

VXL INSTRUMENTS LTD

CIN: L85110MH1986PLC272426

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NOTICE OF POSTAL BALLOT

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

To
The Members
VXL Instruments Limited
Mumbai

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 (the “Act”) read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (“the Postal Ballot Rules”) (including any statutory modification(s) and/or re-enactment thereof for the time being in force), to the Equity Shareholders (“the Shareholders”) of VXL Instruments Limited (“the Company”), to consider and if thought fit, pass the Resolution noted herein below by way of Postal Ballot/e-voting.

The Explanatory Statement, pursuant to Section 102 of the Act, pertaining to the said Resolution, setting out the material facts concerning the item and the reasons thereof is annexed hereto along with a Postal Ballot Form (the “Form”) for your consideration.

According to Section 180(1)(a) of the Companies Act, 2013, sale, lease or otherwise disposal of the whole or substantially the whole of an undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking, requires the approval of the Shareholders by way of a Special Resolution.

The Company proposes to Sell , Lease or otherwise dispose off the Undertakings of the Company related to land, buildings and attachments there to located at 'House of Excellence', No. 17, Electronics City, Hosur Road, Bangalore - 560 100 and at Plot No. 20, Survey No. 26, Veerasandra Industrial Area, Bangalore - 560 100, Karnataka, India.

The Company is therefore seeking your consent for the said proposal as contained in the Special Resolution appended below.

In compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and pursuant to the provisions of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, the Company has also extended e-voting facility for its Members. For this purpose, the Company has made an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting, as an alternate for the Members to enable them to cast their votes electronically.

The Board of Directors, at its Meeting held on 24th July, 2018 has appointed Mr. Vijayakrishna K T, Practising Company Secretary, as the Scrutinizer for conducting the Postal Ballot/e-voting process in a fair and transparent manner.

The Resolution along with the Explanatory Statement setting out the material facts are as follows:

SPECIAL BUSINESS:

- 1. Sell, Lease or otherwise dispose off Undertakings/ properties of the Company pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013:**

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of Securities and Exchange Board of India (Listing Obligations Disclosure Requirements) Regulations, 2015, and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this Resolution), to sell, lease or otherwise dispose off the Undertakings of the Company limited to land, buildings and attachments thereto, located at 'House of Excellence', No. 17, Electronics City, Hosur Road, Bangalore - 560 100

and at Plot No. 20, Survey No. 26, Veerasandra Industrial Area, Bangalore - 560 100, Karnataka, India, and such other assets which are part of the said land and buildings on such terms and conditions as may be deemed fit by the Board.

RESOLVED FURTHER THAT any one of the Directors and/or Company Secretary of the Company be and are hereby severally authorised and empowered (hereinafter referred to as the 'Authorized') to finalise and execute necessary documents including but not limited to entering into definitive Agreements such as, business transfer agreement; deeds of assignment/ conveyance and other ancillary documents, with effect from such date and in such manner as may be decided by the Board and to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit.

RESOLVED FURTHER THAT the above Authorized persons be and are hereby further authorized severally to sub-delegate all or any of the powers herein conferred, to any personnel/ Director of the Company as may be deemed appropriate so as to give effect to the above said Resolution.”

Date:24th July, 2018
Place: Bengaluru

By the order of the Board
For VXL Instruments Limited

Narayana Bhat
Chief Financial Officer & Company Secretary
Membership No.: F8494
Address: "Girishree", 12,
7th A Cross, Garden Villas,
Nagarabhavi, Bangalore-560 072

Notes:

1. An Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules, 2014, ("Postal Ballot Rules"), setting out all material facts in respect of the business set in this notice and reasons thereto is annexed hereto as Annexure – A ("the Explanatory Statement") along with Form for your consideration.
2. The Board of Directors of the Company ("the Board") at its Meeting held on 24th July, 2018 appointed Mr. Vijayakrishna KT, Practising Company Secretary as the 'Scrutinizer' for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner ("the Scrutinizer"). The Scrutinizer's address is # 496/4, II Floor, 10th Cross, Near Bashyam Circle, Sadashivanagar, Bangalore-560 080.
3. The Notice of Postal Ballot is being sent to all the members by post / courier (and electronically by email to those members who have registered their e-mail ids with the Depository or with the Company), whose names appear in the Register of members/ records of depositories as on 24th July,2018. Notice of Postal Ballot is also being sent to all the Directors and Auditor of the Company.
4. All documents referred to in the accompanying notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days except Saturdays from 10:00 A.M. to 01:00 P.M up to the date of declaration of the result of the Postal Ballot.
5. In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014 and Listing Regulations, the Company is pleased to offer e-voting facility as an option to all the Members of the Company. The Company has entered into an agreement with NSDL for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching the Form.
6. **E-voting Instructions:**
 - A. **In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s):**

- (i) Open email and open PDF file viz; "VXL Instruments e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
- (iii) Click on Shareholder – Login.
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" (E-Voting Event Number) of VXL Instruments Limited.
- (viii) Now you are ready for e-voting as "Cast Vote" page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to vijaykt@vjkt.in with a copy marked to evoting@nsdl.co.in

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

- (i) USER ID & Initial password is provided in the attached ballot form
- (ii) Please follow all steps from Sl. No. 6A(ii) to (xii) above to cast vote.

C. Other Instructions:

- (i) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the "downloads" section of www.evoting.nsdl.com.
- (ii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- (iii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (iv) The e-voting period commences on 30th July, 2018 (09:00 am) and ends on 28th August, 2018 (05:00 pm). During this period shareholders of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24th July, 2018, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- (v) The voting rights of shareholders shall be in proportion to their shares of the paid up Equity Share Capital of the Company as on the cut-off date (record date) of 24th July, 2018.

ANNEXURE – A

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

Item No. 1:

In the year 2014, your Company repaid all the loans from State Bank of India and since then, your Company has been operating without any borrowings from the Banks except small amounts of vehicle loans. Continued losses and absence of working capital facilities from Banks have put tremendous pressure on the finances of the Company.

Your Company has two properties in Bengaluru viz. one at Electronics City where the manufacturing facilities are located and the other one, a vacant site at Veerasandra Industrial Estate. With the Commencement of manufacturing of thin clients, the space required for manufacturing has come down substantially. Hence, it would be ideal to hire a place for manufacturing instead of the present part utilization of the existing space which is substantially underutilized. Your Board has very carefully evaluated the proposal keeping in mind the rental incidence vis-à-vis interest benefit on the realisation of the properties and has accordingly decided to seek your approval in the best interest of the Company.

The Electronics City property was acquired in the year 1995 and the Veerasandra property was acquired in the year 2003. Since the acquisition of these two properties, land value has shot up considerably. Veerasandra land is vacant and is not in any use. To

monetize and unlock this value appreciation and to utilize the same for the operations of the Company, your Board has proposed sale of these two properties i.e., land and buildings and other attachments thereto. The plant and machinery, equipment etc. will be shifted to a new premises which is being identified. This will avoid interest cost which would have arisen if the Company were to opt for Bank borrowings. The sale of the properties will also reduce the accumulated losses considerably and improve the Balance Sheet. A healthier Balance Sheet would make it easier for your Company to bid for orders/tenders from major corporates internationally and also large corporates in India apart from being in a position to have positive earnings per Share in the days to come.

In compliance with the applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Special Resolution as set out in the accompanying Notice is now being placed before the members for approval.

Your Directors recommend the passing of the Resolution as a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives is concerned or interested, financially or otherwise in the said Special Resolution set out in the item no. 1.

Date: 24th July, 2018
Place: Bengaluru

By the order of the Board
For VXL Instruments Limited

Narayana Bhat
Chief Financial Officer & Company Secretary
Membership No.: F8494
Address: "Girishree", 12,
7th A Cross, Garden Villas,
Nagarabhavi, Bangalore-560 072

Enclosed:

1. Postal Ballot Form
2. Self-addressed — Business Reply Envelope