Goods and service tax, provident fund, income-tax, cess and other statutory dues to the appropriate authorities. As explained to us, the company did not have any dues on account of employee's state insurance, duty of customs and duty of excise.

As per the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as on March 31, 2022 for a period of more than 6 months from the date they became payable.

(b) As per the information and explanations given to us, the following statutory dues have not been deposited on account of dispute:

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

(viii) As per the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961). Hence, reporting under clause 3(viii) of the Order is not applicable.

(ix) As per the information and explanations given to us, the company does not have any loans or borrowings from a financial institution, bank, Government or issued any debenture. Hence, reporting under clause 3(ix) of the Order is not applicable.

(x) As per the information and explanations given to us, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, reporting under clause 3(x) of the Order is not applicable.

(xi)

(a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As per the information and explanation given to us, the Company has not received any whistle blower complaints during the year.

(xii) The company is not a Nidhi Company. Hence, reporting under clause 3(xii) of the Order is not applicable.

(xiii) As per the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- (xiv)
- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) As per the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and also is not a core investment company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Hence, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year and below are the details of the same.

Financial Year	Amount of Cash loss (Rs. In Lakhs)
2020 -21	229.06
2021 -22	0.66

- (xviii) There has been no resignation of the statutory auditors of the Company during the year and hence clause 3(xviii) is not applicable to the company.

On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors' and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xix)
- (a) As per the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) As per the information and explanations given to us, there are no ongoing projects, where the Company has any unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year as per the provision of section 135(6) of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For YCRJ & ASSOCIATES
Chartered Accountants
Firm's Registration No: 006927S

Vijayendra R Nayak
Partner

M. No. 203184

ICAI:UDIN:22203184AJQJCK9559

Place: Bengaluru

Date: 26.05.2022

Annexure - B to the Auditors' Report

(Referred to in paragraph 2(f) under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the standalone financial statements of the company for the year ended 31st March, 2022)

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 M/s. VXL Instruments Limited ("the Company") as of 31st March, 2022 in conjunction with our audit of the standalone 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, 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 issued by the Institute of Chartered Accountants of India.

For YCRJ & ASSOCIATES

Chartered Accountants

Firm's Registration No: 006927S

Place: Bengaluru

Date: 26.05.2022

Vijayendra R Nayak

Partner

M. No. 203184

ICAI:UDIN:22203184AJQJCK9559

BALANCE SHEET AS AT 31st MARCH, 2022

(Amount in INR Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current Assets			
Property, plant and equipment	1	27.66	34.88
Intangible assets	2	0.13	0.28
Right of Use Asset	3	39.03	41.46
Financial assets			
(i) Investments	4	0.11	0.11
(ii) Trade Receivables	5	-	-
(iii) Loans		-	-
(iv) Other financial assets	6	9.36	8.83
Other non-current assets	7	30.55	26.41
Total Non-current Assets		106.84	111.96
Current Assets			
Inventories	8	97.17	128.65
Financial assets			
(i) Trade receivables	9	1,134.61	962.53
(ii) Contract Assets		-	-
(iii) Cash and cash equivalents	10	17.26	85.17
(iv) Other bank balance	11	42.34	40.38
(v) Loans	12	0.26	0.19
(va) Other financial assets	13	12.01	19.94
Current tax assets (Net)	14	13.52	126.52
Other current assets	15	96.23	125.32
Total Current Assets		1,413.42	1,488.71
Total Assets		1,520.27	1,600.67
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	1,333.59	1,333.59
Other Equity	17	(762.11)	(755.59)
Total Equity		571.48	578.00

BALANCE SHEET AS AT 31st MARCH, 2022 (Cont...)

(Amount in INR Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	18	128.60	138.60
(ia) Lease liabilities	19	10.15	-
Provisions	20	54.54	49.33
Total Non-current Liabilities		193.29	187.93
Current liabilities			
Financial liabilities			
(i) Borrowings	21	0.88	2.66
(ia) Lease liabilities	22	31.79	42.49
(ii) Trade payables	23		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	23(a)	3.07	2.59
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	23(b)	473.81	442.70
(iii) Other financial liabilities	24	187.78	179.94
Provisions	25	19.20	17.70
Contract Liabilities	26	0.58	1.44
Current Tax Liabilities	27	-	123.47
Other current liabilities	28	38.39	21.75
Total Current Liabilities		755.50	834.74
Total Liabilities		948.79	1,022.67
Total Equity and Liabilities		1,520.27	1,600.67

Notes on Accounts forming part of Financial Statements in Note-41 & Significant Accounting Policies in Note-42

For and on behalf of the Board

As per our report attached of even date

For YCRJ & ASSOCIATES

Chartered Accountants

Firm's Registration No: 006927S

Vijayendra R Nayak

Partner

M. No. 203184

Shruti Bhuwania

Director

DIN : 06630867

M. V. Shetty

Wholetime Director

DIN : 00515711

Place: Bengaluru

Date: 26-05-2022

ICAI:UDIN:22203184AJQJCK9559

Roopa Hegde

Company Secretary

Mahesh Kumar K V

Chief Financial Officer

VXL Instruments Limited

Statement of profit and loss for the year ended 31st March 2022

(Amount in INR Lakhs)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	29	1,331.65	766.52
Other income	30	25.64	12.08
Total Income		1,357.29	778.60
Expenses			
Cost of materials consumed	31	786.41	555.08
Purchase of stock-in-trade	32	-	-
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	33	14.28	(3.26)
Employee benefits expenses	34	350.11	326.97
Finance Costs	35	17.37	46.56
Depreciation & Amortisation	36	39.01	66.81
Other Expenses	37	169.21	209.73
Total expenses		1,376.37	1,201.88
Profit before exceptional items and tax expense		(19.09)	(423.28)
Add: Exceptional items	38	-	319.84
Profit before tax		(19.09)	(103.43)
Less: Tax expense			
(1) Current tax		-	123.47
(2) MAT credit entitlement :			
Current Year		-	-
Previous Year		(9.42)	-
(3) Deferred tax		-	-
Total Tax expense		(9.42)	123.47
Profit for the period from continuing operations		(9.67)	(226.91)

Statement of profit and loss for the year ended 31st March 2022 (Cont...)

(Amount in INR Lakhs)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Other Comprehensive Income	39		
<u>Items that will not be re-classified to Profit & Loss Statement</u>			
(a) Re-measurement of Defined Benefit Plans	39(a)	3.15	(0.37)
<u>Items that will be re-classified to Profit & Loss Statement</u>			
(a) Fair Value Adjustments	39(b)	-	-
Total other comprehensive income		3.15	(0.37)
Total comprehensive income for the period		(6.52)	(227.28)
Earnings per share (Face Value ₹ 10/- per share) Not annualised :			
(1) Basic (in Rs.)		(0.05)	(1.71)
(2) Diluted (in Rs.)		(0.05)	(1.71)

Notes on Accounts forming part of Financial Statements in Note-41 & Significant Accounting Policies in Note-42

For and on behalf of the Board

As per our report attached of even date

For YCRJ & ASSOCIATES*Chartered Accountants*

Firm's Registration No: 006927S

Shruti Bhuwania*Director*

DIN : 06630867

M. V. Shetty*Wholetime Director*

DIN : 00515711

Vijayendra R Nayak*Partner*

M. No. 203184

Roopa Hegde*Company Secretary***Mahesh Kumar K V***Chief Financial Officer*

Place: Bengaluru

Date: 26-05-2022

ICAI:UDIN:22203184AJQJCK9559

VXL Instruments Limited

Statement of Cash Flows for the year ended 31st March 2022

(Amount in INR Lakhs)

S. No.	Particulars	2021-22	2020-21
A	Net profit / (loss) before tax	(19.09)	(103.43)
	Adjustment for :		
	(Net gain) / loss on sale of fixed assets	-	(319.84)
	(Net gain) / loss on discarding of fixed assets	-	-
	Interest income	(3.17)	(4.26)
	Depreciation and Amortisation	39.01	66.81
	Forex gain	(15.94)	-
	Interest expense	16.66	46.63
	Provision for Bad & Doubt ful Debts	-	-
	No Longer Receivables	-	-
	Provision towards materials Purchase	-	-
	Other Non-Operating Incomes/Expenses	(5.00)	(6.03)
	Operating profit before working capital changes	12.47	(320.73)
	Adjustments for:		
	Increase / (Decrease) in other non-current financial liabilities	10.15	(20.87)
	Increase / (Decrease) in long term provisions	5.21	0.62
	Increase / (Decrease) in Trade payables	47.53	(73.97)
	Increase / (Decrease) in other current financial liabilities	2.14	23.62
	Increase / (Decrease) in short term provisions	1.50	(4.22)
	Increase / (Decrease) in other current liabilities	(107.70)	(70.02)
	(Increase) / Decrease in other non-current financial assets	(0.53)	25.07
	(Increase) / Decrease in other non-current assets	(1.00)	10.69
	(Increase) / Decrease in Inventories	31.48	219.96
	(Increase) / Decrease in Trade receivables & Contract Assets	(172.08)	(155.75)
	(Increase) / Decrease in Other bank balance	(1.97)	(24.55)
	(Increase) / Decrease in Loans-Current	(0.07)	1.00
	(Increase) / Decrease in other current financial asset	7.93	(2.93)
	(Increase) / Decrease in other current assets	142.08	(22.27)
	Net cash generated from/(used in) operating activities	(22.84)	(414.36)
	Direct taxes paid	9.42	(123.47)
	Net Cash(used in)/generated from Operating Activities	(13.42)	(537.83)

Statement of Cash Flows for the year ended 31st March 2022 (Cont...)

(Amount in INR Lakhs)

S. No.	Particulars	2021-22	2020-21
B	Cash flow from investing activities		
	Interest received	3.17	4.26
	Purchase of Property, plant and equipment	(0.35)	(1.17)
	Purchase of Other Intangible Assets	(28.88)	(7.55)
	Proceeds from sale of fixed assets	-	998.34
	Net cash (used in)/generated from investing activities	(26.06)	993.89
C	Cash flow from financing activities		
	Proceeds/(Repayment) from long term borrowings	(10.00)	(388.80)
	Interest paid	(18.43)	(46.03)
	Net cash (used in)/generated from financing activities	(28.43)	(434.83)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(67.91)	21.23
	Cash and cash equivalents as at the beginning of the year	85.17	63.94
	Cash and cash equivalents as at the end of the year	17.26	85.17

Notes:

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

For and on behalf of the Board

As per our report attached of even date

For YCRJ & ASSOCIATES

Chartered Accountants

Firm's Registration No: 006927S

Shruti Bhuwania

Director

DIN : 06630867

M. V. Shetty

Wholetime Director

DIN : 00515711

Vijayendra R Nayak

Partner

M. No. 203184

Place: Bengaluru

Date: 26-05-2022

ICAI:UDIN:22203184AJQJCK9559

Roopa Hegde

Company Secretary

Mahesh Kumar K V

Chief Financial Officer

a. Equity share capital

(1) Current reporting period

(Amount in INR Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,332.48	-	-	-	1,332.48

(2) Previous reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,332.48	-	-	-	1,332.48

B. Other Equity

(1) Current reporting period

(Amount in INR Lakhs)

	Capital Reserve	Securities Premium	Other Reserves (General Reserve)	Statement of Profit & Loss	Revaluation Surplus	Other items of Other Comprehensive Income (specify nature)	Total
Balance at the beginning of the current reporting period	20.54	1,373.26	1,538.21	(3,687.22)	-	(0.37)	(755.59)
Total Comprehensive Income for the current year	-	-	-	(9.67)	-	3.15	(6.52)
Balance at the end of the current reporting period	20.54	1,373.26	1,538.21	(3,696.89)	-	2.78	(762.11)

(2) Previous reporting period

	Capital Reserve	Securities Premium	Other Reserves (General Reserve)	Statement of Profit & Loss	Revaluation Surplus	Other items of Other Comprehensive Income (specify nature)	Total
Balance at the beginning of the current reporting period	20.54	1,373.26	872.45	(3,460.32)	665.75	-	(528.31)
Total Comprehensive Income for the current year	-	-	-	(226.91)	-	(0.37)	(227.28)
Any other change (transfer from Revaluation surplus to General Reserve)	-	-	665.75	-	(665.75)	-	-
Balance at the end of the current reporting period	20.54	1,373.26	1,538.21	(3,687.22)	-	(0.37)	(755.59)

a. Equity share capital (Cont...)

Notes :

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

For and on behalf of the Board

As per our report attached of even date

For YCRJ & ASSOCIATES

Chartered Accountants

Firm's Registration No: 006927S

Vijayendra R Nayak

Partner

M. No. 203184

Place: Bengaluru

Date: 26-05-2022

Shruti Bhuwania

Director

DIN : 06630867

Roopa Hegde

Company Secretary

M. V. Shetty

Wholetime Director

DIN : 00515711

Mahesh Kumar K V

Chief Financial Officer

Notes to financial statements for the Year ended March 31, 2022

1 Property, plant and equipment

(Amount in INR Lakhs)

Particulars	Balance as at April 1, 2021		Cost or Deemed cost		Balance at March 31, 2022	Accumulated depreciation		Carrying Amount As at March 31, 2022	
	Balance as at April 1, 2021	Additions	Disposals	Discarded		Balance as at April 1, 2021	Depreciation expense		Disposals
Property plant and equipment									
Plant & Machinery	15.70	-	-	-	15.70	8.23	1.03	-	6.44
Motor Vehicles	32.67	-	-	-	32.67	27.48	1.38	-	3.80
Office Equipment	43.52	-	-	-	43.52	39.85	1.71	-	41.06
Computers	32.99	-	-	-	32.99	29.63	0.78	-	2.58
Furniture & Fittings	38.96	0.35	-	-	39.31	23.76	3.16	-	26.92
Total	163.83	0.35	-	-	164.17	128.95	7.56	-	136.51

PREVIOUS YEAR

Particulars	Balance as at April 1, 2020		Cost or Deemed cost		Balance at March 31, 2021	Accumulated depreciation		Carrying Amount As at March 31, 2021	
	Balance as at April 1, 2020	Additions	Disposals	Discarded		Balance as at April 1, 2020	Depreciation expense		Disposals
Property plant and equipment									
Land	674.65	-	-	-	674.65	-	-	-	-
Building	-	-	-	-	-	-	-	-	-
Plant & Machinery	19.55	-	-	3.85	15.70	7.05	1.18	-	7.47
Motor Vehicles	32.67	-	-	-	32.67	26.10	1.38	-	27.48
Office Equipment	42.91	0.61	-	-	43.52	37.32	2.52	-	3.67
Computers	32.56	0.42	-	-	32.99	28.49	1.14	-	29.63
Furniture & Fittings	38.83	0.13	-	-	38.96	20.50	3.26	-	23.76
Total	841.16	1.17	-	678.50	163.83	119.46	9.49	-	128.95

2 Intangible Assets

Particulars	Balance as at April 1, 2021		Cost or Deemed cost		Balance at March 31, 2022	Accumulated Amortization and impairment		Carrying Amount As at March 31, 2022	
	Balance as at April 1, 2021	Additions	Disposals	Impairment		Balance as at April 1, 2021	Amortization expense		Disposals
Software License	5.45	-	-	-	5.45	5.17	0.15	-	0.13
Total	5.45	-	-	-	5.45	5.17	0.15	-	0.13

Particulars	Balance as at April 1, 2020		Cost or Deemed cost		Balance at March 31, 2021	Accumulated Amortization and impairment		Carrying Amount As at March 31, 2021	
	Balance as at April 1, 2020	Additions	Disposals	Impairment		Balance as at April 1, 2020	Amortization expense		Disposals
Software License	5.45	-	-	-	5.45	4.90	0.27	-	0.28
Total	5.45	-	-	-	5.45	4.90	0.27	-	0.28

Notes to financial statements for the Year ended 31st March 2022

(Amount in INR Lakhs)

3 Right of Use Asset

Particulars	As at March 31, 2022	As at March 31, 2021
Right of Use Asset	78.63	107.50
Less : Accumulated Amortization	39.59	66.05
Net of ROU	39.03	41.46

4 Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in equity instruments		
(a) VXL Instruments Limited, UK		
108,000 equity shares of par value 1 GBP each, fully paid up (a subsidiary of the Company with 60% holding)	51.69	51.69
Less: Provision for diminution in value of Investments	51.69	51.69
Carrying Amount	-	-
(b) ELCIA ESDN CLUSTER		
1100 equity shares of ELCIA ESDN Cluster of par value of Rs. 10, fully paid up	0.11	0.11
Carrying Amount	0.11	0.11
Total Carrying Amount of Investments	0.11	0.11

Basis of valuation

1. Investments are stated at cost.

5 Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Credit Impaired-		
(a) Receivable from related parties : VXL Instruments Ltd-UK	461.72	461.72
(b) Others-Credit Impaired-	16.24	16.24
Total	477.96	477.96
Less : Allowance for Bad and doubtful debts	477.96	477.96
Total	-	-

Trade receivables ageing schedule for the year ended as on March 31, 2022

Particulars	More than 3 years	Total
(iii) Undisputed Trade Receivables – credit impaired	477.96	477.96

6 Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Security Deposits		
Rental deposits	8.13	7.60
Other Deposits	0.79	0.79
Total of (a)	8.92	8.39
(ii) Bank deposits with more than 12 months maturity		
Bank Deposits with maturity more than 12 months	0.44	0.44
Total of (b)	0.44	0.44
Total	9.36	8.83

Notes to financial statements for the Year ended 31st March 2022

(Amount in INR Lakhs)

7 Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
(a) <u>Deposits with statutory authorities</u> :		
EPF	-	-
CBEC	26.41	26.41
(b) Balances receivable from Government authorities :		
Excise Duty Receivable	-	-
VAT Refundable	-	-
Income tax refundable	4.14	-
Total	30.55	26.41

8 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials	96.14	113.34
Finished Goods	1.03	15.31
Total	97.17	128.65

9 Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
<u>Undisputed Trade Receivables - Considered good</u>		
Receivable from related parties :	50.62	-
Receivable from others	1,083.99	962.53
Total	1,134.61	962.53

Trade Receivable ageing schedule:

As on 31 March 2022:

Particulars	Outstanding for following period from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	323.53	73.12	247.39	490.58	-	1,134.61
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
Total	323.53	73.12	247.39	490.58	-	1,134.61

As on 31 March 2021:

Particulars	Outstanding for following period from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	221.39	103.23	637.91	-	-	962.53
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
Total	221.39	103.23	637.91	-	-	962.53

Notes to financial statements for the Year ended 31st March 2022

(Amount in INR Lakhs)

10 Cash and Cash Equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks		
- On Current Accounts	17.00	34.94
- On Deposit Accounts (Having Maturity less than 3 Months)	-	50.00
- On Exchange Earners Foreign Currency Account	-	-
- Cash on Hand	0.26	0.23
Total	17.26	85.17

11 Other Bank Balances

Particulars	As at March 31, 2022	As at March 31, 2021
Special Term Deposits (having maturity more than 3 months but less than 12 months)	42.34	40.38
Total	42.34	40.38

12 Loans

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured Considered Good		
Employees & Other Advances	10.66	10.60
Less : Allowance for bad & doubtful loans	(10.41)	(10.41)
Total	0.26	0.19

13 Other Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Secured-Considered Good		
Interest accrued but not due on deposits	1.35	1.39
(b) Security Deposits -Unsecured Considered Good		
Rental Deposit	10.41	18.30
Other Deposits	0.25	0.25
Total	12.01	19.94

14 Current Tax Asset (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
TDS on Immovable Property	7.50	7.50
TDS on others	6.02	1.52
Advance Tax	-	117.50
Total	13.52	126.52

15 Other Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Advances to Suppliers - Other than Capital Advances	-	0.07
(b) Bank balance against Bank guarantee issued	-	-
(c) Bank balance - Employees Gratuity	1.95	0.14
(c) Prepaid Expenses	6.14	13.23
(d) Receivables from High Court Order	-	-
(e) <u>Balances with Government authorities :</u>		
GST Input credit	87.63	111.76
Excise Duty Receivable	-	-
(f) Others Balance	0.51	0.12
Total	96.23	125.32

Notes to financial statements for the Year ended 31st March 2022
16 Equity Share Capital

(Amount in INR Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Note: 1 SHARE CAPITAL		
AUTHORISED:		
1,50,00,000 Equity Shares of Rs.10/- each	1,500.00	1,500.00
Total	1,500.00	1,500.00
ISSUED :		
1,33,50,000 Equity Shares of Rs.10/- each	1,335.00	1,335.00
Subscribed and fully paid-up		
1,33,24,800 Equity Shares of Rs.10/- each	1,332.48	1,332.48
Shares Forfeited Account	1.11	1.11
Total	1,333.59	1,333.59

Foot Notes:
i. Reconciliation of the number of shares outstanding at the beginning and as on 31st March' 2022
Equity Shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount in INR Lakhs	Number	Amount in INR Lakhs
Number of equity shares at the beginning of the Year	1,33,24,800	1,332.48	1,33,24,800	1,332.48
Add: Equity shares issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Number of equity shares at the end of the Year	1,33,24,800	1,332.48	1,33,24,800	1,332.48

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 equityshare is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of share holders in the Annual General Meeting.

During the year ended 31st March, 2022, 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.

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

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares held	% of Holding	No. of shares held	% of Holding
(A) Avishek Suhasaria	29,50,000	22.14%	29,50,000	22.14%
(B) Nitesh Juthani	19,25,000	14.45%	19,25,000	14.45%
(C) Aurotech Technologies Dmcc	19,25,000	14.45%	19,25,000	14.45%
(D) Daymount Ltd	7,85,600	5.90%	7,85,600	5.90%
(E) Priya Ltd	9,00,000	6.75%	9,00,000	6.75%
Total	84,85,600	63.68%	84,85,600	63.68%

Notes to financial statements for the Year ended 31st March 2022

iv. Details of shares held by promoters

Shares Held by the Promoters at the end of March 31, 2022

Name	No of Shares	% of Total Shares	% Change during the year
A) Equity Shares			
M V Nagaraj	-	-	100.00%
Arvind Vithal Kasargod	100	0.001%	-
Deviyani Dcruz	9,057	0.068%	-
M V Shetty	-	-	100.00%
Laxmi Mundkur	4,00,740	3.007%	-
Pravina V Shetty	2,63,880	1.980%	-
Jayalakshmi Shyam	16,235	0.122%	-
Kumar Shyam	3,87,900	2.911%	-
Rishabh Shetty	30,020	0.225%	99.67%
Ridhima Shetty	16,000	0.120%	-

Shares Held by the Promoters at the end of March 31, 2021

Name	No of Shares	% of Total Shares	% Change during the year
A) Equity Shares			
M V Nagaraj	3,19,050.00	2.39%	-
Arvind Vithal Kasargod	100.00	0.00%	-
Deviyani Dcruz	9,100.00	0.07%	-
M V Shetty	29,920.00	0.22%	-
Laxmi Mundkur	4,00,740.00	3.01%	-
Pravina V Shetty	2,63,880.00	1.98%	-
Jayalakshmi Shyam	16,235.00	0.12%	-
Kumar Shyam	3,87,900.00	2.91%	-
Rishabh Shetty	100.00	0.00%	-
Ridhima Shetty	16,000.00	0.12%	-

(Amount in INR Lakhs)

17 Other Equity

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Capital Reserve	20.54	20.54
(b) Revaluation Surplus	-	-
(c) Securities Premium	1,373.26	1,373.26
(d) Other Reserves -General Reserve	1,538.21	1,538.21
(e) Surplus / (Deficit) in Statement of Profit & Loss Account	(3,694.12)	(3,687.59)
Total	(762.11)	(755.59)

18 Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
(a) Term Loan From Bank	-	-
Less: Instalments of term loan payable within a year	-	-
Borrowings		
(b) From related party (Refer Note-1 below)		
Inter Corporate Deposit from Priya International Limited	128.60	138.60
Total	128.60	138.60

Notes

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

Notes to financial statements for the Year ended 31st March 2022

(Amount in INR Lakhs)

19 Lease liabilities - Non Current

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liability	10.15	-
Total	10.15	-

20 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
(a) Gratuity	26.96	21.58
(b) Leave Benefits	27.58	27.75
Total	54.54	49.33

21 Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Interest Payable on Inter Corporate Deposit	0.88	2.66
Total	0.88	2.66

22 Lease Liabilities - Current

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liability	31.79	42.49
Total	31.79	42.49

23 Trade Payables

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	3.07	2.59
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises-		
Payable to related Parties	0.10	4.12
Payable to other than Related Parties	473.70	438.58
(c) Disputed Dues MSME	-	-
(d) Disputed Dues - Others	-	-
Total of (b)	473.81	442.70

Trade Payable ageing schedule:
As on 31st March 2022:

Particulars	Outstanding for following period from due date of payment			
	Less than 1 Year	1-2 years	2-3 years	More than 3 years
(i) MSME	3.07	-	-	-
(ii) Others	115.36	5.42	304.96	48.07
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-
Total	118.43	5.42	304.96	48.07

Notes to financial statements for the Year ended 31st March 2022As on 31st March 2021:

(Amount in INR Lakhs)

Particulars	Outstanding for following period from due date of payment			
	Less than 1 Year	1-2 years	2-3 years	More than 3 Year
(i) MSME	2.59	-	-	-
(ii) Others	96.56	298.07	44.13	3.94
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-
Total	99.15	298.07	44.13	3.94

24 Other Financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Current maturities of long-term debt -Secured	-	-
(b) Advances from related parties	-	-
(c) Outstanding Liabilities for Expenses		
Salary Payable	114.98	78.37
Incentive/Bonus payable	3.25	9.01
Other Outstanding Liabilities	69.55	92.56
(d) Book Overdraft/cheques issued but not deposited	-	-
Total	187.78	179.94

25 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Provision for Income Tax & Interest thereon	-	-
(b) Provision for Expenses	0.15	0.30
(c) Provision for employee benefits :		
Leave Benefits	19.05	17.40
Total	19.20	17.70

26 Contract Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Contract Liabilities -Advances from Customers	-	-
Unaccrued Revenue	0.58	1.44
Total	0.58	1.44

27 Current Tax Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current Tax Liabilities	-	123.47
Total	-	123.47

Notes to financial statements for the Year ended 31st March 2022

(Amount in INR Lakhs)

28 Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
(a) <u>Statutory Liabilities Payables</u> :		
Professional Tax Payable	0.08	0.09
TDS Payable	10.76	3.40
GST payable	2.39	0.05
EPF Payable	2.64	2.63
ESI payable	0.07	0.07
Others	-	0.05
(b) Others	22.24	15.46
Total	38.39	21.75

29 Revenue From Operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Products - Data Processing Units		
Inland sales	958.36	375.69
Export sales	299.35	375.89
Other Operating Revenue		
AMC / Repair Services	73.94	14.94
Total	1,331.65	766.52

30 Other Income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income on Bank Deposits	2.16	3.08
Interest Income on Others	1.00	1.17
Exchange Fluctuation	15.94	-
Other non-operating Income	1.53	1.79
Reversal of Excess Provision/No Longer payables	5.00	6.03
Total	25.64	12.08

31 Cost of materials consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw materials	786.27	554.97
Packing Materials	0.14	0.11
Total	786.41	555.08

32 Purchase of stock-in-trade

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of stock-in-trade	-	-
Total	-	-

Notes to financial statements for the Year ended 31st March 2022

Changes (Increase) / Decrease in inventories of finished goods,

33 work-in-progress and Stock-in-Trade

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the beginning of the year		
(a) Work in Progress	-	-
(b) Finished Goods	15.31	12.05
(c) Stock-in-Trade	-	-
Total	15.31	12.05
Inventories at the end of the year		
(a) Work in Progress	-	-
(b) Finished Goods	1.03	15.31
(c) Stock-in-Trade	-	-
Total	1.03	15.31
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	14.28	(3.26)

34 Employee Benefits Expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries & Wages (Other than Directors)	288.75	272.63
Director's Remuneration	25.79	25.79
Leave Encashment	1.76	2.24
Provident Fund , EDLI & ESI (including administration charges)	16.66	14.41
Gratuity	6.70	4.90
Others	-	-
Staff welfare Expenses	10.43	6.99
Total	350.11	326.97

35 Finance Cost

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Cost :		
Interest on Term Loan from Banks	-	-
Interest - on Inter Corporate Deposit	11.66	34.39
Interest - Others	5.00	6.02
Interest on Income Tax	-	5.62
Bank Charges	0.71	0.53
Total	17.37	46.56

36 Depreciation and Amortisation

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amortisation	31.45	57.32
Depreciation	7.56	9.49
Total	39.01	66.81

Notes to financial statements for the Year ended 31st March 2022

(Amount in INR Lakhs)

37 Other Expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of Stores & Spare parts	4.40	7.28
Provision towards materials Purchase	-	-
Power , Water and Fuel	7.76	9.71
Rent	22.15	25.13
Repairs & Maintenance - Buildings	0.48	0.28
Repairs & Maintenance - Plant & Machinery	0.14	0.63
Repairs & Maintenance - Vehicles	5.38	2.50
Repairs & Maintenance - Others	2.90	14.44
Insurance	8.47	8.10
Rates & Taxes	9.66	13.39
Remuneration to Auditors:		
Towards Audit Fees	2.90	2.90
Towards Exp.	-	0.07
Consultancy /Professional Charges	33.12	32.56
Testing and Certification charges	0.54	1.37
Software maintenace Charges	0.71	1.08
<u>Freight & Forwarding Charges :</u>		
Clearing Charges	0.16	0.09
Freight Outwards-Domestic	4.19	2.97
Freight Outwards-Overseas	5.01	11.45
Transportation Charges	0.02	0.04
Travelling expenses	11.31	5.47
Telephone/Internet Exp.	6.69	6.33
Postage / courier charges	4.28	1.86
Directors' Sitting Fees	1.93	1.45
Advertisement / Sales Promotion / Brokerage / Post sales support	2.57	8.08
Warranty Expenses	6.98	15.46
Service charges - Thin client	0.46	0.46
Stock Exchange Listing fees	3.00	3.00
Maintenance Exp.	6.32	4.93
Printing & Stationery	0.81	0.92
Security services	3.38	4.42
Exchange Fluctuation	-	4.31
MSME -Interest	0.25	-
Manpower Hire Charges	11.62	13.61
Miscellaneous Exp.	1.62	4.97
Total	169.21	209.73

Notes to financial statements for the Year ended 31st March 2022

38 Exceptional items

(Amount in INR Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/(Loss) on disposal of Assets	-	319.84
Total	-	319.84

39 Other Comprehensive Income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Items that will not be re-classified to Profit & Loss Statement		
(a) Re-measurement of Defined Benefit Obligations/Assets : Gratuity-	(3.15)	0.37
Total	(3.15)	0.37
Items that will be re-classified to Profit & Loss Statement		
(b) Fair Value Adjustment through Other Comprehensive Income : Fair Value Adjustment of Interest-free Rental Deposit	-	-
Total	-	-

Note 40 - Ratios

Financial Ratios:

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Numerator	Denominator	31 st March 2022	31 st March 2021	Variance
Liquidity Ratio					
Current Ratio	Current assets	Current liabilities	1.87	1.78	4.90%
Solvency Ratio					
Debt – Equity Ratio	Total Debt(1)	Shareholder's Equity	0.23	0.24	(6.16%)
Debt Service Coverage Ratio	Earnings available for debt service(2)	Debt(3)	0.36	(0.82)	144.34%
Profitability Ratio					
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	-	(0.08)	94.87%
Net profit Ratio	Net Profit	Revenue	(0.01)	(0.29)	97.56%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed(4)	-	(0.61)	99.54%
Return on Investment(ROI)					
Unquoted	Income generated from investments	Time weighted average investments	-	-	
Quoted	Income generated from investments	Time weighted average investments	-	-	
Utilization Ratio					
Trade Receivables Turnover Ratio	Revenue	Average Trade Receivable	0.32	0.22	45.81%
Trade Payables Turnover Ratio	Credit Purchases	Average Trade Payables	0.43	0.29	48.19%
Net Capital Turnover Ratio	Revenue	Working Capital	2.06	1.19	73.28%

(1) Debt represents Inter Corporate Deposits

(2) Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

(3) Inter Corporate Deposit

(4) Tangible net worth + deferred tax liabilities + Lease Liabilities

Notes on accounts forming part of financial statements (Note-41)

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 and development of software.

2 Disclosures pursuant to Ind AS 1 - "Presentation of Financial Statements"

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

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

Sale of Goods: Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised goods refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as goods and services tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

Sale of Services (Licenses) : Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

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

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

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

5 Disclosure pursuant to Ind AS 19 "Employee benefits":

(a) Leave Salary :

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

(Amount in INR Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Number of employees	44	50
Average age (years)	43	45
Average remaining working life (years)	15	14
Present Value of the Obligation at the Beginning	45.15	43.98
Expenses Recognized in Income Statement	1.76	2.24
Expenses capitalized/ Impairment to Intangible Assets Under Development	-	-
Benefits Paid	(0.28)	(1.07)
Present Value of the Obligation at the End	46.63	45.15
Current liability	19.05	17.40
Non-Current liability	27.58	27.75
Financial Assumptions		
Discount rate (per annum)	6.90%	6.25%
Salary growth rate (per annum)	7.00%	7.00%

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

(b) Defined contribution plans

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

The Company recognised Rs.15.38 Lakhs (PY : Rs.13.13 Lakhs) for provident fund contributions in the profit and loss account. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(c) Defined benefit plans-Gratuity

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

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

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at 31.03.2022 :

(Amount in INR Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Change in benefit obligation		
Projected Obligation at the beginning of the year	92.44	91.35
Interest Cost	5.77	6.02
Current Service Cost	5.35	3.48
Past Service Cost	-	-
Benefits Paid	(2.28)	(6.95)
Actuarial (Gain) / Loss	(2.57)	(1.46)
Projected Obligation at the end of the year	98.73	92.44
Change in Plan Assets		
Fair value of the Plan Assets at the beginning of the year	70.87	69.80
Expected Return on Plan Assets	4.43	4.60
Employer's Contributions	-	3.59
Benefits Paid	(4.10)	(5.30)
Return on plan assets	0.58	(1.83)
Adjustment related to prior year	-	-
Fair Value of the Plan Assets at the end of the year	71.77	70.87

VXL Instruments Limited

(Amount in Rs.)

Excess of (Obligations over Plan Assets) / Plan Assets Over Obligation	(26.96)	(21.58)
Non-Current Liability as per Actuarial Valuation	(26.96)	(21.58)
Excess Asset maintained with LIC not considered in Actuarial Valuation	-	-
Current liability	-	-
Net Non-Current Liability	(26.96)	(21.58)
Expenses Recognized during the period :		
In Income Statement	6.70	4.90
Expenses capitalized/Impairment to Intangible Assets Under Development	-	-
In Other Comprehensive Income	(3.15)	0.37
Components of OCI		
Actuarial (gains) / losses :		
change in demographic assumptions	-	-
change in financial assumptions	(3.38)	1.89
experience variance	0.81	(3.35)
Return on plan assets	(0.58)	1.83
Total of OCI	(3.15)	0.37
Category of assets		
100% Insurer Managed Funds	71.77	70.87
Key Assumptions		
Discount Rate	6.90%	6.25%
Salary Escalation Rate	7.00%	7.00%

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

(I) Financial Assets :

(a) Investments :

VXL Instruments Limited, U.K., a subsidiary in which the Company has 60% share holding amounting to Rs. 51.69 Lakhs has accumulated losses in excess of its total paid up capital. Net receivable from VXL Instruments Limited, U.K., as at 31st March 2022 is Nil . The company has made provision for doubtful debts and diminution in investments against these receivables and investments. A winding up order was made against the Subsidiary on 7th November 2016. Pursuant to the winding up proceedings the subsidiary was dissolved on March 11, 2018.

(b) Trade Receivables :

Ageing Analysis of the Trade Receivables :

(Amount in INR Lakhs)

Particulars	0-30 days past due	31-90 days past due	91-180 days past due	>181 days past due	Total
Net Carrying Amount as on 31-03-2022	233.55	36.55	2.81	811.05	1,083.96
Net Carrying Amount as on 31-03-2021	39.36	124.48	57.56	741.14	962.53

(c) Others :

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

(Amount in INR Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Original Amount of deposit	20.30	49.00
Discount Rate adopted (Max. Available FD rate in the Market)	7%	7%
Carrying Amount of the Asset	18.55	44.71
Fair Value Adjustment of the deposit through Profit and Loss Statement	1.19	2.92
Fair Value Adjustment of the deposit through Other Comprehensive Income made	-	-

(c) Financial Liabilities :

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

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

(Amount in INR Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Basic earnings per equity share:		
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	(6.52)	(227.28)
Weighted average number of equity shares outstanding for calculating basic earnings per share	1,33,24,800	1,33,24,800
Basic EPS	(0.05)	(1.71)
Diluted EPS	(0.05)	(1.71)

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

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

VXL Instruments Limited

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

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

(Amount in INR Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
1. The Principal and the Interest due thereon as at 31 st March, 2022		
a) Principal	3.07	2.59
b) Interest	0.25	-
2. The amounts paid by the Company beyond the appointed day for the period ending 31 st March, 2022		
a) Principal	-	-
b) Interest	-	-
3. The Interest due and payable for the period of delay (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	-	-
4. The interest accrued and remaining unpaid as at the year ending 31 st March, 2022	-	-
5. The amount of further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

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

10 Disclosure pursuant to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates :

(a) Value of Imports calculated on CIF basis:

(Amount in INR Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Raw Materials	13.14	21.02
(ii) Components and Spare parts	-	-
(iii) Capital Goods	-	-
Total	13.14	21.02

(b) Expenditure in Foreign currency on account of:

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Foreign Travel	-	-
(ii) Professional, Consultancy and Foreign Technician	-	-
(iii) Others	-	-
Total	-	-

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

(a) Primary/Secondary Segment reporting :

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

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

(c) Segment assets and liabilities :

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

(Amount in INR Lakhs)

Description	As at March 31, 2022	As at March 31, 2021
Primary Segments (Geographical Segments)		
<u>Segment Revenue</u>		
(a) Domestic Segment	1,032.30	390.64
(b) Export Segment	299.35	375.89
Net sales/income from operations	1,331.65	766.52
<u>Segment Results</u>		
Domestic	431.48	115.57
Overseas	125.12	111.21
Segment Results before tax & Finance costs & Exceptional items	556.61	226.78
Less :		
Finance Costs	17.37	46.56
Other unallocable expenditure / (Income)	558.32	603.50
Exceptional Items	-	319.84
Profit / (Loss) Before Tax	(19.09)	(103.43)
Less : Provision for Taxes	(9.42)	123.47
Profit / (Loss) After Tax	(9.67)	(226.91)
Secondary Segments (Business Segments)		
<u>Revenue (Sales and Services)</u>		
Data Processing Units	1,257.71	751.58
Service Charges	73.94	14.94
Total	1,331.65	766.52

12 Disclosure of related parties / related party transactions pursuant to Ind AS - 24 :**(i) Parties where control exists****Name of the Related Party**

VXL Instruments Limited (UK)

Nature of Relationship

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

(ii) Other related parties with whom transactions were carried out during the year**Name of the Related Party**

Priya Limited

VXL Software Solutions Pvt. Ltd

Delta Technologies Limited

Nature of Relationship

Company in which a Director is interested

Company in which a Director is interested

Company in which a Director is interested, Common director till 25.08.2021

Company in which a Director is interested

Company in which a Director is interested

Brent Properties Investment Pvt Ltd

Priya International Limited

(iii) Key management personnel and their relatives

Mr. M.V. Shetty

Whole-Time Director

Mr. Rishabh Shetty

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

Mr. Mahesh Kumar K V

CFO

Ms. Roopa Hegde

Company Secretary & Compliance Officer

VXL Instruments Limited

(iv) Related party Transactions :

(Amount in INR Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
1. Transactions		
<u>Sale of Goods</u>		
Priya Limited	-	0.13
Delta Technologies Limited	70.45	241.34
VXL Software Solutions Pvt. Ltd	60.91	17.12
<u>Sale of services</u>		
Priya Ltd- Lease Rent	-	0.35
VXL Software Solutions Pvt. Ltd	3.54	-
<u>Purchase of Goods</u>		
VXL Software Solutions Pvt. Ltd	66.39	25.02
<u>Interest on long term borrowing</u>		
Priya International Limited	11.66	34.39
<u>Re-imburement of Expenses</u>		
Priya Limited-Service charges	-	0.10
<u>Remuneration paid to Directors</u>		
Mr. M.V. Shetty	28.80	28.80
Sitting fees	1.93	1.45
<u>Remuneration paid to Related Parties</u>		
Mr. Rishabh Shetty	8.75	7.18
<u>Key Mangerial Persons</u>		
Mr. Mahesh Kumar K V	8.01	7.03
Mrs.Roopaa Hegde	3.41	1.23
<u>Rent Paid</u>		
Brent Properties Investment Pvt Ltd	9.00	12.43
<u>Long-Term Borrowings</u>		
Inter Corporate Deposit from Priya International Limited received	20.00	78.75
Inter Corporate Deposit from Priya International Limited re-paid	30.00	458.65
2. Account Balances :		
Non Current Assets - Trade Receivables- Credit Impaired		
VXL Instruments Limited, UK	461.72	461.72
Less : Allowance for Bad and Doubtful Debts	(461.72)	(461.72)
<u>Borrowings- Long Term</u>		
Inter Corporate Deposit from Priya International Limited	128.60	138.60
<u>Borrowings- Short Term</u>		
Brent Properties Investment Pvt Ltd	-	1.66
<u>Current Other Financial liabilities</u>		
Priya International Limited-Interest on ICD	0.88	2.66
<u>Trade Payables</u>		
Priya Limited	0.10	0.10
VXL Software Solutions Pvt. Ltd	-	4.02
<u>Trade Receivables</u>		
Priya Limited	-	-
Delta Technologies Limited	624.48	559.30
Non current Investments		
VXL Instruments Limited, UK	51.69	51.69
Less: Provision for diminution in value of Investments	(51.69)	(51.69)

13 Disclosures pursuant to Ind AS - 116 " Leases" :

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

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

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

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

(Amount in INR Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Contingent liabilities		
Guarantees		
Counter Guarantees in respect of guarantees issued by Bankers (Covered by 100% Deposits)	30.60	32.18
Other money for which Company is contingently liable		
(i) Employee Provident Fund Damages, Interest under appeal	3.37	3.37
(ii) Central Sales Tax liability under appeal	59.73	59.73
(iii) Service Tax Liability under dispute on the import of software license sticker labels considered as goods by Customs while importing	1,278.92	1,278.92

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.

VXL Instruments Limited

- 15** Figures of the previous year have been re-cast / re-grouped / re-arranged in conformity with the presentation of the current year.
- 16** 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 and on behalf of the Board

As per our report attached of even date

For YCRJ & ASSOCIATES

Chartered Accountants

Firm's Registration No: 006927S

Vijayendra R Nayak

Partner

M. No. 203184

Place: Bengaluru

Date: 26.05.2022

ICAI:UDIN:22203184AJQJCK9559

Shruti Bhuwania

Director

DIN : 06630867

M. V. Shetty

Wholetime Director

DIN : 00515711

Roopa Hegde

Company Secretary

Mahesh Kumar K V

Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES

42.1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind ASs) notified under the Companies (Indian Accounting Standards) Rules, 2015.

42.2 Basis of preparation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Company's Presentation currency and Functional currency is Indian Rupees (Rs.). All figures appearing in the Financial Statements are rounded to the nearest lakhs (Rs. Lakhs) , except where otherwise indicated.

42.3 Use of estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and takes assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

42.3.1 Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

42.3.2 Valuation of deferred tax assets

The company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 42.10.2

42.3.3 Provisions ,Contingent liabilities & Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event 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. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities & Contingent assets are not recognised in the financial statements, however contingent liabilities and Contingent assets are disclosed in the financial statement.

Revisions to accounting estimates are recognized prospectively in the Financial Statements in the period in which the estimates are revised and in any future periods affected.

42.4 Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

VXL Instruments Limited

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

42.5 Revenue Recognition

Revenue is recognised upon transfer of Control of Promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Sale of Goods

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised goods refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as goods and services tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

Sale of Services (Licenses)

Revenue from licenses where the customer obtains a “right to use” the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognized over the access period

42.6 Leases

The Company's Lease asset classes primarily consist of leases for Building. The Company assesses whether a Contract contains a lease, at inception of a Contract. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

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

42.7 Foreign Currency

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

42.8 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

42.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

42.10.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

42.10.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

42.10.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

42.11 Property, Plant & Equipment

Land and buildings held for use in the supply of services or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

42.12 Depreciation:

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of property, plant & equipment is as specified below. Residual value is taken at 5%.

Building	10 years
Computer equipment	3 years
Plant and Equipment	15 years
Office equipment	10 years
Furniture and fixtures	10 years

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

42.13 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

42.14 De-recognition of intangible assets

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is de-recognised.

42.15 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer Software	6 years
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42.16 Inventories

Inventories that comprise of stores and spares (which qualify as inventories) are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

42.17 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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 is expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

42.18 Financial assets

All regular way purchases or sales of financial assets are recognised and de-recognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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.

42.19 Classification of financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

42.20 Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

42.21 Cash and Cash Equivalents

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

42.22 Earnings per Share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

42.23 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

VXL Instruments Limited

42.24 Rounding of amounts

All amounts disclosed in the financial statements (Except EPS) and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Qty. of shares are stated at actual numbers.

For and on behalf of the Board

As per our report attached of even date

For YCRJ & ASSOCIATES

Chartered Accountants

Firm's Registration No: 006927S

Vijayendra R Nayak

Partner

M. No. 203184

Place: Bengaluru

Date: 26.05.2022

ICAI:UDIN:22203184AJQJCK9559

Shruti Bhawania

Director

DIN : 06630867

M. V. Shetty

Wholetime Director

DIN : 00515711

Roopa Hegde

Company Secretary

Mahesh Kumar K V

Chief Financial Officer

VXL Instruments Limited**INFORMATION FOR THE BENEFIT OF INVESTORS**

1. Registered office: : #252, 5th Floor, Building No.2,
Solitaire Corporate Park,
Chakala Andheri (East), Mumbai - 400093
Tel: 91 22 2824 5210
Fax: 91 22 4287 2197
Website : www.vxl.net
CIN : L85110MH1986PLC272426
E-mail : cfo@vxl.net or cs@vxl.net
2. Registrars and Share Transfer Agent details : Bigshare Services Private Limited
Office No, S6-2, 6th Floor, Pinnacle
Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East)
Mumbai - 400 093
Tel: 022-62638200
Fax : 022-62638299
Email: info@bigshareonline.com
Website: www.bigshareonline.com
3. Year ended on : 31st March 2022
4. 36th Annual General Meeting : Date - 21st September, 2022
Time - 12.00 Noon
Venue - Video Conferencing ("VC")
5. E-Voting Dates : Starts on 18.09.2022 9.00 am to
20.09.2022 5.00 pm
6. Register of Members & Share Transfer Book Closure : 15.09.2022 to 21.09.2022
(both days Inclusive)
7. Result Date : 23rd September 2022
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