

30th
Annual Report
2015-2016



VXL Instruments Limited

VXL Instruments Limited

BOARD OF DIRECTORS

Arun Kumar Bhuwania	<i>Chairman & Independent Director</i>
Madireddy V. Nagaraj	<i>Managing Director</i>
M. V. Shetty	<i>Whole Time Director</i>
K. Prakash	<i>Director</i>
N. V. Maslekar	<i>Independent Director</i>
Kumkum Bhuwania	<i>Independent Director</i>
Prakash H Rao	<i>Independent Director</i>
Narayana Bhat	<i>CFO & Company Secretary</i>

AUDIT COMMITTEE

N. V. Maslekar	Chairman
Kumkum Buwania	Member
K. Prakash	Member
Prakash H Rao	Member

NOMINATION AND REMUNERATION COMMITTEE

N. V. Maslekar	Chairman
Arun Kumar Bhuwania	Member
K. Prakash	Member
Prakash H Rao	Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

K Prakash	Chairman
N. V. Maslekar	Member
Prakash H Rao	Member

SHARE TRANSFER / TRANSMISSION COMMITTEE

Madireddy V Nagaraj	Chairman
M V Shetty	Member

REGISTERED & CORPORATE 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

AUDITORS

Ishwar & Gopal
Chartered Accountants
Bengaluru

INTERNAL AUDITORS

Cuddappa Ramesh & co.
Chartered Accountants
Bengaluru

SECRETARIAL AUDITORS

S. Kedarnath & Associates
Practising Company Secretaries
Bengaluru

REGISTRARS AND SHARE TRANSFER AGENTS

Bigshare Services Pvt Ltd
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai - 400 072.
Tel : 91-22-2847 0652/4043 0200
Fax : 91-22-2847 5207

WORKS

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

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THIRTIETH ANNUAL GENERAL MEETING

on Tuesday, 30th August 2016

at

“HALL OF QUEST”

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

at 1.00 p.m

VXL Instruments Limited

NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of the Company will be held at 01.00 P.M, on Tuesday, 30th August, 2016 at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including Audited Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow of the Company as on that date together with the Board's Report and the Secretarial Audit Report and Independent Auditor's Report thereon.
2. To appoint a Director in place of Mr. K. Prakash, who retires by rotation and is eligible for re-appointment.
3. To consider, and to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of Messrs Ishwar & Gopal, Chartered Accountants, registered with the Institute of Chartered Accountants of India (ICAI) under the Firm Registration No. 001154S as the Statutory Auditors of the Company for the financial year ending 31.03.2017 who were appointed as Auditors of the Company in the 29th Annual General Meeting (AGM) held on September 21, 2015 to hold office until the conclusion of 31st AGM to be held in the calendar year 2017, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to applicable taxes and re-imbursalment of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

SPECIAL BUSINESS:

4. Approval of Material Related Party Transactions with Priya Limited.

To consider, and to pass, the following resolution as an Ordinary Resolution:

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

time being in force), consent of the members be and is hereby accorded to carry the related party transaction(s) by the Company with Priya Limited, a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of the Listing Regulations, 2015 within the limits mentioned in the below table for the financial year 2016-17:

Sl. No.	Nature of Transactions	Estimated Value of Transactions per Annum (Rs.in Crores)
1	Purchase of materials /goods	50
2	Sale of materials /goods	80
3	Reimbursement of expenses	3

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

5. Appointment of Mr. Madireddy V Nagaraj as Managing Director of the Company.

To consider, and to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 2(54), 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 and subject to the requisite approval of the Central Government, if so required, the consent of the Members be and is hereby accorded to the appointment of Mr. Madireddy V Nagaraj (DIN 00515419), as the Managing Director of the Company for a period of three (3) years effective from July 31, 2016 up to July 30, 2019 (both days inclusive), at the remuneration and on the terms and conditions set out below:

- i) Salary of Rs.1,60,000/- (Rupees One Lakh Sixty Thousand 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

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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. Madireddy V Nagaraj.

- iii) Housing: Mr. Madireddy V.Nararaj shall be entitled to rent free furnished residential accommodation. In case no accommodation is provided by the Company, Mr. Madireddy V.Nagaraj 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.
Mr. Madireddy V Nagaraj 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. Madireddy V Nagaraj.”

- 6. Appointment of Mr. M V Shetty as Whole time Director of the Company.

To consider, and 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 and subject to the requisite approval of the Central Government, if so required, the consent of the Members be and is hereby accorded to the appointment of Mr. M V Shetty (DIN 00515711), as Whole time Director of the Company for a period of three (3) years effective from October 1, 2016 up to September 30, 2019 (both days inclusive), at the remuneration and on the terms and conditions set out below:

- i) Salary of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand 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.

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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."

By Order of the Board
for VXL Instruments Limited

Narayana Bhat

Place : Bengaluru
Date : 21st July 2016

*Chief Financial Officer &
Company Secretary.*

Notes:

- A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself / herself and such proxy need not be a member of the Company. Proxies in order to be effective, must be received at the Registered Office of the Company at least 48 hours before the meeting.**
- Explanatory Statement as per Section 102 of the Companies Act, 2013 is attached hereto.**
- The Register of Members and the Share Transfer books of the Company will remain closed from 23rd August, 2016 to 30th August, 2016 (both days inclusive).**
- Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.**
- Members/proxies should bring the Attendance slip sent herewith duly filled in to attend the meeting.**
- Members are requested to address all their correspondence including change of address etc. to the present Registrars and Share Transfer Agent: Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072.**
- Pursuant to SEBI notification no. MED/ DOP/ Circular/05/2009 dated May 20, 2009, it has become mandatory for the transferee(s) to furnish copy of PAN Card to the Company/ RTA to enable/ effect transfer of Shares in physical form.**
- To support the 'Green Initiative', the Members who have not registered their e-mail address are requested to register the same with Registrars**

and Share Transfer Agent: Bigshare Services Private Limited.

- 9. As regards to re-appointment of Mr K. Prakash (DIN: 00542262), referred to in item No. 2 of the notice, the following necessary disclosures are made in terms of Regulation 27 of SEBI (LODR) Listing Regulations, 2015 for the information of the Shareholders:**

Particulars	Details
Name	Mr K. Prakash
Date of Birth	25th September, 1949
Date of Appointment	28th June, 2002
Qualifications	M.Com., FCS, LLB
Expertise in specific functional area	Legal, Corporate Affairs and Finance
Directorships held in other Companies (excluding foreign companies)	NIL
Membership/ Chairmanships of Committees of other public companies (included only Audit and Shareholders'/ Investors' Grievance Committee)	NIL

10. Voting through electronic means:

- In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).**
- The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their**

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vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 27th August 2016 (9:00 am) and ends on 29th August, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd August 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote 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 remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "VXL INSTRUMENTS LIMITED".
 - (viii) Now you are ready for remote 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 sanjay.parabcs@gmail.com with a copy marked to evoting@nsdl.co.in.

- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
 - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASS WORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. 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).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd August, 2016.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd August, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or info@bigshareonline.com However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off

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date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Mr. Sanjay Parab, Practicing Company Secretary (Membership No. FCS: 6613 & COP: 7093) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.vxl.net and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

By Order of the Board
for VXL Instruments Limited

Narayana Bhat

Place : Bengaluru
Date : 21st July 2016

*Chief Financial Officer &
Company Secretary.*

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

Following Explanatory Statements are furnished in respect of Special Business:

Item No. 4:

The SEBI (LODR) Regulations, 2015 with respect to Related Party Transactions (RPTs) were notified on September 2, 2015, *inter-alia* require that all existing material related party contracts or arrangements entered prior to September 3, 2015 and which may continue beyond such date shall be placed for approval by way of an Ordinary Resolution of the Shareholders in the first General Meeting subsequent to the notification of the Listing Regulations.

Under the said amendment, all Related Party Transactions (RPTs) shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the shareholders by a Resolution. The said amendment further provides definition of the term 'Material' as follows:

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

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

As a part of its regular business, the Company purchases/sells raw materials from Priya Limited (Priya)

The Board of Directors in its Meeting held on 30th May, 2016, reviewed the estimated value of the transactions for the financial year 2016-17 in detail for recommending the same to the Shareholders of the Company for their approval.

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

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

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

None of the Directors and Key Managerial Personnel of the Company other than Mr. Arun K Bhuwania and his relatives is concerned or interested, financial or otherwise, in the said resolution.

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

Item No. 5:

The Board of Directors of the Company ("the Board") at its meeting held on 21st July, 2016, on the recommendation of the Nomination and Remuneration Committee and subject to the necessary approvals, accorded its approval for re-appointment of Mr. Madireddy V Nagaraj as Managing Director for a further period of three years w.e.f. 31.07.2016 and existing remuneration payable to Mr. Madireddy V Nagaraj, Managing Director w.e.f. 31.07.2016.

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

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

I. General Information

- Nature of Industry: Electronic Hardware Industry
- Date of Commencement of Business: 28.02.1986
- Financial Performance

	31-03-2016	Rupees in Lakhs 31-03-2015
For the year ended		
Total Income	6,257	7,381
Total Expenses	7,030	7,458
Loss before Tax	773	77
Exceptional items	Nil	16
Provision for Taxation (Current, Deferred, Earlier year FBT & others)	Nil	508
Loss after Tax and Extraordinary items	773	569
Loss After Tax carried to the Balance Sheet	773	569

- Export performance and net foreign exchange collaboration: The Company has no foreign collaboration; however, the foreign exchange earnings and outgo during F.Y. 2015-16 are as hereunder:

Foreign Currency Earnings (Accrual basis) = Rs. 5254 Lakhs

Foreign Currency Expenditure (Accrual basis) = Rs. 3371 Lakhs

(Exports are mainly through Third Parties)

- Foreign investments or collaborators: The Company has no foreign collaboration.

II. INFORMATION ABOUT Mr. Madireddy V. Nagaraj

- Background details of Mr. Madireddy V Nagaraj: He is a B. Tech from IIT, Chennai. Mr. Madireddy V Nagaraj has been associated with VXL Instruments Ltd since inception in 1976. He has more than 33 years of experience in the field of manufacturing and management of Electronic manufacturing Industry. He was the key promoter Director in charge of production since 1993 and he is the Managing Director of VXL Instruments Limited since 2004.
- Past Remuneration Approved: Salary Rs. 1,60,000/- per month and Allowances and perquisites Rs. 90,000/- per month.
- Recognition or awards: Mr. Madireddy V Nagaraj is Councilor in Electronics City Industrial Township Authority (ELCITA), which is a local municipal body created by a Government Gazette Notification. ELCITA has jurisdiction over Electronics city. Mr. Madireddy v. Nagaraj along with four other councillors appointed by the Government of Karnataka have been tasked with establishing ELCITA as a model industrial township which can be replicated in other locations also. Mr. Madireddy V Nagaraj is also the past President of Electronics Industries Association (ELCIA). During his tenure as the President of ELCIA, Electronics City was developed into the modern manufacturing & software centre with vastly improved infrastructure. He had represented the Electronics Industry in various forums including at all India levels and interacted with Central & State Government Ministries.
- Job Profile and his suitability: The Managing 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 Board.

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The Managing Director shall adhere to the Company's Code of Business Conduct and Ethics for Directors and Management Personnel.

5. Remuneration Proposed: Salary Rs.1,60,000/- per month and Allowances and Perquisites Rs. 90,000/- per month.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The remuneration proposed for Mr. Madireddy V. Nagaraj is comparatively low in the industry keeping in view the responsibilities assigned to him and his vast experience.
7. Pecuniary relationship with the managerial personnel: No relative of Mr. Madireddy V Nagaraj is employed in the Company.

The Board recommends the adoption of the resolution.

III. OTHER INFORMATION:

1. Reasons for loss or inadequate profits: Due to past accumulated losses, 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 SEBI (LODR) Regulations, 2015.

IV. DISCLOSURES:

The shareholders of the Company shall be informed of the remuneration package of the Director.

Apart from Mr. Madireddy V Nagaraj himself, no other Director is interested in the resolution.

Item No.6:

The Board of Directors of the Company ("the Board") at its meeting held on 21st July, 2016, on the recommendation of the 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. 01.10.2016 and for payment of existing remuneration payable to Mr. M V Shetty, Whole-time Director w.e.f. 01.10.2016

The existing 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: As per Item No. 5.1.c above
Export performance and net foreign exchange collaboration: As per item No. 5.1.d above.
Foreign investments or collaborators: As per item No. 5.1.e above.

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 (Indus-

VXL Instruments Limited

trial, 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 a 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. 1,50,000/- per month and Allowances and Perquisites Rs. 90,000/- per month.
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: Mr.Rishabh Shetty S/o Mr. M. V. Shetty is employed in the Company.

The Board recommends the adoption of the resolution.

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 SEBI (LODR) Regulations, 2015.

IV. DISCLOSURES:

The shareholders of the Company shall be informed of the remuneration package of the Director.

Apart from Mr. M V Shetty himself, no other Director is interested in the resolution.

By Order of the Board
for VXL Instruments Limited

Place : Bengaluru
Date : 21st July, 2016

Narayana Bhat
Chief Financial Officer &
Company Secretary.

Thirtieth Annual Report 2015 - 2016

BOARD'S REPORT

Your Directors have pleasure in presenting the 30th Annual Report and Audited Financial Statements for the year ended 31st March, 2016 together with the Independent Auditor's Report.

1. FINANCIAL RESULTS:

Particulars	Rs. in Lakhs	
	2015-16	2014-15
Net Revenue from operations	6212	7323
Other Income	45	57
Profit (Loss) before provision for doubtful receivables and diminution in value of investment	(225)	47
Provision for doubtful receivables and diminution in value of investment	515	Nil
Profit (Loss) before Depreciation	(740)	(47)
Depreciation	33	30
Profit (Loss) before Taxation	(773)	(77)
Provision for Taxation (Deferred Tax Adjustments)	Nil	508
Profit (Loss) after Taxation	(773)	(585)
Adjustments towards extra ordinary items	Nil	16
Loss for the period	(773)	(569)

PERFORMANCE REVIEW

2015 -16 was probably a tough year for thin clients. Fragile economic growth around the world has resulted in reduced sales during the year under review. The company's profitability was adversely affected by a squeeze on the margins brought about by uncertainty in economic conditions. Provision for doubtful receivables and diminution in value of investment together amounting to Rs.515 lakhs further increased the loss during the year.

FUTURE PROSPECTS

Increased demand in the domestic market, sustained economic expansion, virtualization technology etc. are expected to push the demand for thin clients during the year 2016-17. We can take solace from International Data Corporation's (IDC's) prediction of a future thin client uptick.

The impact of BREXIT on our operations: The same is being closely watched

Impact of BREXIT on India: As of now, we believe the Indian market is a bit rich. A lot of it is being driven by liquidity. One Impact could potentially be a drop in liquidity. If the US does raise rates, liquidity will dry up a bit and market could be negatively impacted.

SHIFTING OF THE REGISTERED OFFICE:

Based on the approval from the Shareholders, the Registered Office of your Company was shifted from the State of Karnataka to the State of Maharashtra.

MERGER WITH PRIYA LIMITED:

On 29th March 2016, the Audit Committee and the Board of Directors, announced the amalgamation of your Company with Priya Limited, This will be subject to requisite regulatory and Shareholders' approvals. The Share Exchange Ratio has been based on the SEBI approved guidelines of price determination based on which, Boards of both companies have set the merger ratio at Four shares of (Rs.10/- each) Priya for every 25 shares of (Rs. 10/- each) VXL.

Your Board will recommend the approval of the merger to the shareholders subject to all statutory approvals. Distinct advantages of the proposed merger will be exhibited in the documents which will be sent in due course.

VXL Instruments Limited

2. RESERVES:

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

3. SHARE CAPITAL:

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

4. MATERIAL CHANGES & 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.

5. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There are no material changes after 31st March, 2016 till the signing of this Report.

6. 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.

7. DIVIDEND:

Whilst your Directors understand the sentiments of the Investors, the financials in the year that has passed, do not enable the Board to recommend any dividend .

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 years to come.

8. CORPORATE GOVERNANCE AND SHAREHOLDER INFORMATION:

A separate Report on Corporate Governance in terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing regulations") along with a Certificate from Practising Chartered Accountant regarding compliance to the Conditions stipulated under Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as "Annexure B".

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 Board of Directors duly met 12 (Twelve) times from 1st April, 2015 to 31st March, 2016 on 4th May 2015, 22nd May 2015, 12th June 2015, 24th June 2015, 30th July 2015, 14th August 2015, 30th October 2015, 1st Dec 2015, 19th Dec 2015, 30th January 2016, 2nd March 2016 and 29th March 2016.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	Name	Designation	DIN
1	Arun Kumar Bhuwania	Chairman & Independent Director	00387445
2	Madireddy V. Nagaraj	Managing Director	00515419
3	M. V. Shetty	Whole Time Director	00515711
4	K. Prakash	Director	00542262
5	N. V. Maslekar	Independent Director	00904842
6	Kumkum Bhuwania	Independent Director	07160610
7	Prakash H Rao	Independent Director	00492187
8	Dipak S Rao*	Director	01153318
9	Narayana Bhat	CFO & Company Secretary	N.A

Mr. K Prakash Director, retires by rotation, as per the Companies Act, 2013 and being eligible, offers himself for re-appointment.

* Mr Dipak S Rao, ceased to be Director with effect from 06.07.2016.

11. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

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

12. COMPOSITION OF AUDIT COMMITTEE, NOMINATION AND REMUNERATION COMMITTEE & STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Following are the composition of various Committees:

i) Composition of Audit Committee:

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

ii) Nomination and Remuneration Committee:

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

iii) Composition of Stakeholders' Relationship Committee:

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

13. RISK MANAGEMENT POLICY:

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

14. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a whistle blower policy for vigil mechanism which is available on the website of

the Company at www.vxl.net and there were no cases reported during the last year.

15. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY:

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

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

The Company has not given any loan or 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

VXL Instruments Limited

- that such internal financial controls are adequate and were operating effectively, and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. EXTRACT OF ANNUAL RETURN:

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual return in MGT-9 is attached as a part of this Annual Report as Annexure - I

19. AUDITORS:

The Auditors, Messrs Ishwar & Gopal, Chartered Accountants, Bengaluru, registered with Institute of chartered Accountants of India (ICAI) under the firm registration number 001154S, who were appointed for a period of 2 years from the conclusion of the last Annual General Meeting [29th AGM] till the conclusion of 31st AGM and will be recommended to be ratified by the Shareholders in the ensuing AGM.

20. EXPLANATION BY BOARD ON THE ADVERSE COMMENTS BY AUDITORS:

There were no adverse comments by the Auditors.

21. SECRETARIAL AUDIT REPORT:

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

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

The Explanation of the board on the adverse comments is Annexed to this report as Annexure II a.

22. EMPLOYEES' STOCK OPTIONS DETAILS.

The Company does not have any Employee Stock Option Scheme.

23. CONSERVATION OF ENERGY:

Your Company gives high priority for conservation of energy through better supervision and training of employees to economize the usage of electricity.

24. TECHNOLOGY ABSORPTION:

The Company's products are manufactured by using in-house know how and Research facilities and no outside technology is being used for manufacturing activities. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

25. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company earned Rs. 52,53,93,265/- in foreign exchange and expended Rs.33,70,60,323/- in foreign exchange during the period under review.

26. 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, 2016.

27. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:

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

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

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

29. 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 www.vxl.net.in/Investors/vxl-disclosures.aspx. 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.

30. HUMAN RESOURCES & 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.

Pursuant to the closure of the unit manufacturing CRT Terminals caused by the phase out of GVX Terminals, the matter is before the Honourable High Court of Karnataka. As per the directions of the Honourable High Court, pending final decision, the Company has been directed to deposit

the amount payable to the workmen with the Honourable High Court. This has been complied with.

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

31. DETAILS OF HOLDING COMPANY/ SUBSIDIARIES/JV:

The Company's Subsidiary Company is VXL Instruments Limited (UK) located in the United Kingdom. Financial performance of the Subsidiary Company referred to in Section 129 of the Companies Act, 2013 in Form AOC-1 is annexed to this Report as Annexure-IV.

32. ANNUAL BOARD EVALUATION:

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

33. 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, this clause is not applicable.

34. NOMINATION AND REMUNERATION COMMITTEE 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 at www.vxl.net.

35. 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 - V

VXL Instruments Limited

36. LISTING WITH STOCK EXCHANGE:

The Company confirms that it has paid the Annual Listing Fees for the year 2016-17 to BSE where the Company's Shares are listed.

37. CORPORATE GOVERNANCE AND SHAREHOLDERS' INFORMATION:

In compliance with the Listing Agreement / LODR 2015 with the Stock Exchange, your Board has adhered to the Corporate Governance Code. All the requisite Committees are functioning in line with the guidelines.

As reported earlier, a reputed firm of independent Chartered Accountants has been carrying out the responsibilities of Internal Auditors and periodically they have been reporting their findings of systems, procedures and management practices.

As required under Regulation 34 of SEBI (LODR) Regulations 2015, a report on Corporate Governance and a Certificate from Messrs Ishwar and Gopal, Chartered Accountants, confirming compliance with the requirements of Corporate Governance forms integral part of this Report as **Annexure B**.

38. CAPITAL EXPENDITURE:

As on 31st March, 2016, the gross tangible and intangible assets stood at Rs. 18,68,84,218/- and the net tangible and intangible assets, at Rs. 17,00,87,373/-. Additions during the year amounted to Rs. 25,50,447/-. The Company has not purchased any assets under lease.

39. DISCLOSURE UNDER PREVENTION OF 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 year 2015-16:

No. of complaints received: NIL

No. of complaints disposed off: NIL

40. MANAGEMENT DISCUSSION AND ANALYSIS:

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

41. POLICIES

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All our corporate governance policies are available on our website (www.vxl.net). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

42. LISTING AGREEMENT

Securities and Exchange Board of India (SEBI) on 2nd September, 2015 issued SEBI (LODR) Regulations, 2015 which is effective from 1st December, 2015. Accordingly, all listed entities were entitled to enter into listing agreement within six months from effective date. The Company entered into listing Agreement with BSE Limited during December 2015

43. 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 Karnataka, Company's Bankers, Customers, Principals, Business Associates and other Acquaintances.

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

For and on behalf of the Board of Directors

Madireddy V Nagaraj

Managing Director

DIN: 00515419

M.V. Shetty

Whole Time Director

DIN: 00515711

Place : Bengaluru

Date : 21st, July, 2016

Thirtieth Annual Report 2015 - 2016

Annexure I

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

As on the financial period ended on March 31, 2016

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L85110MH1986PLC272426
2.	Registration Date	28 th February, 1986
3.	Name of the Company	VXL Instruments Limited
4.	Category / Sub-Category of the Company	Company limited by shares and Indian Non Government Company
5.	Address of the Registered office and contact details Registered Office Address	No. 252, 5th Floor, Building No. 2, Solitaire Corporate Park, Chakala, Andheri East, Mumbai - 400093. Tel. : 022-28245210 Fax. : 022-42872197 Email : narayanbhat@vxl.net Website: www.vxl.net
6.	Whether Listed Company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agents	Bigshare Services Private Limited E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072 Tel.: 022-2847 0652 / 4043 0200 Fax. : 022-2847 5207 Email: info@bigshareonline.com Website: www.bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary	% of shares held	Applicable Section
1	VXL Instruments Limited, UK	Foreign Company	Subsidiary	60%	2(46)

VXL Instruments Limited

VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/ HUF	1443430	-	1443430	10.81	1443030	-	1443030	10.83	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)(1)	-	-	-	-	-	-	-	-	-
	1443430	-	1443430	10.81	1443030	-	1443030	10.83	-
2. Foreign									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Bodies Corporate	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding Promoter & Promoter Group (A)=(A)(1)+(A)(2)	1443430	-	1443430	10.81	1443030	-	1443030	10.83	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	3000	3000	0.02	-	3000	3000	0.02	-
b) Banks / FI	-	900	900	0.01	-	900	900	0.01	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies-	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	42645	-	42645	0.32	42645	-	42645	0.32	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	42645	3900	46545	0.35	42645	3900	46545	0.35	-

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VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
ii) Indian	1564271	9200	1573471	11.79	1268127	9200	1277327	9.59	-2.20
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 Lakh	953830	193682	1147512	8.60	969980	167482	1137462	8.54	-0.06
ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	908698	0	908698	6.80	1183227	0	1183227	8.88	2.07
c) Others (specify)									
Non Resident Indians	30748	176100	206848	1.55	36498	176100	212598	1.59	0.04
Overseas									
Corporate Bodies									
Foreign									
Nationals	150100	287500	437600	3.28	150100	287500	437600	3.28	0
Clearing Members	296	0	296	0.00	1411	0	1411	0.01	0.01
Trusts									
Foreign									
Bodies -D R	1785600	5800000	7585600	56.82	1785600	5800000	7585600	56.93	0.11
Sub-total (B)(2):-	5393543	6466482	11860025	88.84	5394943	6440282	11835225	88.82	-0.02
Total Public Shareholding (B)= (B)(1)+ (B)(2)	5436188	6470382	11906570	89.19	5437588	6444182	11881770	89.17	-0.02
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	6879618	6470382	13350000	100.00	68880618	6444182	13324800	100.00	0

VXL Instruments Limited

ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Madireddy V Nagaraj	319050	2.39	0	319050	2.39	0	-
2	M V Shetty	29920	0.22	0	29920	0.22	0	0.00
3	Laxmi Jagadish Mundkur	400740	3.00	0	400740	3.01	0	0.00
4	Kumar Shyam	387900	2.91	0	387900	2.91	0	0.00
5	Pravina V Shetty	263880	1.98	0	263880	1.98	0	0.00
6	A V Kasargod	100	0.00	0	100	0.00	0	0.00
7	JayaLakshmi Shyam	16640	0.12	0	16240	0.12	0	0.00
8	Ridhima V Shetty	16000	0.12	0	16000	0.12	0	0.00
9	Rishab Shetty	100	0.00	0	100	0.00	0	0.00
10	Deviyani D cruz	9100	0.07	0	9100	0.07	0	0.00

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

No change during the period

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	14,43,430	10.81	14,43,430	10.81
	Datewise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc)				
	At the End of the year	14,43,430	10.83	14,43,430	10.83

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

Sl. No.	For Each of the Top10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Tefuli Limited	1950000	14.61	1950000	14.63
2	Tintur Investments Limited	1925000	14.42	1925000	14.45
3	Breezetop Investments Limited	1925000	14.42	1925000	14.45
4	Daymount Limited	1785600	13.38	1785600	13.40
5	Priya Limited	900000	6.74	900000	6.75
6	Saroj Bhuwania	220891	1.66	220891	1.66
7	Loknath Agarwala	175000	1.31	175000	1.31
8	Rina Poddar	0	0	128527	0.96
9	Anita Nitesh Gupta	0	0	127062	0.95
10	Halifax Properties investment Pvt Ltd	110651	0.83	130651	0.98
11	Brent Properties Investment Pvt Ltd	128527	0.96	128527	0.96
12	Gaurav Electrochem Pvt Ltd	127062	0.95	0	0
13	Cheshire Properties Investment Pvt Ltd	113689	0.85	113689	0.85

(v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Addition during the year	% of total Shares of the company	Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company			No. of Shares	% of total Shares of the company
At the beginning of the year						
Madireddy V Nagaraj	319050	2.39				
M V Shetty	29920	0.22				
Dipak S Rao	80100	0.60				
Datewise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g.allotment /transfer/bonus/ sweatequity etc.)		No change				
At the End of the year						
Madireddy V Nagaraj					319050	2.39
M V Shetty					29920	0.22
Dipak S Rao					80100	0.60

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V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment -
Rs.4,16,83,543/-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Amount in Rs.

Sl. No.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Madireddy V Nagaraj Managing Director	M V Shetty Whole Time Director	
1	1. Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26,98,992	25,78,992	52,77,984
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	3,01,008	3,01,008	6,02,016
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - Others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	30,00,000	28,80,000	58,80,000
	Ceiling as per the Act	42,00,000	42,00,000	84,00,000

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B. Remuneration to other Directors:

Amount in Rs.

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Arun kumar Bhuwania	Dipak Shanker Rao	N V Maslekar	
1	Independent Directors				
	• Fee for attending board / committee meetings	12,000	6,000	1,14,000	1,32,000
	• Commission				
	• Others, please specify				
	Total (1)	12,000	6,000	1,14,000	1,32,000
2	Other Non-Executive Directors	K. Prakash	Kumkum Bhuwania	Prakash H. Rao	
	• Fee for attending board / committee meetings	1,08,000	90,000	84,000	2,82,000
	• Commission				
	• Others, please specify				
	Total (2)	1,08,000	90,000	84,000	2,82,000
	Total (B)=(1+2)				
	Total Managerial Remuneration	1,20,000	96,000	1,98,000	4,14,000
	Overall Ceiling as per the Act -- Within the Limits				

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

Amount in Rs.

Sl.No.	Particulars of Remuneration	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act,1961	15,03,963
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	6,600
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil
2	Stock Option	Nil
3	Sweat Equity	Nil
4	Commission	Nil
	- as % of profit	Nil
	- others, specify...	Nil
5	Others, please specify	Nil
	Total	15,10,563

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VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY Fine	Clause 49 of the Listing Agreement	Delay in appointment of Woman Director	Rs. 50,000	SEBI	
Penalty	Clause 49(II)(A)(1) of the Listing Agreement	Delay in filling Corporate Governance Report for F.Y. ending 31.03.2015	Rs. 51,000	SEBI	
Punishment Compounding	None				
B. DIRECTORS Penalty Punishment Compounding	None				
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding	None				

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SECRETARIAL AUDIT REPORT

ANNEXURE - II

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

(FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016)

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 (financial year) according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. There were no occasions needing compliance under the provisions of the Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); and

Report that during the financial year –

- i. There were no occasions needing compliance under the provisions of The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- ii. The Company has complied with the requirements of The SEBI (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May 2015) and SEBI (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May 2015) as to the requirements of providing necessary information on the Company's website and other necessary disclosures.
- iii. The Company has not issued any security attracting the provisions of The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- iv. The Company has not issued any securities under ESOP/ESPS schemes attracting the provisions of The SEBI (Share based Employee Benefits) Regulation 2014;
- v. The Company has not issued any Debt Securities attracting the provisions of The SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
- vi. The Company has complied with the requirements of The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- vii. The Company has not applied for delisting of Equity Shares in any stock exchange and hence compliance under the SEBI (Delisting of Equity Shares) Regulations, 2009 is not mandated;
- viii. The Company has not brought back any security attracting the provisions of the SEBI (Buyback of Securities) Regulations, 1998.
- ix. The Company has signed fresh Listing Agreement on 19th December 2015, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that in accordance with the guidelines issued by the Institute of Company Secretaries of India (ICSI) on the applicability of industry specific laws as applicable to the Company and based on the information received and records maintained, the Company has, in our opinion, generally complied with the provisions of following laws:

VXL Instruments Limited

- The Competition Act, 2002 and the Rules thereon.
- Special Economic Zones Act, 2005 and the Rules made there under
- Electronics Hardware Technology Park (EHTP) Scheme.
- The Environmental Protection Act, 1986.
- The Factories Act 1948.
- The Water (Prevention and control of Pollution) Act, 1974.
- The Air (Prevention and control of Pollution) Act, 1981.
- The Hazardous Waste (Management and Handling) Rules, 1989.

We have also examined compliance with the applicable clauses of:

- a) The listing Agreements entered into by the Company with BSE and SEBI (Listing obligations and Disclosure Requirements) 2015 effective from 1st December 2015 and the Compliance mechanism for the same needs to be strengthened.
- b) The Secretarial Standards SS-1 and SS-2 issued by the Institute of Company Secretaries of India and having duly notified by the Central Government effective from 1st July 2015 and the Compliance mechanism for the same needs to be strengthened.

We further state that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc except followings.

- a) Nomination and Remuneration policy as required under Section 178(4) was not made part of Board's Report in the Annual Report for the financial year under report.
- b) Vigil Mechanism as required under Section 177(10) with respect to details of establishment of mechanism was not made part of the Boards' Report in the Annual Report for the financial year under report.
- c) Details Familiarization programme for independent directors as required under Clause 49(II)(B)(7) of listing agreement was not disclosed in the Company's website and web link thereto was not made part of Board's Report in the Annual Report for the financial year under report .
- d) Details of policy for determining "material" subsidiaries was not disclosed on Company's website and a web link was not made part of Board's Report in the Annual Report for the financial year under report.
- e) Explanation or comments by the Board on observation or adverse remark or disclaimer made by the Secretarial auditors was not made part of the Board's Report in the Annual Report for the financial year under report.

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

We further report that:

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that 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 voting at the meeting. The minutes of meetings are self explanatory with respect to dissenting members view if any.

We 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.

We further report that during the financial year there were transactions affecting the financial position of the Company.

1. Registered office of the company shifted from the state of Karnataka to the state of Maharashtra vide approval of members by way of postal ballot.
2. Forfeiture of shares of 25,200 equity shares of Rs.10/- each due to non – payment of final call amount.

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3. The Company has provided a provision for writing off receivables of Rs.462 lakhs from "VXL Instruments Limited-UK" a Foreign Subsidiary of the Company.
4. The Company has provided a provision for diminution in value of Investments of Rs.51,69,261/- during the year under review.
5. The Company has paid Rs.51,000/- as "Fine" to BSE for delay in filing Corporate Governance Report for the quarter ended 31st March 2015
6. The Company has paid Rs. 50,000/- as "Fine to BSE for delay in appointment of Women Director as required under the listing agreement.

Place : Bengaluru

Date : 21/07/2016

**For S Kedarnath & Associates
Company Secretaries**

S. Kedarnath
Company Secretary
C P No 4422

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

'Annexure A'

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Central Excise and Customs Law, Central and State Sales Tax Laws.
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our 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.

**For S Kedarnath & Associates
Company Secretaries**

S. Kedarnath
Company Secretary

Place : Bengaluru

Date : 21/07/2016

C P No 4422

VXL Instruments Limited**ANNEXURE II a****Explanations by the Board on the adverse comments of Secretarial Auditors:**

Sl. No.	Qualifications made by Secretarial Auditor	Explanations by the Board
a.	The Listing Agreements entered into by the Company with BSE and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 effective from 1 st December, 2015 and the Compliance mechanism for the same needs to be strengthened.	The Company has taken utmost care to adhere with compliance mechanism. All the required compliances under the new Listing Agreements entered into by the Company with BSE and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 were followed by the Company without any short fall.
b.	The Secretarial Standards SS-1 and SS-2 issued by the Institute of Company Secretaries of India and having duly notified by the Central Government effective on 1 st July 2015 and the Compliance mechanism for the same needs to be strengthened.	The Company has taken utmost care to adhere with Secretarial Standards SS-1 and SS-2 issued by the Institute of Company Secretaries of India and having duly notified by the Central Government effective on 1 st July, 2015.
c.	Nomination and Remuneration Policy as required under Section 178(4) was not made part of Board's Report in the Annual Report for the financial year under report.	The Company has adopted Nomination and Remuneration Policy as required under Section 178(4) and is available on the website of the Company. However, web link of the same was not provided in the last year's Annual Report. Further, the Company has provided details of the same in the current year's Annual Report.
d.	Vigil Mechanism as required under Section 177(10) with respect to details of establishment of mechanism was not made part of the Boards' Report in the Annual Report for the financial year under report.	The Company has Vigil Mechanism/Whistle Blower Policy and is available on the website of the Company. However, web link of the same was not provided in the last year's Annual Report. Further, the Company has provided details of the same in the current year's Annual Report.
e.	Details Familiarization programme for Independent Directors as required under Clause 49(II)(B)(7) of Listing Agreement was not disclosed in the Company's website and web link thereto was not made part of Board's Report in the Annual Report for the financial year under report.	Familiarization programme for Independent Directors as required under Clause 49(II)(B)(7) of Listing Agreement were conducted by the Company and details of the same were available at the Company. Further, the Company has uploaded the details on website of the Company.

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Sl. No.	Qualifications made by Secretarial Auditor	Explanations by the Board
f	Details of Policy for determining “material” subsidiaries were not disclosed on Company's website and a web link was not made part of Board's Report in the Annual Report for the financial year under report.	The Company has adopted Policy for determining “material” Subsidiaries and uploaded on the website of the Company. However, web link of the same was not provided in the last year's Annual Report. Further, the Company has provided details of the same in the current year's Annual Report.
g	Explanation or comments by the Board on observation or adverse remark or disclaimer made by the Secretarial Auditors was not made part of the Board's Report in the Annual Report for the financial year under report.	This has been made part of this year's Board Report. The Company will ensure to comply with the same in future also

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 arms length transactions under third proviso there to.

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

- 1. Details of contracts or arrangements or transactions not at arm's length basis: NIL**
- 2. Details of material contracts or arrangement or transactions at arm's length basis:**
 - (a) Name(s) of the related party and nature of relationship:
Priya Limited, 4th Floor, Kimatrai Building, 77, 79 Maharshi Karve Marg,
Marine Lines (E), Mumbai – 400 002
 - (b) Nature of contracts/arrangements/transactions:
Purchases, Sales and Services
 - (c) Duration of the contracts/arrangements/transactions:
Ongoing - based on periodical requirements.
 - (d) Salient terms of the contracts or arrangements or transactions including the Value:
Based on Orders procured by Priya from Overseas Customers, Purchase Orders are placed on VXL. Based on projected Customer orders Raw materials and other materials are procured through Priya from Overseas suppliers. Domestic Annual Maintenance Contracts, service of thin clients are carried out through Priya Limited.
 - (e) Date(s) of approval by the Board:
22nd May 2015
 - (f) Amount paid as advances:
Nil

For & on behalf of the Board of Directors

Place: Bengaluru
Date: 21.07.2016

Madireddy V. Nagaraj
Managing Director
DIN: 00515419

M V Shetty
Whole Time Director
DIN: 00515711

ANNEXURE – IV

ANNEXURE ON FINANCIAL PERFORMANCE OF THE SUBSIDIARY

Form AOC-I

(Pursuant to first proviso to sub-Section (3) of Section 129 read with Rule 5 of
Companies
(Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/
Associate Companies/ Joint Ventures

Subsidiary

Name of the Subsidiary	(Amount in Rs)
	VXL INSTRUMENTS LIMITED, UK
Share capital	86,15,435
Reserves & surplus	-16,07,23,179
Total Assets	- 4,26,09,384
Total Liabilities	-4,26,09,384
Investments	NIL
Turnover	7,05,80,587
Profit Before Taxation	-1,97,83,909
Provision for taxation	NIL
Profit After Taxation	-1,97,83,909
Proposed Dividend	Nil
% of Shareholding	60%

VXL Instruments Limited

ANNEXURE – V

THE RATIO OF THE REMUNERATION OF EACH DIRECTOR

<u>Requirements</u>	<u>Disclosure</u>
(i) The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the Financial Year;	Managing Director Mr. Madireddy V Nagaraj 15.85:1 Whole-Time Director Mr. M. V. Shetty 15.15:1
(ii) The percentage increase in aggregate remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year;	Managing Director NIL % Whole-Time Director: NIL % CFO & Company Secretary:-0.98%
(iii) The percentage increase in the median remuneration of employees in the Financial Year;	-4.07%
(iv) The number of permanent employees on the rolls of Company as on 31/03/2016	75 Nos.
(v) The explanation on the relationship between average increase in remuneration and company performance;	Employee cost reduced by 16.53% compared to 15.22 % reduction in revenue
(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	Revenue Growth : (-)15.22% (negative) Growth in Remuneration: Managing Director : NIL % Whole-Time Director : NIL% CFO & Company Secretary:-0.98%
(vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current Financial Year and previous Financial Year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last Public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current Financial Year and previous Financial Year;	Market capitalisation as on 31 st March, 2016 : Rs.17.50 crores Market capitalisation as on 31 st March, 2015 : Rs. 15.00 crores Variation= Increased by Rs.2.50 crores over previous financial year
(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;	WTDs are on contract basis. Hence remuneration is changed only when contract is changed and not yearly.

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(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	Performance of the Company (Revenue Growth) : (-) 15.22% Remuneration increase of: Managing Director : NIL % Whole-Time Director : NIL % CFO & Company Secretary :-0.98% increase (compared to Remuneration of 2014-15)
(x) The key parameters for any variable component of remuneration availed by the Directors;	Not availed
(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;	No employee drew more than the remuneration of highest paid Director
(xii) Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes

INFORMATION AS PER RULE 4(2) OF CHAPTER XIII, THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

None of the employees drew remuneration in excess of the limits prescribed.

VXL Instruments Limited

Annexure VI REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance, in respect of the financial year ended 31st March, 2016 is set out below:

A. 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.

B. Board of Directors:

Composition & Size of the Board:

The Company currently has 7 (seven) Directors, including four non-executive and Independent Directors, viz. Mr. Arun Kumar Bhawania, Mr. N V Maslekar, Mrs. Kumkum Bhawania and Mr. Prakash H. Rao . Mr. Arun Kumar Bhawania functions as Chairman. Mr. Madireddy V Nagaraj, continues to be Managing Director of the Company; Mr. M V Shetty functions as a Whole-Time Director and Mr. K. Prakash as Director of the Company.

During the financial year from 1st April, 2015 to 31st March, 2016 , Twelve (12) Board Meetings were held. The date on which the said meetings were held on:

- | | | |
|---------------|---------------|----------------|
| 1. 04.05.2015 | 5. 30.07.2015 | 9. 19.12.2015 |
| 2. 22.05.2015 | 6. 14.08.2015 | 10. 30.01.2016 |
| 3. 12.06.2015 | 7. 30.10.2015 | 11. 02.03.2016 |
| 4. 24.06.2015 | 8. 01.12.2015 | 12. 29.03.2016 |

Attendance of each Director at the Board Meetings and last Annual General Meeting (AGM) and the number of Companies and Committees where he is Director/Member is as follows:

Name of Director	DIN	Category of Directorship	No. of Board Meetings attended	Whether attended Last AGM	No. of Directorship in other Companies incorporated in India	No. of Committee membership Member/ chairman in other companies in India
Mr. Arun Kumar Bhawania	00387445	Independent & Non Executive	1	No	2	3
Mr. N. V. Maslekar	00904842	Independent & Non Executive	12	Yes	2	-
Mr. Prakash H Rao	00492187	Independent & Non Executive	9	Yes	-	-
Mrs. Kumkum Bhawania	07160610	Independent & Non Executive	10	Yes	-	-
Mr. M. V. Shetty	00515711	Promoter - Executive	11	Yes	-	-
Mr. Madireddy V. Nagaraj	00515419	Promoter - Executive	12	Yes	3	-
Mr. K. Prakash	00542262	Non Executive	11	Yes	-	-
Mr. Dipak S Rao *	01153318	Non Executive	1	No	-	-

*Mr. Dipak S Rao Resigned on 6th July, 2016.

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Committees of the Board:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Share Transfer/Transmission Committee

Audit Committee:

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

The Audit Committee comprises of Mr. N. V. Maslekar, Chairman, Mrs.Kumkum Bhuwania, Independent Director, Mr. Prakash H. Rao, Independent Director and Mr. K. Prakash Non-independent Director as members of the Committee.

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

Meetings and the attendance during the year

The Committee met SIX (6) times during the year. The attendance of each member of the Committee is stated below:

Name of Director	No. of Meetings attended	Remarks
Mr. Arun Kumar Bhuwania	1	Nil
Mr. N. V. Maslekar	6	Nil
Mrs. Kumkum Bhuwania	4	Nil
Mr. Prakash H. Rao	5	Nil
Mr. K. Prakash	6	Nil

Nomination and Remuneration Committee:

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

Meetings and the attendance during the year

The Committee met twice on 4th May, 2015 and 12th June 2015 during the Financial year 2015-16.

Name of Member	No. of Meetings attended	Remarks
Mr. N. V. Maslekar	2	Nil
Mr. Arunkumar Bhuwania	2	Nil
Mr. K. Prakash	2	Nil

The Nomination and Remuneration Committee has the following objectives:

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

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The details of remuneration paid to the Directors during the year 2015-16 are stated below:

a. Executive Directors

(in Rs.)

Directors	Salary	Fixed Commission	Perquisites	Sitting Fees	Total
Mr. Madireddy V. Nagaraj	26,98,992	Nil	3,01,008	Nil	30,00,000
Mr. M. V. Shetty	25,78,992	Nil	3,01,008	Nil	28,80,000
Total	52,77,984	Nil	6,02,016	Nil	58,80,000

b. Non-executive Directors

(in Rs.)

Name	Sitting fees	Commission
Mr. Arun Kumar Bhuwania	12,000	NIL
Mr. K. Prakash	1,08,000	NIL
Mr. Dipak S Rao*	6,000	NIL
Mr. N. V. Maslekar	1,14,000	NIL
Mrs. Kumkum Bhuwania	90,000	NIL
Mr. Prakash H Rao	84,000	NIL
Total	4,14,000	NIL

*Mr. Dipak S Rao Resigned on 6th July, 2016

Stakeholders' Relationship Committee

This Committee looks into redressing of Shareholders' complaints like non-transfer of shares, non-receipt of declared dividends. As of 31st March, 2016, the Committee comprised of Mr. K Prakash and Mr. N. V. Maslekar and Mr. Prakash H Rao.

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

Meetings and the attendance during the year

The Committee met once during the year and there were no complaints received during the year ended 31st March, 2016.

Name of Member	No. of Meetings attended	Remarks
Mr. K. Prakash	1	Nil
Mr. N. V. Maslekar	1	Nil
Mr. Prakash H Rao	1	Nil

Accounting Treatment:

The Financial statement of the Company is prepared as per the prescribed Accounting Standards and reflects true and fair view of the business transactions in the Corporate Governance.

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Name, designation & address of Compliance Officer:

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

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

Independent Directors' Meeting:

During the year under review, the Independent Directors met on 30th March, 2016, *inter alia*, to discuss:

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

The Independent Directors viz., Mr. N. V. Maslekar, Mrs. Kumkum Bhuwania and Mr. Prakash H. Rao were present at the Meeting.

General Body Meetings:

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

Year	Date and time	Venue	Whether any Special Resolution(s) passed
2013	4 th September, 2013 at 12.00 Noon	Woodlands Hotel, No. 5, Rajaram Mohan Roy Road, Bengaluru – 560 025	Yes. For the appointment of Managing Director and Whole-Time Director
2014	13 th September, 2014 at 12.00 Noon	Woodlands Hotel, No. 5, Rajaram Mohan Roy Road, Bengaluru – 560 025	Yes. For the appointment of Two Independent Directors
2015	21 st September, 2015 at 12.00 Noon	Woodlands Hotel, No. 5, Rajaram Mohan Roy Road, Bengaluru – 560 025	Yes. To consider related party transaction and alteration of Memorandum of Association and Articles of Association

There are 2 items which require to be passed as Special Resolutions at the ensuing AGM to be held at 30th August, 2016.

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POSTAL BALLOT RESULTS

During the year, the Company passed the following Resolutions through Postal Ballot:

Resolutions	Votes Cast in Favour No. of Votes	%	Votes Cast Against No. of Votes	%	Date of declaration of Results
Shifting of the Registered Office of the Company from the State of Karnataka to the State of Maharashtra	83,98,857	99.99	792	0.01	12/08/2015

The Company has successfully completed the process of obtaining approval of its shareholders for resolutions on the items detailed above vide postal Ballot.

Mr. Vijayakrishna K T, a Practising Company Secretary, Bengaluru was appointed as the Scrutinizer for carrying out Postal Ballot Voting Process in a fair and transparent manner.

Board Training and Induction:

At the time of appointing a Director, a *familiarization programme for Directors of the Company* brochure is given which *inter alia* explains the history of the Company, products / divisions of the Company in which it operates, performance of the Company during the last quarter/year, other Directors' profile, Leadership Team details, situation of factories and branch offices etc., role, function, duties and responsibilities expected as a Director of the Company. In the same document, the Director is also explained in detail the compliances required from him under the Companies Act, Listing Regulations and other relevant regulations. The Managing Director of the Company also has a one-to-one discussion with the newly appointed Director. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him to effectively fulfill his role as a Director of the Company. Apart from the above, business heads also makes presentations on their respective business and updates the Board. The familiarization document is also disclosed on the website of the Company at www.vxl.net.

The Company has issued a formal letter of appointment to all the Independent Directors of the Company in the manner as provided in the Companies Act, 2013 including the tenure of appointment. The terms of appointment has also been disclosed on the website of the Company at www.vxl.net.

Disclosures:

Details of all the material transactions with related parties along with the compliance report on Corporate Governance: The Company has disclosed the Policy dealing with Related Party Transactions on its website at www.vxl.net.

During the last three years, there were no situations or penalties imposed by either SEBI or the Stock Exchange or any statutory authority for non-compliance of any matter related to Listing Agreement with the Stock Exchange except for the delay in the appointment of Women Director and Delay in filing Corporate Governance Report for the fourth quarter ended 31st March, 2015.

Compliance with Mandatory Requirements:

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

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Means of Communication:

The Quarterly & Half Yearly results are published in national and local dailies such as The Financial Express (in English) and Hosa Digantha (in Kannada), Navashakthi (in Marathi) and hence are not individually sent to the shareholders.

- Quarterly results are published in the prominent daily newspapers in Financial Express (in English) and Hosa Digantha (in Kannada), Navashakthi (in Marathi).
- Necessary disclosures as per the requirement of SEBI/Listing Agreement and Corporate Laws are made within prescribed time as required.

The general information about the Company and the information as required under the Companies Act 2013 and Listing Agreement have been uploaded on the Company's website: www.vxl.net

General Shareholder information:

Annual General Meeting	30th August 2016, (Tuesday) Address: "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018. Time: 01.00 P.M.
Date of Book Closure	23rd August, 2016 (Tuesday) - 30th August 2016 (Tuesday) (both days inclusive)
Dividend payment date	N. A.
Financial Results calendar (Tentative)	Last week of July, 2016 Unaudited Results for the quarter and three months ended June 30, 2016. First week of November, 2016 - Unaudited Results for the quarter and six months ended September 30, 2016. First week of February, 2017- Unaudited Results for the quarter and nine months ended December 31, 2016. Last week of May, 2017 - Audited Results for the year ended March 31, 2017.
Listing on Stock Exchange	BSE Limited (Code 517399)
International Securities Identification Number (ISIN)	INE756A01019
Corporate Identification Number (CIN)	L85110MH1986PLC272426

The Company has paid Annual Listing fees, as prescribed, to the BSE Limited for the financial year 2016-17.

Annual Custody / Issuer Charges:

The Company has paid the Annual Custody / Issuer charges for the financial year 2016-17 to NSDL and CDSL.

Reporting of Internal Auditor:

The Internal Auditor reports to the Audit Committee.

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CEO & CFO Certification

We confirm that:

1. We have reviewed the financial statements including the cash flow statement for the year ended 31st March, 2016 and certify to the best of our knowledge and belief that:
 - i. the statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. the statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into, by the Company during the year ended were fraudulent, illegal or against to the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and to the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we were aware and the steps we had taken or propose to take to rectify those deficiencies.
4.
 - i. There has not been any significant change in internal control during the year;
 - ii. There has not been any significant change in Accounting Policies during the year requiring disclosure in the notes to the financial statements; and
 - iii. We are not aware of any instances during the year of significant fraud with involvement therein, of the Management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Bengaluru

Date: 21st July, 2016

Managing Director
DIN: 00515419

Chief Financial Officer

Code of Conduct:

The Company has adopted a Code of Conduct which has been implemented. The Code of Conduct is made applicable to the Directors and Senior Management Team.

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 March 31, 2016.

Place: Bengaluru

Date : 21st July, 2016

(Madireddy V Nagaraj)
Managing Director
DIN: 00515419

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General Shareholders' Information:

AGM: Date : 30th August, 2016
Time : 01.00 p.m
Venue : "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

Financial calendar : April to March
Date of Book Closure : 23rd August, 2016 to 30th August 2016
Dividend payment(s) : Nil
Listing on Stock Exchange: BSE Limited
Scrip code is 517399 in the BSE Limited

Stock Market (BSE) price data for the year

(in Rs.)

Month	High	Low
April 2015	19.00	11.81
May 2015	18.40	16.00
June 2015	16.80	15.25
July 2015	16.00	13.30
August 2015	15.75	13.20
September 2015	13.95	11.60
October 2015	12.75	10.45
November 2015	13.00	11.70
December 2015	12.50	10.50
January 2016	12.24	10.00
February 2016	12.85	11.63
March 2016	14.20	12.70

Registrar and Transfer Agents

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

Their address is furnished below:

Big Share Services Private Limited
E-2/3, Ansa Industrial Estate
Sakivihar Road, Saki Naka
Andheri (E), Mumbai – 400 072
Phone : +91 22 2847 0652/4043 0200, Fax : +91 22 2847 5207
E-mail : info@bigshareonline.com

Share Transfer System:

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

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

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Distribution of shareholding as on 31st March, 2016:

Face Value Rs.10/-

Range (in Rs.)	No. of Share Holders	% of Total Share Holders	Total Holding In Rs.	% of Total Capital
1 - 5,000	4114	90.2589	52,64,560	3.9509
5,001 - 10,000	195	4.2782	16,04,870	1.2044
10,001 - 20,000	108	2.3695	16,82,990	1.2631
20,001 - 30,000	35	0.7679	8,83,470	0.6630
30,001 - 40,000	12	0.2633	4,34,910	0.3264
40,001 - 50,000	12	0.2633	5,70,780	0.4284
50,001 - 1,00,000	29	0.6362	20,44,560	1.5344
1,00,001 & above	53	1.1628	12,07,61,860	90.6294
	4558		13,32,48,000	100.0000

Shareholding pattern as on 31-03-2016:

Category	No of Shares	% Holding
Directors'	4,29,070	3.22
Promoter but not Director	4,09,940	3.08
Directors' and Promoters' Relatives	9,75,411	7.32
Total A	18,14,421	13.62
Mutual Funds	3,000	0.02
Financial Institutions	900	0.01
Body Corporate	12,77,327	9.59
NRI	2,12,598	1.60
Foreign	79,15,745	59.41
Shares in Transit	1,411	0.01
General Public	20,99,398	15.76
Total B	1,15,10,379	86.38
Total A + B	1,33,24,800	100.00

Dematerialization of shares and liquidity

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

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

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

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Plant Locations

Export Oriented Factory

House of Excellence, # 17, Electronics City,
Hosur Road, Bengaluru- 560 100.
Phone: +91-80-2852 0046 / 2852 3252

Address for correspondence:

VXL Instruments Limited

#252,, 5th Floor, Building No.2,
Solitaire Corporate Park,
Chakala Andheri (East), Mumbai - 400093
Tel : 91 22 2824 5210
Fax : 91 22 4287 2197
URL : Website : www.vxl.net
CIN : L85110MH1986PLC272426
E-mail : cfo@vxl.net

REGISTERED & CORPORATE 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
URL : Website : www.vxl.net
CIN : L85110MH1986PLC272426
E-mail : cfo@vxl.net

COMPLIANCE CERTIFICATE

**TO THE MEMBERS OF
VXL INSTRUMENTS LIMITED**

We have examined the compliance of conditions of Corporate Governance by VXL INSTRUMENTS LIMITED ("the Company"), having CIN: L85110MH1986PLC272426 for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement and SEBI (LODR) Regulation 2015 entered by the company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the 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 our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement and SEBI (LODR) Regulation 2015 except the following:

- a) Nomination and Remuneration policy as required under Section 178(4) of the Companies Act, 2013 was not made part of Board's Report in the Annual Report for the financial year under report.
- b) Vigil Mechanism as required under Section 177(10) of the Companies Act, 2013 with respect to details of establishment of mechanism was not made part of the Boards' Report in the Annual Report for the financial year under report.
- c) Details Familiarization programme for independent directors as required under Clause 49(II)(B)(7) of listing agreement was not disclosed in the Company's website and web link thereto was not made part of Board's Report in the Annual Report for the financial year under report .
- d) Details of policy for determining "material" subsidiaries were not disclosed on Company's website and a web link was not made part of Board's Report in the Annual Report for the financial year under report.
- e) Explanation or comments by the Board on observation or adverse remark or disclaimer made by the Secretarial auditors was not made part of the Board's Report in the Annual Report for the financial year under report.

We state that such compliance 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.

For **ISHWAR & GOPAL**
Chartered Accountants
(Firm Registration No. 001154S)

K V Gopalakrishnayya
Partner
Membership No 21748
Bengaluru, July 21, 2016

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

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of VXL Instruments Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 shall give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding of the assets of the Company and preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016 and its loss and its cash flows for the year ended on that date.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (CARO 2016 or "the Order) issued by the Central Government of India in terms of subsection (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on March 31st, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2016 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 operating effectiveness of such controls, refer to our separate report in Annexure B, and
 - 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 financial statements - Refer Note 2 (o) of Notes to the financial statements;
 - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including pending derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Ishwar & Gopal
Chartered Accountants
Firm Reg. No. 001154S

K.V. Gopalakrishnaya
Partner
Membership No.: 021748

Date : 30th May 2016
Place : Bangalore

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Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b. The fixed assets of the Company have been verified by the management during the year. No material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its business;
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable properties are held in the name of the Company.
2. Inventories other than those lying with third parties have been physically verified during the year by the management. In our opinion, the frequency of verification was reasonable. The discrepancies between the physical stocks and the book records, where applicable, as noticed on physical verification were not material and have been properly dealt with in the books of account;
3. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships, or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence clause 3 (iii) (a) and (b) of the order is not applicable to the Company for the year under review.
4. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, investments, guarantees, and securities to parties covered under section 185 and 186 of the Companies Act, 2013.
5. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits and hence the requirement of clause 3 (v) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 for maintenance of Cost records in respect of products of the Company and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
7. a. The Company has been regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- b. According to the information and explanation given to us, the following amounts of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited with the relevant authorities on account of any dispute are detailed under:

Name of the Statute	Nature of dues	Amount (Rs.)	Related Period	Forum where dispute is pending
Central Sales tax Act, 1956	Sales Tax	57,70,209	2001-02 to 2004-05	Deputy Commissioner of Commercial Taxes
Finance Act, 1994	Service Tax	10,34,66,834	2008-09 to 2011-12	Central Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Education cess on excise duty and input claims under appeal	12,48,058	2009-10, 2013-14, 2014-15 and 2015-16	Central Excise & Service Tax Appellate Tribunal
The Customs Act, 1962	Customs Duty	7,70,839	2006-07	Central Excise & Service Tax Appellate Tribunal

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8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and did not have any amount outstanding to financial institutions, government or debenture holders.
9. In our opinion and according to the information and explanations given to us, during the year the Company did not raise any money by way of initial public offer, or further public offer (including debt instruments) or term loans. Accordingly, clause 3 (ix) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
10. According to the information and explanations given to us, no material frauds by the Company or on the Company by its officers and employees have been noticed or reported during the course of the audit.
11. According to the information and explanations given to us and based on our examination of records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
12. In our opinion and according to the information and explanation given to us, the Company is not a nidhi Company. Accordingly, clause 3 (xii) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
13. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly paid debentures during the year.
15. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
16. According to the information and explanation given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Ishwar & Gopal
Chartered Accountants
Firm Reg. No. 001154S

K.V. Gopalakrishnaya
Partner
Membership No.: 021748

Date : 30th May 2016
Place : Bangalore

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of VXL Instruments Limited ("the Company") as of 31 March 2016 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 issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and

completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ishwar & Gopal
Chartered Accountants
Firm Reg. No. 001154S

K.V. Gopalakrishnayya
Partner
Membership No.: 021748

Date : 30th May 2016
Place : Bangalore

VXL Instruments Limited
BALANCE SHEET AS AT 31st MARCH, 2016

(Amount in Rs.)

Sl. Particulars No.	Note No.	As at		As at	
		31-Mar-16	31-Mar-16	31-Mar-15	31-Mar-15
I EQUITY AND LIABILITIES					
1 Shareholders' funds					
a. Share Capital	3	13,33,58,750		13,33,53,000	
b. Reserves and Surplus	4	3,47,62,407		11,20,12,321	
			16,81,21,157		24,53,65,321
2 Non-current liabilities					
a. Long Term borrowings	5	3,79,23,239		3,86,48,448	
b. Long term provisions	6	38,15,932		73,70,900	
			4,17,39,171		4,60,19,348
3 Current Liabilities					
a. Trade payables					
(A) total outstanding dues of micro enterprises and small enterprises;		-		-	
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		20,08,13,325		12,45,15,686	
b. Other Current liabilities	7	1,20,29,202		1,51,09,855	
c. Short term provisions	8	8,09,945		23,55,504	
			21,36,52,472		14,19,81,045
TOTAL			42,35,12,800		43,33,65,714
II ASSETS					
1 Non-current assets					
a. Fixed Assets	9				
i. Tangible Assets	a	16,97,71,554		17,05,28,877	
ii. Intangible Assets	b	3,15,819		2,63,888	
			17,00,87,373		17,07,92,765
b. Non-current investments	10	11,000		51,80,261	
c. Long term loans & advances	11	63,24,050		76,06,002	
d. Other non current assets	12	-		4,96,36,260	
			63,35,050		6,24,22,523
2 Current Assets					
a. Inventories	13	16,53,48,268		15,53,10,518	
b. Trade receivables	14	2,68,44,464		43,02,985	
c. Cash & Cash equivalents	15	1,66,04,791		1,12,74,165	
d. Short term loans & advances	16	3,78,48,508		2,86,79,333	
e. Other Current assets	17	4,44,346		5,83,425	
			24,70,90,377		20,01,50,426
TOTAL			42,35,12,800		43,33,65,714

Summary of Significant Accounting Policies- Note No. 1

The accompanying notes are an integral part of the Financial Statements - Note No. 2

As per our report of even date.

 For Ishwar & Gopal
 Firm Registration No : 001154S
 Chartered Accountants

K.V. Gopalakrishnayya
 Partner
 Membership No.: 021748
 Date : 30th May 2016
 Place : Bangalore

For and on behalf of the Board

Madireddy V. Nagaraj
 Managing Director

K. Prakash
 Director

M. V. Shetty
 Whole Time Director

Narayana Bhat
 CFO & Company Secretary

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number	Amount in Rs.	Number	Amount in Rs.
3. SHARE CAPITAL				
Authorised				
a Equity Shares	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
b Issued				
Equity Shares	1,33,50,000	13,35,00,000	1,33,50,000	13,35,00,000
Subscribed and paid fully				
Equity Shares	1,33,24,800	13,32,48,000	1,33,22,500	13,32,25,000
Subscribed but not paid fully				
Equity Shares	–	–	27,500	1,28,000
Share Forfeited Account *		1,10,750		
Total	1,33,24,800	13,33,58,750	1,33,50,000	13,33,53,000

c. Par value Rs. 10 per equity share

d. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number	Amount in Rs.	Number	Amount in Rs.
Equity Shares				
Outstanding at the beginning of the period	1,33,50,000	13,33,53,000	1,33,50,000	13,33,53,000
Outstanding at the end of the period	1,33,24,800	13,32,48,000	1,33,50,000	13,33,53,000

e. Terms / Rights attached to equity shares

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

During the year, the Company has not declared any dividend.

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

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

f. Shares held by each shareholder holding more than 5 percent shares specifying the number of shares held

Name of the Shareholder	As at 31.03.2016		As at 31.03.2015	
	No. of shares held	% of holding	No. of shares held	% of holding
Tefuli Ltd	19,50,000	14.63	19,50,000	14.61
Tintur Investments Ltd	19,25,000	14.45	19,25,000	14.42
Breezetop Investments Ltd	19,25,000	14.45	19,25,000	14.42
Daymount Ltd	17,85,600	13.40	17,85,600	13.38
Priya Ltd	9,00,000	6.75	9,00,000	6.74

g. Calls unpaid (showing aggregate value of calls)

– Unpaid by Others – 1,47,000

VXL Instruments Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

	As at 31.03.2016 Amount in Rs.	As at 31.03.2015 Amount in Rs.
4. RESERVES & SURPLUS		
a. Capital Reserve		
Balance as per last financial statement	20,53,645	20,53,645
b. Securities Premium Account		
Balance as per last financial statement	13,72,88,827	13,72,88,827
Add: Received during the year	37,250	—
	<u>13,73,26,077</u>	<u>13,72,88,827</u>
c Revaluation Reserve		
Balance as per last financial statement	15,12,20,744	15,12,20,744
d Other Reserves		
(i) General Reserve		
Balance as per last financial statement	25,99,897	25,99,897
e Surplus / (Deficit) in Statement of Profit & Loss Account		
Balance as per last financial statement	(18,11,50,792)	(12,42,58,502)
Profit / (Loss) for the year	<u>(7,72,87,164)</u>	<u>(5,68,92,290)</u>
Net surplus / (Deficit) in statement of Profit & Loss Account	(25,84,37,956)	(18,11,50,792)
Total Reserves & Surplus	3,47,62,407	11,20,12,321
5 LONG TERM BORROWINGS		
a Term Loans		
- From Banks - Secured *	10,21,305	16,05,935
- From Others - Secured *	1,24,739	4,44,307
b Loans and Advances from Related parties - Unsecured **		
	<u>3,75,00,000</u>	<u>3,75,00,000</u>
Total Long term borrowings	3,86,46,044	3,95,50,242
Less: Instalments of term loan payable within a year	7,22,805	9,01,794
Total Long term borrowings	<u><u>3,79,23,239</u></u>	<u><u>3,86,48,448</u></u>

* Term loan is secured by hypothecation of vehicles. The loan is repayable in 36 equated monthly instalments of Rs.43,684/- each and 60 equated monthly instalments of Rs. 49,082/- each. The agreements commence from 30.06.2013 and ending on 30.06.2017

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

	As at 31.03.2016 Amount in Rs.	As at 31.03.2015 Amount in Rs.
6. LONG TERM PROVISIONS		
a Provision for employee benefits		
i Gratuity	9,89,347	46,00,337
ii Leave Benefits	<u>28,26,585</u>	<u>27,70,563</u>
	<u>38,15,932</u>	<u>73,70,900</u>
7 OTHER CURRENT LIABILITIES		
a Current maturities of long term debts		
Current maturities of term loan	7,22,805	9,01,794
b Other payables		
i Advances from Customers	3,690	-
ii Book Overdraft	15,11,773	34,83,340
iii Due to Directors	-	58,600
iv Liabilities for expenses	<u>97,90,934</u>	<u>1,06,66,121</u>
Total	<u>1,20,29,202</u>	<u>1,51,09,855</u>
8 SHORT TERM PROVISIONS		
Provision for employee benefits		
i Gratuity	-	15,70,004
ii Leave Benefits	<u>8,09,945</u>	<u>7,85,500</u>
Total	<u>8,09,945</u>	<u>23,55,504</u>

Note No. 9. FIXED ASSETS

NOTES TO THE FINANCIAL STATEMENTS

(in Rupees)

Particulars	Gross Block			Depreciation				Net Block		
	Balance as at 01.04.2015	Additions / (Reversals)	Disposal / Reversals	Balance as at 31.03.2016	Balance as at 01.04.2015	Charge for the year / amortisation	Reversals	Balance as at 31.03.2016	As at 31.03.2016	As at 31.03.2015
LAND	15,46,21,200	-	-	15,46,21,200	-		-	-	15,46,21,200	15,46,21,200
BUILDINGS	1,38,69,322	-	-	1,38,69,322	84,27,667	3,71,804	-	87,99,471	50,69,851	54,41,655
PLANT & MACHINERY	28,40,795	1,55,282	-	29,96,077	5,89,801	2,01,066	-	7,90,868	22,05,209	22,50,994
OFFICE EQUIPMENTS	22,98,657	10,34,630	-	33,33,287	5,87,921	6,85,685	-	12,73,605	20,59,682	17,10,736
FURNITURE & FIXTURES	21,72,528	1,07,656	-	22,80,184	7,82,414	2,02,443	-	9,84,858	12,95,326	13,90,114
MOTOR VEHICLES	49,70,814	-	-	49,70,814	16,77,446	6,81,764	-	23,59,210	26,11,604	32,93,368
COMPUTER AND DATA PROCESSING UNITS	32,37,019	11,19,663	-	43,56,682	14,16,209	10,31,794	-	24,48,003	19,08,679	18,20,810
TOTAL	18,40,10,335	24,17,231	-	18,64,27,566	1,34,81,458	31,74,557	-	1,66,56,015	16,97,71,554	17,05,28,877
PREVIOUS YEAR	19,71,10,135	35,40,521	-1,66,40,320	18,40,10,335	2,85,35,745	29,73,318	-1,80,27,604	1,34,81,458	-	17,05,28,877
INTANGIBLES										
SOFTWARE LICENSE	3,23,436	1,33,216	-	4,56,652	59,548	81,285	-	1,40,833	3,15,819	2,63,888
TOTAL	3,23,436	1,33,216	-	4,56,652	59,548	81,285	-	1,40,833	3,15,819	2,63,888
PREVIOUS YEAR	-	3,23,436	-	3,23,436	-	59,548	-	59,548	-	2,63,888
TOTAL	18,43,33,771	25,50,447	-	18,68,84,218	1,35,41,006	32,55,842	-	1,67,96,848	17,00,87,373	17,07,92,765
PREVIOUS YEAR	19,71,10,135	38,63,957	-1,66,40,320	18,43,33,771	2,85,35,745	30,32,866	-1,80,27,604	1,35,41,006	17,07,92,765	

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

	As at 31.03.2016 Amount in Rs.	As at 31.03.2015 Amount in Rs.
10 NON CURRENT INVESTMENTS		
Investment in equity instruments		
108,000 (108,000) equity shares of VXL Instruments Limited, UK of par value 1 GBP each, fully paid up (a subsidiary of the Company with 60% holding)	51,69,261	51,69,261
Less: Provision for diminution in value of Investments	<u>51,69,261</u>	<u>-</u>
	-	51,69,261
1,100 (1,100) equity shares of ELCIA ESDN Private Limited of par value of Rs. 10, fully paid up	11,000	11,000
Total	<u>11,000</u>	<u>51,80,261</u>
 Basis of valuation : Investments are stated at cost.		
Aggregate amount of quoted investments and market value thereof	Nil	Nil
Aggregate amount of unquoted investments	11,000	51,80,261
Aggregate provision for diminution in value of investments	51,69,261	Nil
 11 LONG TERM LOANS AND ADVANCES		
a Capital Advances		
b Security Deposits		
I Considered Good	41,20,075	38,88,913
c Other Loans & Advances [Unsecured]		
i Considered Good		
- Advance to Suppliers	10,13,000	11,66,000
- Receivable from statutory authorities	11,90,975	25,51,089
ii Considered Doubtful		
- Employee / Other Advances	1,72,990	72,990
Less : Provision for Doubtful Advances	<u>1,72,990</u>	<u>-</u>
	-	72,990
Total	<u>63,24,050</u>	<u>76,06,002</u>
 12 OTHER NON CURRENT ASSETS		
Long term trade receivables (including trade receivables on deferred credit terms)		
a Unsecured, Considered Doubtful	4,70,59,910	8,21,956
Less : Provision for doubtful debts	<u>4,70,59,910</u>	<u>8,21,956</u>
	-	-
b Unsecured, Considered Good	-	4,96,36,260
Total	<u>-</u>	<u>4,96,36,260</u>

VXL Instruments Limited**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

	As at 31.03.2016 Amount in Rs.	As at 31.03.2015 Amount in Rs.
13 INVENTORIES		
Raw Materials	15,24,90,834	14,02,05,495
Raw Materials in Transit	13,05,857	11,96,998
Finished Goods	1,15,51,578	1,39,08,025
Total	<u>16,53,48,268</u>	<u>15,53,10,518</u>
14 TRADE RECEIVABLES		
[Unsecured, Considered Good]		
Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment	6,23,187	18,31,078
Others	2,62,21,277	24,71,907
	<u>2,68,44,464</u>	<u>43,02,985</u>
15 CASH AND CASH EQUIVALENTS		
a Balance with banks		
i on Current Account	93,52,131	17,77,387
ii on Deposit Account	69,43,692	94,07,588
iii on Exchange Earner's Foreign Currency Account	18,433	20,946
b Cash on Hand	1,55,903	68,243
c. Cheques on Hand	1,34,632	-
	<u>1,66,04,791</u>	<u>1,12,74,165</u>
16 SHORT TERM LOANS AND ADVANCES		
Other Loans & Advances [Considered Good]		
i Advance Income Tax (net of provision for taxation)	55,58,683	56,02,926
ii MAT Credit Entitlement	33,98,062	33,98,062
iii Prepaid Expenses	24,18,095	4,48,266
iv Advance to Suppliers	10,23,233	6,07,621
v Balance with statutory / Government authorities	2,53,36,979	1,85,80,274
vi Employee Advances	1,13,456	42,185
Total	<u>3,78,48,508</u>	<u>2,86,79,333</u>
17 OTHER CURRENT ASSETS		
Interest accrued but not due on deposits	4,44,346	5,83,425
Total	<u>4,44,346</u>	<u>5,83,425</u>

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in Rs.)

Particulars	Note No.	Figures for the current reporting period 31-Mar-16	Figures for the previous reporting period 31-Mar-15
I Revenue from operations	18	62,12,27,197	73,23,48,274
II Other Income	19	44,77,056	57,07,765
III Total Revenue (I + II)		<u>62,57,04,253</u>	<u>73,80,56,039</u>
IV Expenses:			
Cost of materials consumed	20	53,39,80,008	62,81,27,966
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	21	23,56,447	(18,63,008)
Employee benefits expense	22	4,96,32,741	5,94,58,893
Financial costs	23	80,19,163	24,67,205
Depreciation and amortization expense	24	32,55,842	30,32,865
Other expenses	25	10,57,47,216	5,45,44,563
Total Expenses		<u>70,29,91,417</u>	<u>74,57,68,484</u>
V Profit / (Loss) before exceptional and extraordinary items and tax (III - IV)		(7,72,87,164)	(77,12,444)
VI Exceptional Items	26	-	16,04,761
VII Profit before tax (V - VI)		(7,72,87,164)	(61,07,684)
VIII Tax expense:			
MAT Credit Entitlement written off		-	-
Deferred Tax expense		-	5,07,84,606
IX Profit/(Loss) for the period (VII - VIII)		<u>(7,72,87,164)</u>	<u>(5,68,92,290)</u>
X Earning per equity share:			
Basic & Diluted		(5.80)	(4.26)

Summary of Significant Accounting Policies- Note No. 1

The accompanying notes are an integral part of the Financial Statements - Note No. 2

As per our report of even date.
For Ishwar & Gopal
Firm Registration No : 001154S
Chartered Accountants

For and on behalf of the Board

K.V. Gopalakrishnayya
Partner
Membership No.: 021748
Date : 30th May 2016
Place : Bangalore

Madireddy V. Nagaraj
Managing Director

K. Prakash
Director

M. V. Shetty
Whole Time Director

Narayana Bhat
CFO & Company Secretary

VXL Instruments Limited
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

	Year Ended 31.03.2016 Rs.	Year Ended 31.03.2015 Rs.
18. Revenue from Operations		
Sale of Products	63,03,97,659	73,50,76,946
Sale of Services	12,58,134	71,54,766
Revenue from operations (Gross)	63,16,55,793	74,22,31,712
Less: Excise Duty	1,04,28,596	98,83,438
Revenue from operations (Net)	62,12,27,197	73,23,48,274
Details of Products Sold		
Finished Goods Sold	63,03,97,659	73,50,76,946
Data Processing Units	63,03,97,659	73,50,76,946
Details of Services Rendered		
AMC / Repair Services	12,58,134	71,54,766
	12,58,134	71,54,766
19 Other Income		
a Interest Income on Bank Deposits	7,01,241	8,31,335
b Interest Income on Others	1,38,547	11,621
c Dividend Income on Long Term Investments	5,819	7,200
d Net gain / (loss) on foreign currency transaction and translation	-	34,69,250
e Other non-operating income (net of expenses)		
i Refund received from Statutory Authorities	35,24,385	13,88,250
ii Insurance claim received	1,05,240	
ii Others	1,824	
	36,31,448	109
	44,77,056	57,07,765
20 Cost of materials consumed		
Cost of raw materials consumed	53,38,06,934	62,73,46,044
Packing Materials	1,73,074	7,81,923
	53,39,80,008	62,81,27,966
Raw Material Consumption		
a Electronic Components	31,19,48,822	39,18,77,539
b Mechanical Items	5,63,97,904	4,23,21,179
c Electronic Assembly	2,11,31,440	2,86,22,804
d License Sticker Labels	14,29,74,146	13,32,68,161
g Others	13,54,622	3,12,56,361
	53,38,06,934	62,73,46,044
21 Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade		
Inventories at the end of the year		
a Finished Goods	1,15,51,578	1,39,08,025
	1,15,51,578	1,39,08,025
Inventories at the beginning of the year		
a Finished Goods	1,39,08,025	1,20,45,017
	1,39,08,025	1,20,45,017
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	23,56,447	(18,63,008)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

	Year Ended 31.03.2016 Rs.	Year Ended 31.03.2015 Rs.
22. Employee Benefit Expenses		
Salaries and Wages	4,69,12,445	5,50,24,717
Contribution to provident & Other Funds	18,37,485	34,93,510
Staff Welfare expenses	8,82,811	9,40,666
	<u>4,96,32,741</u>	<u>5,94,58,893</u>
23 Financial Costs		
Interest on Working Capital	41,67,878	12,87,899
Interest on Term Loan	35,72,767	9,29,657
Interest on Others	73,568	23,101
Other Borrowing Costs	2,04,950	2,26,548
	<u>80,19,163</u>	<u>24,67,205</u>
24 Depreciation and amortisation expenses		
Depreciation on tangible assets	31,74,557	29,73,317
Amortisation of intangible assets	81,285	59,548
	<u>32,55,842</u>	<u>30,32,865</u>
25 Other Expenses		
Consumption of Stores & Spare parts	13,17,222	5,67,407
Power and Fuel	12,25,048	12,33,215
Rent	40,99,144	24,03,993
Repairs to Buildings	2,14,015	97,368
Repairs to Machinery	11,895	-
Repairs to Others	9,11,707	10,63,961
Insurance	5,68,549	5,77,140
Rates & Taxes, excluding taxes on income	8,39,428	6,54,102
Remuneration to Auditors	4,22,977	4,28,396
Consultancy/Certification Charges	79,31,475	75,99,135
Software Expenses	72,70,874	17,09,998
Freight & Forwarding	1,73,47,900	2,42,24,003
Provision for Diminution in value of investments	51,69,261	-
Provision for Doubtful receivables / advances	4,63,37,953	8,12,374
Bad receivables / Advances written off	-	14,227
Travelling and Conveyance	29,82,413	23,46,659
Communication expenses	15,60,385	18,22,658
Directors' Sitting Fees	4,14,000	1,62,000
Miscellaneous	48,75,053	69,44,136
Advertisement / Sales Promotion / Brokerage / Post sales support / Entertainment	16,44,549	17,60,929
Sales Commission	1,79,354	41,250
Exchange Fluctuation	19,614	-
Prior year expenses	4,04,400	81,613
	<u>10,57,47,216</u>	<u>5,45,44,563</u>
Remuneration to Auditor		
As auditor		
Audit fees	2,90,000	2,90,000
Tax Audit fees	85,000	85,000
In Other Capacity		
Certification	35,000	35,000
Reimbursement of expenses	12,977	18,396
	<u>4,22,977</u>	<u>4,28,396</u>

VXL Instruments Limited**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016**

	Year Ended 31.03.2016 Rs.	Year Ended 31.03.2015 Rs.
26 Exceptional Items (refer note		
Depreciation withdrawn		74,68,016
Profit / (Loss) on sale / discard of assets		(58,63,256)
	<u> -</u>	<u> 16,04,761</u>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 Corporate Information

VXL Instruments Limited is a Public Limited Company listed in BSE Limited. The Company is engaged in the business of manufacture and sale of data processing units. The registered office of the Company was shifted to Mumbai during the year. The Company has in its board meeting held on 29.03.2016, passed a resolution approving the amalgamation of the Company with Priya Limited. The proposal is pending before the Stock Exchanges / Securities Exchange Board of India. The Scheme will be implemented after approval by the Honourable High Court of Judicature of Mumbai and by such other competent authorities and completion of all the formalities. The appointed date will be 1st April 2015 or such other date, as the competent authority may direct / fix.

1.1 Significant Accounting Policies

i) Basis of preparation

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention under accrual basis except for land which is carried at re-valued amounts. Indian GAAP comprises of mandatory accounting standards prescribed under section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities Exchange Board of India (SEBI).

ii) Uses of Estimates:

The preparation of financial statements in conformity with GAAP requires that the management of the Company make estimates and assumptions that affect the reported amounts of income and expenses for the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as on the date of the Balance Sheet. Differences, if any, between the actual results and estimates is recognized in the period in which the results are known.

iii) Revenue Recognition

Revenue from sale of goods and rendering of services is recognized when risk and reward of ownership have been transferred to the customer. Revenue from sales is net of returns and discounts. Revenue from support and other services arising is recognized as the related services are performed.

Dividend income is accounted for when the right to receive is established. Interest Income is recognized on a time proportionate basis taking into account the amount outstanding and the rate applicable.

iv) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurements are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes to the accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

v) Post-sales client support and warranties

Warranties are recognised as and when claims are lodged by customers, to the extent agreed to by the Company.

vi) Tangible assets and capital work-in-progress

Tangible assets are stated in the accounts at historical cost together with all costs directly attributable to their acquisition less accumulated depreciation and impairment if any. Land has been stated at re-valued cost.

Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

vii) Intangible assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.

Revenue expenditure on product development is treated as an Intangible asset, grouped under

VXL Instruments Limited

fixed assets and amortized over the estimated period of life. An intangible asset is derecognised (eliminated from the balance sheet) on disposal or when no future economic benefits are expected from its use and subsequent disposal.

viii) **Depreciation and Amortisation**

The Company depreciates its fixed assets over the useful life prescribed in the Companies Act 2013 except for moulds which are depreciated over 3 years and servers over 5 years which is different from that prescribed in Schedule II of the Act based on technical evaluation. Assets purchased / installed during the year costing below Rs. 5000/- are fully depreciated during the year.

Depreciation for fixed assets purchased / sold during the period is proportionately charged.

Intangible assets are amortised over their respective individual estimated useful life on straight line basis, commencing from the date the asset is available to the Company for its use.

ix) **Impairment of assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment of the carrying amount of Company's assets. If any indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized whenever the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value, based on appropriate discounting factor. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation as if there was no impairment.

x) **Retirement benefits to employees**

Post employment benefit plans:

Contributions to defined contribution retirement benefit schemes are recognized as an expense when employees have rendered services entitling them to contributions. For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the profit and loss account for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

Short term Employee Benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave.

xi) **Foreign Currency Transactions**

In respect of foreign currency transactions during the year, the same have been accounted at the exchange rate prevailing as on the date of transaction. In respect of current assets and current liabilities at the close of the accounting year, gains/losses arising out of translations at year end exchange rates are dealt with in the Profit & Loss Account.

xii) **Income Taxes**

Provision for Current Income Tax is made in the books of account based on taxable income computed as per the provisions of the Income Tax Act, 1961.

Deferred tax is recognised in respect of timing differences on account of differences between accounting income and taxable income arising in one period and capable of adjustment in subsequent period(s). In respect of deferred tax asset, the same is recognised in the books of account if there is certainty of availability of future taxable income against which the same can be set off. This asset will be reviewed at each balance sheet date to verify adjustment thereof.

xiii) **Earnings per share**

The earnings considered in ascertaining the Company's earnings per share comprise of the net

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profit after tax. The number of shares used in computing the basic earnings per share is the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of shares, if any, which would have been issued on the conversion of dilutive potential equity shares.

xiv) Investments

Non current investments are valued at cost less provision, if any, for permanent diminution in value. Current investments are valued at lower of cost and net realisable value.

xv) Inventories

Inventories are valued at lower of cost (FIFO) and estimated net realisable value. Provision has been made in the accounts for damaged, obsolete and slow moving items.

xvi) Cash and Cash Equivalents

Cash and cash equivalents comprise of cash and cash on deposit with banks.

xvii) Cash Flow Statement

Cash Flows are reported using the indirect method. The cash flows from operating, investing and financing activities of the Company are segregated.

xviii) Leases

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the profit and loss account on a straight-line basis.

xix) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such asset. A qualifying asset is one that takes substantial period of time to get ready for intended use or sale. All other Borrowing Costs are charged to revenue.

xx) Segment Reporting

Revenue, operating results, assets and liabilities have been identified to represent separate segments on the basis of their relationship to the operating activities of the segment. Assets, liabilities, revenue and expenses which are not allocable to separate segment on a reasonable basis, are included under "Un-allocated".

2. Notes on accounts forming part of financial statements

a Leave Salary

The Company has made provision for leave salary on actuarial valuation basis. 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.

Amounts in Rs.

Particulars	31-Mar-16	31-Mar-15
Nature of obligation	Leave Salary	Leave Salary
The carrying amount at the beginning of the period	35,56,063	30,55,436
Additional provisions made during the year	6,94,473	9,39,891
Amounts incurred and charged against the provision during the period	(6,14,006)	(4,39,264)
Unused amounts reversed during the period	-	-
The carrying amount at the end of the period	36,36,530	35,56,063

b Investments

VXL Instruments Limited, U.K., a subsidiary in which the Company has 60% share holding amounting to Rs. 5,169,261/- has accumulated losses in excess of its total paid up capital. Net receivable from VXL Instruments Limited, U.K., as at 31st March 2016 is Rs. 4,61,71,564 (Rs. 4,96,36,260/-). The company has made provision for doubtful debts and diminution in investments against these receivables and investments

VXL Instruments Limited

c Retirement Benefit Plans

1 Defined contribution plans

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

The Company recognised Rs. 18,25,767/- (Rs.22,08,149/-) for provident fund contributions in the profit and loss account. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

2 Defined benefit plans

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme Master Policy of the Life Insurance Corporation of India, a defined benefit plan for qualifying employees. 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, 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 31.03.2016.

Particulars	As at 31.03.2016	Amount in Rupees
		As at 31.03.2015
1 Change in benefit obligation		
Projected Obligation at the beginning of the year	73,78,258	62,42,768
Interest Cost	5,84,125	4,93,736
Current Service Cost	3,73,988	4,40,004
Benefits Paid	(1,06,228)	(79,769)
Actuarial (Gain) / Loss	(6,99,030)	2,81,519
Projected Obligation at the end of the year	75,31,113	73,78,258
2 Change in Plan Assets		
Fair Value of the Plan Assets at the beginning of the year	12,07,917	6,21,563
Expected Return on Plan Assets	3,52,609	71,655
Employer's Contributions	50,87,468	5,64,353
Benefit Paid	(1,06,228)	(79,769)
Actuarial (Gain) / Loss	-	30,115
Fair Value of the Plan Assets at the end of the year	65,41,766	12,07,917
Excess of (Obligations over Plan Assets) /		
Plan Assets Over Obligation	(9,89,347)	(61,70,341)
3 Net Gratuity & Other Costs at the end of the year		
Service Cost	3,73,988	4,40,004
Interest on defined benefit obligation	5,84,125	4,93,736
Expected Return on Plan Assets	(3,52,609)	(71,655)
Net Actuarial Gain recognized in the year	(6,99,030)	2,51,404
Adjustment related to prior year	-	-
Net Gratuity Costs for the year	(93,526)	11,13,489
4 Category of assets		
Insurer Managed Funds	65,41,766	12,07,917
5 Assumptions		
Discount Rate	8.95%	8.95%
Salary Escalation Rate	7.50%	7.50%
Expected Return on Plan Assets Rate	7.00%	7.00%

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d Dues to Micro, Small and Medium Enterprises:

Sundry Creditors include Rs. Nil (Rs. Nil) due to Micro, Small and Medium Enterprises. The information is determined based on the information available with the Company. The list of SSIs to whom the amount outstanding for more than 30 days are as under:

Sl. No.	Particulars	Amount in Rs. 31-03-2016	Amount in Rs. 31-03-2015
a.	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	Nil	Nil
b.	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
c.	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
d.	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
e.	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

e Segment Information

The Company's segment information is as follows:

Primary/Secondary Segment reporting format

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

Segment assets and liabilities

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

Primary Segments (Geographical Segments)

Description	Amount in Rs. 31-Mar-16	Amount in Rs. 31-Mar-15
Revenue (Sales and Services)		
Domestic	7,74,26,527	9,36,27,817
Overseas	54,38,00,670	63,87,20,457
	<u>62,12,27,197</u>	<u>73,23,48,274</u>
Segment Result		
Domestic	1,26,93,063	1,16,31,343
Overseas	5,89,64,606	7,02,13,934
	<u>7,16,57,669</u>	<u>8,18,45,277</u>

VXL Instruments Limited

Less : Unallocated Expenses		
Overheads	14,09,25,670	(8,54,85,756)
Interest	80,19,163	24,67,205
Provision / (Credit) for taxes	—	5,07,84,606
Profit / (Loss) After Taxation	<u>(7,72,87,164)</u>	<u>(5,68,92,290)</u>

Secondary Segments (Business Segments)

Revenue (Sales and Services)		
Data Processing Units	61,99,69,063	72,51,93,508
Service Charges	12,58,134	71,54,766
Total	<u>62,12,27,197</u>	<u>73,23,48,274</u>

f Disclosure of related parties / related party transactions

a. Parties where control exists

Name of the Related Party	Nature of Relationship
i. VXL Instruments Limited (UK)	Subsidiary. The Company holds 60% in the nominal value of equity share capital

b Other related parties with whom transactions were carried out during the year

Name of the Related Party	Nature of Relationship
SATTVA e TECH PRIVATE LIMITED	Company in which a Director is interested
KSENSE TECHNOLOGIES PRIVATE LIMITED	- do -
MEDLEY WEBSERVE PRIVATE LIMITED	- do -
PRIYA LIMITED	- do -
PRIYA INTERNATIONAL LIMITED	- do -
BRENT PROPERTIES INVESTMENT PRIVATE LTD	- do -

c Key management personnel and their relatives

Mr. Madireddy V. Nagaraj,	Managing Director
Mr. M.V. Shetty,	Whole-Time Director

d Disclosure of Related Party Transactions

Particulars	Amount in Rs. 31-Mar-16	Amount in Rs. 31-Mar-15
Sale of Goods		
PRIYA LIMITED	56,83,90,380	73,71,68,991
Purchase of Goods		
PRIYA LIMITED	33,00,26,697	46,08,25,426
Re-imbursment of Expenses		
PRIYA LIMITED	2,20,628	3,46,039
BRENT PROPERTIES INVESTMENT PVT LTD	2,35,374	-
Interest on long term borrowings		
PRIYA INTERNATIONAL LIMITED	33,75,000	6,01,644
Remuneration paid		
Mr. Madireddy V. Nagaraj	32,30,400	32,30,400
Mr. M.V. Shetty	30,96,000	30,96,000
Total	<u>63,26,400</u>	<u>63,26,400</u>
Rent Paid		
BRENT PROPERTIES INVESTMENT PVT LTD	18,85,674	-

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e Balances with related parties

Non Current Assets - Trade Receivables

VXL Instruments Limited, UK	4,61,71,564*	4,96,36,260
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Long Term Borrowings

PRIYA INTERNATIONAL LIMITED	3,75,00,000	3,75,00,000
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Trade Payables

PRIYA LIMITED	16,87,25,179	8,68,99,355
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Trade Receivables

KSENSE TECHNOLOGIES PRIVATE LIMITED	-	6,084
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SATTVA e TECH PRIVATE LIMITED	6,23,187	7,11,107
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Non current Investments

VXL Instruments Limited, UK	51,69,261*	51,69,261
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* Provision has been made for bad & doubtful debts and diminution in value of investments.

g Operating Leases:

The Company has taken various residential / commercial premises under cancelable operating leases. These lease agreements are normally renewed on expiry. The lease agreements provide an option to the Company to renew the lease period at the end of the period. There are no exceptional / restrictive covenants in the lease agreements. Rent debited to profit and loss account Rs.40,99,144/- (Rs. 24,03,993/-). Contingent rent recognized in the Profit and Loss Account Rs. Nil.

Obligations on long-term, non-cancelable operating leases:

	Amount in Rs. 31-Mar-16	Amount in Rs. 31-Mar-15
Particulars		
Lease rentals recognized during the year	40,99,144	24,03,993
Lease obligations payable:		
Within one year of the Balance Sheet date	28,93,226	26,40,000
Due in a period between one year and five years	Nil	26,40,000
Due after five years	Nil	Nil

h Value of Imported and Indigenous Consumption during the year (as certified by the management)

		Amount in Rs. 31-Mar-16		Amount in Rs. 31-Mar-15
Particulars	%		%	
Imported	53.63	28,63,67,035	68.93	43,29,95,038
Indigenous	46.37	24,76,12,973	31.07	19,51,32,929
Total	<u>100.00</u>	<u>53,39,80,008</u>	<u>100.00</u>	<u>62,81,27,967</u>

*(Includes imports on high sea sales basis through third party)

I Value of imports calculated on CIF Basis

Raw materials	33,46,53,738	43,71,63,609
Capital Goods	3,72,900	30,882

j Expenditure in Foreign Currency

Travelling Expenses	1,90,124	1,22,304
Certification Fees	18,43,561	15,85,898

k Earnings in foreign Currency calculated on FOB Basis

Direct Exports	-	-
Deemed Exports through others	2,92,23,204	53,500
Third Party Exports	49,61,70,061	61,41,85,469

VXL Instruments Limited

I Prior year expenses / (income) debited / (credited) to the Profit & Loss Account		
Particulars	Amount in Rs. 31-Mar-16	Amount in Rs. 31-Mar-15
Software Development	4,00,000	–
Repairs & Maintenance Charges	–	(16,378)
Rates & Taxes (Fees to STPI)	–	(51,969)
Loss on sale of assets	–	1,55,280
Membership and Subscription Charges	–	10,100
Others	4,400	(15,420)
	4,04,400	81,613
m Earnings per share (EPS)		
	31-Mar-15	31-Mar-15
Operations for the year		
Net Profit after tax for calculating Basic /Diluted EPS	(7,72,87,164)	(5,68,92,290)
Weighted average number of shares	1,33,24,800	1,33,50,000
Basic / Diluted EPS in Rupees	(5.80)	(4.26)
n CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
CONTINGENT LIABILITIES		
Guarantees		
Counter Guarantees in respect of guarantees issued by Bankers (Covered by 100% Deposits)	43,11,800	74,72,470
Other money for which Company is contingently liable		
i Employee Provident Fund Contributions under appeal [Net of Rs. 10,69,469/- deposited with the respective authorities]	3,36,896	3,36,896
ii Central Sales Tax liability under appeal	57,70,209	66,52,351
iii Service Tax Liability under dispute on the import of license sticker labels considered as goods by Customs while importing	10,34,66,834	10,34,66,834
iv Education cess on excise duty	3,26,098	3,26,098
v Disputed Customs Duty	7,70,839	7,70,839
vi Cenvat Credit Refund under dispute	9,21,960	–
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 STRP with a direction to the Assessing Officer to consider rectification application filed by the Petitioner. The very subject matter is pending before the Apex Court and be subject to the result thereof		
Sl. No. iii: In respect of Service Tax pending before the Commissioner / CESTAT the Company's Consultants are of the opinion that the Company has good chances of winning the case since Customs is treating the sticker labels as goods while importing and hence no provision has been made for the same.		
Sl.No. iv: Commissioner Appeals has given the Order in favour of the Company but the Department has preferred Appeal before CESTAT		
Sl. No. v: Commissioner, Customs has given the Order in favour of the Company but the Department has appealed to CESTAT		

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- q Figures of the previous year have been recast / regrouped / rearranged in conformity with the presentation of the current year. Figures in bracket relates to the previous year.

As per our report of even date.

For Ishwar & Gopal

Firm Registration No : 001154S

Chartered Accountants

K.V. Gopalakrishnaya

Partner

Membership No.: 021748

Date : 30th May 2016

Place : Bangalore

For and on behalf of the Board

Madireddy V. Nagaraj

Managing Director

K. Prakash

Director

M. V. Shetty

Whole Time Director

Narayana Bhat

CFO & Company Secretary

VXL Instruments Limited**STATEMENT OF CASH FLOW FOR THE YEAR ENDING 31st MARCH, 2016**

Particulars	Year Ended 31.03.2016 Amount in Rs.	Year Ended 31.03.2015 Amount in Rs.
CASH FLOW FROM OPERATIONS:		
Net Income / (Loss) before current income taxes	(772,87,164)	(61,07,685)
Interest received	(8,39,788)	(8,42,956)
Dividend Received	(5,819)	(7,200)
Depreciation & Amortisation	32,55,842	(44,35,152)
Provision for doubtful debts	463,37,953	8,12,374
Provision for diminution in Investments	51,69,261	-
Prior year adjustment	-	1,55,280
(Profit) / Loss on sale of fixed assets	-	58,63,256
Interest Expenses	78,14,213	22,40,657
(Increase)/decrease in Long term loans & advances	12,81,952	(6,01,242)
(Increase)/decrease in Other non current assets	32,98,307	92,77,374
(Increase)/decrease in Trade Receivables	(225,41,479)	(17,35,305)
(Increase)/decrease in Short term loans & advances	(92,13,417)	(129,64,591)
(Increase)/decrease in Inventories	(100,37,750)	(176,19,984)
Increase/(decrease) in Long term provisions	(35,54,968)	(5,62,982)
Increase/(decrease) in trade payables	762,97,639	164,00,778
Increase/(decrease) in Other current liabilities	(29,01,666)	35,77,923
Increase/(decrease) in Short term provisions	(15,45,559)	62,745
Current income tax	44,243	(96,909)
Net cash from operations	155,71,800	(65,83,618)
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest Received	9,78,867	2,65,476
Dividend Received	5,819	7,200
Purchase of Investments	-	(11,000)
Sale of Investments	-	60,000
Proceeds from sale of fixed assets	-	62,197
Purchase of fixed assets	(25,50,449)	(38,63,957)
Net cash from investing activities	(15,65,763)	(34,80,084)
CASH FLOW FROM FINANCING ACTIVITIES:		
(Increase)/decrease in Long term Borrowings	(9,04,198)	375,28,389
(Increase)/decrease in Working Capital Borrowings	-	(188,23,698)
(Increase)/decrease in Share Capital	43,000	-
Interest paid	(78,14,213)	(22,40,657)
Net cash from financing activities	(86,75,410)	164,64,033
Net increase/(decrease) in cash and cash equivalents	53,30,627	64,00,331
Cash and cash equivalents at the beginning of the year	112,74,165	48,73,833
Cash and cash equivalents at the end of the year	166,04,791	112,74,164

As per our report of even date.

For Ishwar & Gopal
Firm Registration No : 001154S
Chartered Accountants

K.V. Gopalakrishnaya
Partner
Membership No.: 021748
Date : 30th May 2016
Place : Bangalore

For and on behalf of the Board

Madireddy V. Nagaraj
Managing Director

K. Prakash
Director

M. V. Shetty
Whole Time Director

Narayana Bhat
CFO & Company Secretary

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VXL INSTRUMENTS LIMITED
Report on the Consolidated Financial Statements**

We have audited the accompanying **consolidated financial statements** of **VXL Instruments Limited** ("the Holding Company"), and its foreign subsidiary (collectively referred to as "the group") comprising the consolidated Balance Sheet as at 31 March 2016, the consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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 Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

Opinion

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated

VXL Instruments Limited

state of affairs of the Company, as at 31 March 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

We have relied on the unaudited financial statements of VXL Instruments Limited (UK) a subsidiary whose financial statements reflect total assets of Rs. 35.62 lakhs, total revenue of Rs. 705.81 Lakhs for the year then ended on 31st March 2016. These unaudited financial statements as approved by the respective Board of Directors of this company has been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of this subsidiary is based solely on such approved unaudited financial statements. Since the financial statements compiled by the management of the said Company were not audited, any adjustments to the balances could have consequential effects on the attached Consolidated Financial Statements. Our report is not qualified in respect of other matters.

Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.;
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
 - 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 2 (o) to the consolidated financial statements;;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For Ishwar & Gopal
Chartered Accountants
Firm Reg. No. 001154S

Place : Bangalore
Date : 30th May 2016

K. V. Gopalakrishnayya
Partner
Membership No. 021748

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of **VXL Instruments Limited** ("the Holding Company") as of that date.

Management's Responsibility for Internal Financial Controls

The board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

VXL Instruments Limited

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting does not include report on VXL Instruments Limited (UK), a subsidiary incorporated outside India.

For Ishwar & Gopal
Chartered Accountants
Firm Reg. No. 001154S

Place : Bangalore
Date : 30th May 2016

K. V. Gopalakrishnayya
Partner
Membership No. 021748

Thirtieth Annual Report 2015 - 2016

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016

Amount in Rs.

Sl. No.	Particulars	Note No.	As at 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-15
I	EQUITY AND LIABILITIES					
1	Shareholders' funds					
a.	Share Capital	3	13,33,58,750		13,33,53,000	
b.	Reserves and Surplus	4	(7,11,73,773)		(93,11,440)	
				6,21,84,977		12,40,41,560
2	Non-current liabilities					
a.	Long Term borrowings	5	3,79,23,239		3,86,48,448	
b.	Long term provisions	6	38,15,932		73,70,900	
				4,17,39,171		4,60,19,348
3	Current Liabilities					
a.	Trade payables					
(A)	total outstanding dues of micro enterprises and small enterprises;					
(B)	total outstanding dues of creditors other than micro enterprises and small enterprises.		29,30,98,732			18,52,58,980
a.	Trade payables		-			-
b.	Other Current liabilities	7	2,92,42,157		2,35,88,422	
c.	Short term provisions	8	8,09,945		23,55,504	
				32,31,50,834		21,12,02,907
	TOTAL			42,70,74,982		38,12,63,815
II	ASSETS					
1	Non-current assets					
a.	Fixed Assets	9				
i.	Tangible Assets	a	16,98,66,022		17,06,51,535	
ii.	Intangible Assets	b	3,15,819		2,63,888	
				17,01,81,841		17,09,15,423
b.	Non-current investments	10	11,000		11,000	
c.	Long term loans & advances	11	63,24,050		76,06,002	
d.	Other non current assets	12	-		-	
				63,35,050		76,17,002
2	Current Assets					
a.	Inventories	13	16,53,48,269		15,53,10,519	
b.	Trade receivables	14	2,68,44,464		43,02,985	
c.	Cash & Cash equivalents	15	2,00,72,504		1,38,55,127	
d.	Short term loans & advances	16	3,78,48,509		2,86,79,333	
e.	Other Current assets	17	4,44,345		5,83,425	
				25,05,58,091		20,27,31,390
	TOTAL			42,70,74,982		38,12,63,815

Summary of Significant Accounting Policies - Note No. 1

The accompanying notes are an integral part of the Financial Statements - Note No. 2

As per our report of even date.

For Ishwar & Gopal
Firm Registration No : 001154S
Chartered Accountants

For and on behalf of the Board

K.V. Gopalakrishnayya
Partner
Membership No.: 021748
Date : 30th May 2016
Place : Bangalore

Madireddy V. Nagaraj
Managing Director

K. Prakash
Director

M. V. Shetty
Whole Time Director

Narayana Bhat
CFO & Company Secretary

VXL Instruments Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number	Amount in Rs.	Number	Amount in Rs.
3. SHARE CAPITAL				
Authorised				
a Equity Shares	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
b Issued				
Equity Shares	1,33,50,000	13,35,00,000	1,33,50,000	13,35,00,000
Subscribed and paid fully				
Equity Shares	1,33,24,800	13,32,48,000	1,33,22,500	13,32,25,000
Subscribed but not not paid fully				
Equity Shares	–	–	27,500	1,28,000
Share Forfeited Account*	–	1,10,750		
Total	1,33,24,800	13,33,58,750	1,33,50,000	13,33,53,000

* During the year, the Company has forfeited 25,200 equity shares. The amount received from the share holders is shown under share forfeited account.

- c. Par value Rs. 10 per equity share
d. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number	Amount in Rs.	Number	Amount in Rs.
Equity Shares				
Outstanding at the beginning of the period	1,33,50,000	13,33,53,000	1,33,50,000	13,33,53,000
Outstanding at the end of the period	1,33,24,800	13,32,48,000	1,33,50,000	13,33,53,000

- e. Terms / Rights attached to equity shares

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

During the year, the Company has not declared any dividend.

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

- f. Shares held by each shareholder holding more than 5 percent shares specifying the number of shares held.

Name of the Shareholder	As at 31.03.2016		As at 31.03.2015	
	No. of shares held	% of holding	No. of shares held	% of holding
Tefuli Ltd	19,50,000	14.63	19,50,000	14.61
Tintur Investments Ltd	19,25,000	14.45	19,25,000	14.42
Breezetop Investments Ltd	19,25,000	14.45	19,25,000	14.42
Daymount Ltd	17,85,600	13.40	17,85,600	13.38
Priya Ltd	9,00,000	6.75	9,00,000	6.74

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2016 Amount in Rs.	As at 31.03.2015 Amount in Rs.
g. Calls unpaid (showing aggregate value of calls)		
- Unpaid by Others	-	1,47,000
4. RESERVES & SURPLUS		
a. Capital Reserve		
Balance as per last financial statement	20,53,645	20,53,645
b. Securities Premium Account		
Balance as per last financial statement	13,72,88,827	13,72,88,827
Add: Received during the year	37,250	-
	13,73,26,077	13,72,88,827
c. Revaluation Reserve		
Balance as per last financial statement	15,12,20,744	15,12,20,744
d. Other Reserves		
i Foreign Currency Translation Reserve		
Balance as per last balance sheet	3,28,76,798	1,41,17,232
Add / (Less): Effect of foreign exchange rate variations during the year	(1,61,69,335)	1,87,59,566
	1,67,07,463	3,28,76,798
ii General Reserve		
Balance as per last financial statement	25,99,897	25,99,897
e Surplus / (Deficit) in Statement of Profit & Loss Account		
Balance as per last financial statement	(33,53,51,353)	(29,00,99,601)
Profit / (Loss) for the year	(4,57,30,247)	(4,52,51,750)
Net surplus / (Deficit) in statement of Profit & Loss Account	(38,10,81,599)	(33,53,51,351)
Total Reserves & Surplus	(7,11,73,773)	(93,11,440)
5 LONG TERM BORROWINGS		
a Term Loans		
- From Banks - Secured *	10,21,305	16,05,935
- From Others - Secured *	1,24,739	4,44,307
b Loans and Advances from Related parties - Unsecured **	3,75,00,000	3,75,00,000
Total Long term borrowings	3,86,46,044	3,95,50,242
Less: Instalments of term loan payable within a year	7,22,805	9,01,794
Total Long term borrowings	3,79,23,239	3,86,48,448

* Term loan is secured by hypothecation of vehicles. The loan is repayable in 36 equated monthly instalments of Rs.43,684/- each and 60 equated monthly instalments of Rs. 49,082/- each. The agreements commence from 30.06.2013 and ending on 30.06.2017

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

VXL Instruments Limited**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

	As at 31.03.2016 Amount in Rs.	As at 31.03.2015 Amount in Rs.
6. LONG TERM PROVISIONS		
a Provision for employee benefits		
i Gratuity	9,89,347	46,00,337
ii Leave Benefits	28,26,585	27,70,563
	<u>38,15,932</u>	<u>73,70,900</u>
7 OTHER CURRENT LIABILITIES		
a Current maturities of long term debts		
Current maturities of term loan due	7,22,805	9,01,794
b Other payables		
i Advances from Customers	3,690	-
ii Book Overdraft	15,11,773	34,83,340
iii Due to a Director	-	58,600
iv Liabilities for expenses	2,70,03,889	1,91,44,689
Total	<u>2,92,42,157</u>	<u>2,35,88,422</u>
8 SHORT TERM PROVISIONS		
Provision for employee benefits		
i Gratuity	-	15,70,004
ii Leave Benefits	8,09,945	7,85,500
Total	<u>8,09,945</u>	<u>23,55,504</u>

9. FIXED ASSETS

NOTES TO THE FINANCIAL STATEMENTS

(in Rupees)

Particulars	Gross Block					Depreciation					Net Block	
	01.04.2015	Additions / (Reversals)	Disposal / Reversals	Exchange Fluctuation Adjustment	31.03.2016	01.04.2015	Charge for the year/ amortisation	Exchange Fluctuation Adjustment	Reversals	31.03.2016	as at 31.03.2016	as at 31.03.2015
Land	15,46,21,200	-	-	-	15,46,21,200	-	-	-	-	-	15,46,21,200	15,46,21,200
Buildings	1,38,69,322	-	-	-	1,38,69,322	84,27,667	3,71,804	-	-	87,99,471	50,69,851	54,41,655
Plant & Machineries	28,40,795	1,55,282	-	-	29,96,077	5,89,801	2,01,066	-	-	7,90,868	22,05,209	22,50,994
Office Equipments	1,39,50,907	10,34,630	-	3,13,485	1,52,99,022	1,21,17,512	7,17,137	3,10,222	-	131,44,872	21,54,150	18,33,395
Furniture & Fixtures	21,72,528	1,07,656	-	-	22,80,184	7,82,414	2,02,443	-	-	9,84,858	12,95,326	13,90,114
Motor Vehicles	49,70,814	-	-	-	49,70,814	16,77,446	6,81,764	-	-	23,59,210	26,11,604	32,93,368
Compter & Data Processing Units	32,37,019	11,19,663	-	-	43,56,682	14,16,209	10,31,794	-	-	24,48,003	19,08,679	18,20,810
Total	19,56,62,585	24,17,231	-	3,13,485	19,83,93,301	2,50,11,050	32,06,010	3,10,222	-	285,27,282	169,866,022	1,706,51,535
Previous Year	20,96,55,880	35,40,521	(166,40,320)	(8,93,496)	19,56,62,585	5,70,71,490	29,73,318	-	(360,55,208)	239,89,600	1716,72,985	15,25,84,390
Intangibles												
Software Licence	15,97,300	1,33,216	-	34,271	17,64,787	13,33,411	81,285	34,271	-	14,48,967	3,15,819	2,63,888
Total	15,97,300	1,33,216	-	34,271	17,64,787	13,33,411	81,285	34,271	-	14,48,967	3,15,819	2,63,888
Previous Year	13,71,544	3,23,436	-	(97,680)	15,97,300	13,71,544	59,548	-	(97,680)	13,33,412	-	2,63,888
Total	19,72,59,885	25,50,447	-	3,47,756	20,01,58,088	2,63,44,461	32,87,295	3,44,493	-	2,99,76,250	17,01,81,841	17,09,15,423
Previous Year	21,10,27,424	38,63,957	(1,66,40,320)	9,91,176	19,72,59,885	5,84,43,034	30,32,866	-	(3,61,52,888)	2,53,23,012	15,25,84,390	

VXL Instruments Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2016 Amount in Rs.	As at 31.03.2015 Amount in Rs.
10. NON CURRENT INVESTMENTS		
Investment in equity instruments 1,100 (1,100) equity shares of ELCIA ESDN Private Limited of par value of Rs. 10, fully paid up	<u>11,000</u>	<u>11,000</u>
Total	<u><u>11,000</u></u>	<u><u>11,000</u></u>
Basis of valuation : Investments are stated at cost.		
Aggregate amount of quoted investments and market value thereof	Nil	Nil
Aggregate amount of unquoted investments	11,000	11,000
Aggregate provision for diminution in value of investments	Nil	Nil
11. LONG TERM LOANS AND ADVANCES		
a Capital Advances	-	-
b Security Deposits		
I Considered Good	41,20,075	38,88,913
c Other Loans & Advances [Unsecured]		
i Considered Good		
- Advance to Suppliers	10,13,000	11,66,000
- Payments to statutory authorities	11,90,975	25,51,089
ii Considered Doubtful		
- Employee / Other Advances	1,72,990	1,72,990
Less : Provision for Doubtful Advances	<u>1,72,990</u>	<u>1,72,990</u>
Total	<u><u>63,24,050</u></u>	<u><u>76,06,002</u></u>
12 OTHER NON CURRENT ASSETS		
Long term trade receivables (including trade receivables on deferred credit terms)		
a Unsecured, Considered Doubtful	8,88,346	8,21,956
Less : Provision for doubtful debts	<u>8,88,346</u>	<u>8,21,956</u>
Total	<u><u>-</u></u>	<u><u>-</u></u>
13 INVENTORIES		
Raw Materials	15,24,90,835	14,02,05,496
Raw Materials in Transit	13,05,857	11,96,998
Finished Goods	1,15,51,578	1,39,08,025
Total	<u><u>16,53,48,269</u></u>	<u><u>15,53,10,519</u></u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2016 Amount in Rs.	As at 31.03.2015 Amount in Rs.
14 TRADE RECEIVABLES		
[Unsecured, Considered Good]		
Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment	6,23,187	18,31,078
Others	<u>2,62,21,277</u>	<u>24,71,907</u>
	<u>2,68,44,464</u>	<u>43,02,985</u>
15 CASH AND CASH EQUIVALENTS		
a Balance with banks		
i on Current Account	1,28,19,844	43,58,349
ii on Deposit Account	69,43,692	94,07,588
iii on Exchange Earner's Foreign Currency Account	18,433	20,946
b. Cash on Hand	1,55,903	68,243
c. Cheques on Hand	1,34,632	-
	<u>2,00,72,504</u>	<u>1,38,55,127</u>
16 SHORT TERM LOANS AND ADVANCES		
Other Loans & Advances		
[Considered Good]		
i Advance Income Tax (net of provision for taxation)	55,58,683	56,02,926
ii MAT Credit Entitlement	33,98,062	33,98,062
iii Prepaid Expenses	24,18,095	4,48,266
iv Advance to Suppliers	10,23,233	6,07,621
v Balance with statutory / Government authorities	2,53,36,979	1,85,80,274
vi Employee Advances	1,13,456	42,185
Total	<u>3,78,48,509</u>	<u>2,86,79,333</u>
17 OTHER CURRENT ASSETS		
Interest accrued but not due on deposits	4,44,345	5,83,425
Total	<u>4,44,345</u>	<u>5,83,425</u>

VXL Instruments Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016

Amount in Rs.

Particulars	Note No.	Figures for the	Figures for the
		current reporting period	previous reporting period
		31-Mar-16	31-Mar-15
I Revenue from operations	18	68,54,00,333	92,15,23,700
II Other Income	19	1,08,64,896	57,07,767
III Total Revenue (I +II)		<u>69,62,65,229</u>	<u>92,72,31,467</u>
IV Expenses:			
Cost of materials consumed	20	53,97,40,482	64,21,46,902
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	21	23,56,447	(18,63,008)
Employee benefits expense	22	7,15,14,083	9,56,77,656
Financial costs	23	80,66,248	25,37,138
Depreciation and amortization expense	24	32,87,295	30,76,064
Other expenses	25	11,70,30,921	18,17,28,620
Total Expenses		<u>74,19,95,476</u>	<u>92,33,03,372</u>
V Profit / (Loss) before exceptional and extraordinary items and tax (III - IV)		(4,57,30,247)	39,28,096
VI Exceptional Items	26	-	16,04,761
VII Profit before tax (V - VI)		(4,57,30,247)	55,32,857
VIII Tax expense:			
(1) Deferred tax			
Deferred Tax expense		-	5,07,84,606
IX Profit/(Loss) for the period (VII - VIII)		(4,57,30,247)	(4,52,51,750)
VIII Earning per equity share:			
Basic & Diluted		(3.43)	(3.39)

Summary of Significant Accounting Policies- Note No. 1

The accompanying notes are an integral part of the Financial Statements- Note No. 2

As per our report of even date.

For Ishwar & Gopal
Firm Registration No : 001154S
Chartered Accountants

K.V. Gopalakrishnayya
Partner
Membership No.: 021748
Date : 30th May 2016
Place : Bangalore

For and on behalf of the Board

Madireddy V. Nagaraj
Managing Director

K. Prakash
Director

M. V. Shetty
Whole Time Director

Narayana Bhat
CFO & Company Secretary

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2016 Amount in Rs.	As at 31.03.2015 Amount in Rs.
18 Revenue from Operations		
Sale of Products	69,45,70,795	92,42,52,372
Sale of Services	12,58,134	71,54,766
Revenue from operations (Gross)	<u>69,58,28,929</u>	93,14,07,138
Less: Excise Duty	1,04,28,596	98,83,438
Revenue from operations (Net)	<u>68,54,00,333</u>	<u>92,15,23,700</u>
Details of Products Sold		
Finished Goods Sold		
Data Processing Units	69,45,70,795	92,42,52,372
	<u>69,45,70,795</u>	<u>92,42,52,372</u>
Details of Services Rendered		
AMC / Repair Services	12,58,134	71,54,766
	<u>12,58,134</u>	<u>71,54,766</u>
19 Other Income		
a Interest Income on Bank Deposits	7,01,241	8,31,335
b Interest Income on Others	1,38,547	11,621
c Dividend Income on Long Term Investments	5,819	7,200
d Net gain / (loss) on foreign currency transaction and translation	63,87,837	34,69,250
e Other non-operating income (net of expenses)		
i Refund from Statutory Authorities	35,24,385	13,88,250
ii Insurance claim received	1,05,240	-
iii Others	1,827	112
	<u>36,31,452</u>	<u>13,88,362</u>
	<u>1,08,64,896</u>	<u>57,07,767</u>
20 Cost of materials consumed		
Cost of raw materials consumed	53,95,67,408	64,13,64,979
Packing Materials	1,73,074	7,81,923
	<u>53,97,40,482</u>	<u>64,21,46,902</u>
Raw Material Consumption		
a. Electronic Components	31,19,48,822	39,18,77,539
b. Mechanical Items	5,63,97,904	4,23,21,179
c. Electronic Assembly	2,11,31,440	2,86,22,804
d. License Sticker Labels	14,29,74,146	13,32,68,161
e. Others	71,15,096	4,52,75,296
	<u>53,95,67,408</u>	<u>64,13,64,979</u>

VXL Instruments Limited**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

	As at 31.03.2016 Amount in Rs.	As at 31.03.2015 Amount in Rs.
21 Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade		
Inventories at the end of the year		
Finished Goods	1,15,51,578	1,39,08,025
	<u>1,15,51,578</u>	<u>1,39,08,025</u>
Inventories at the beginning of the year		
Finished Goods	1,39,08,025	1,20,45,017
	<u>1,39,08,025</u>	<u>1,20,45,017</u>
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	23,56,447	(18,63,008)
22 Employee Benefit Expenses		
Salaries and Wages	6,67,19,127	8,77,69,402
Contribution to provident & Other Funds	38,59,692	68,58,426
Staff Welfare expenses	9,35,264	10,49,827
	<u>7,15,14,083</u>	<u>9,56,77,656</u>
23 Financial Costs		
Interest on Working Capital	41,67,878	12,87,899
Interest on Term Loan	35,72,767	9,29,657
Interest on Others	73,568	23,101
Other Borrowing Costs	2,52,035	2,96,481
	<u>80,66,248</u>	<u>25,37,138</u>
24 Depreciation and amortisation expenses		
Depreciation on tangible assets	32,06,010	30,16,517
Amortisation of intangible assets	81,285	59,548
	<u>32,87,295</u>	<u>30,76,064</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2016 Amount in Rs.	As at 31.03.2015 Amount in Rs.
25 Other Expenses		
Consumption of Stores & Spare parts	13,17,222	5,67,407
Power and Fuel	12,25,048	12,33,215
Rent	52,13,458	58,37,486
Repairs to Buildings	2,14,015	97,368
Repairs to Machinery	11,895	-
Repairs to Others	9,13,778	11,26,629
Insurance	12,04,573	12,60,972
Rates & Taxes, excluding taxes on income	8,39,428	6,54,102
Remuneration to Auditors	4,22,977	4,28,396
Consultancy/Certification Charges	1,42,31,448	1,49,82,675
Software Expenses	72,70,874	17,09,998
Freight & Forwarding	1,73,47,900	2,42,24,003
Provision for Doubtful debts / advances	1,66,389	8,12,374
Bad Debts / Advances written off	-	14,227
Travelling and Conveyance	63,13,112	85,15,769
Communication expenses	21,56,952	33,80,942
Directors' Sitting Fees	4,14,000	1,62,000
Miscellaneous	49,11,497	70,56,397
Advertisement / Sales Promotion / Brokerage / Post sales support / Entertainment	5,22,72,601	10,95,41,797
Sales Commission	1,79,354	41,250
Prior year expenses	4,04,400	81,613
Net gain / (loss) on foreign currency transaction and translation	-	-
	<u>11,70,30,921</u>	<u>18,17,28,620</u>
Remuneration to Auditor		
As auditor		
Audit fees	2,90,000	2,90,000
Tax Audit fees	85,000	85,000
Certification	35,000	35,000
Reimbursement of expenses	12,977	18,396
	<u>4,22,977</u>	<u>4,28,396</u>
26 Exceptional Items		
Depreciation withdrawn	-	74,68,016
Profit / (Loss) on sale / discard of assets	-	(58,63,256)
	<u>-</u>	<u>16,04,761</u>

VXL Instruments Limited

CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1.1 Significant Accounting Policies

i) Basis of preparation

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention under accrual basis except for land which is carried at re-valued amounts. Indian GAAP comprises of mandatory accounting standards prescribed under section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities Exchange Board of India (SEBI). The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

The financial statements of the foreign subsidiary are prepared in compliance with the local laws and applicable accounting standards.

ii) Uses of Estimates:

The preparation of financial statements in conformity with GAAP requires that the management of the Company make estimates and assumptions that affect the reported amounts of income and expenses for the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as on the date of the Balance Sheet. Differences, if any, between the actual results and estimates is recognized in the period in which the results are known.

iii) Revenue Recognition

Revenue from sale of goods and rendering of services is recognized when risk and reward of ownership have been transferred to the customer. Revenue from sales is net of returns and discounts. Revenue from support and other services arising is recognized as the related services are performed. Dividend income is accounted for when the right to receive is established. Interest Income is recognized on a time proportionate basis taking into account the amount outstanding and the rate applicable.

iv) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurements are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the Notes to the Accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

v) Post-sales client support and warranties

Warranties are recognised as and when claims are lodged by customers, to the extent agreed to by the Company.

vi) Tangible assets and capital work-in-progress

Tangible assets are stated in the accounts at historical cost together with all costs directly attributable to their acquisition less accumulated depreciation and impairment if any. Land has been stated at re-valued cost.

Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

vii) Intangible assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.

Revenue expenditure on product development is treated as an Intangible asset, grouped under fixed assets and amortized over the estimated period of life. An intangible asset is derecognised (eliminated from the balance sheet) on disposal or when no future economic benefits are expected from its use and subsequent disposal.

viii) Depreciation and Amortisation

The Company depreciates its fixed assets over the useful life prescribed in the Companies Act 2013 except for moulds which are depreciated over 3 years and servers over 5 years which is different

from that prescribed in Schedule II of the Act based on technical evaluation. Assets purchased / installed during the year costing below Rs. 5,000/- are fully depreciated during the year.

Depreciation for fixed assets purchased / sold during the period is proportionately charged.

Intangible assets are amortised over their respective individual estimated useful life on straight line basis, commencing from the date the asset is available to the Company for its use.

In case of the foreign subsidiary, depreciation is computed in accordance with the applicable local laws, where the Company depreciates the assets at the rate of 25% under written down value method.

ix) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment of the carrying amount of Company's assets. If any indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized whenever the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value, based on appropriate discounting factor. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation as if there was no impairment.

x) Retirement benefits to employees

Post employment benefit plans:

Contributions to defined contribution retirement benefit schemes are recognized as an expense when employees have rendered services entitling them to contributions. For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the profit and loss account for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

Short term Employee Benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave.

Employee benefits of the subsidiary company are accounted as per local laws.

xi) Foreign Currency Transactions

In respect of foreign currency transactions during the year, the same have been accounted at the exchange rate prevailing as on the date of transaction. In respect of current assets and current liabilities at the close of the accounting year, gains/losses arising out of translations at year end exchange rates are dealt with in the Profit & Loss Account.

Financial statements of foreign subsidiary are classified as non integral foreign operations and are incorporated in the financial statements using the following procedures for translation

- a. the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation is translated at the closing rate;
- b. income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions using the average rate for the year; and
- c. all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

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xii) Income Taxes

Provision for Current Income Tax is made in the books of account based on taxable income computed as per the provisions of the Income Tax Act, 1961.

Deferred tax is recognised in respect of timing differences on account of differences between accounting income and taxable income arising in one period and capable of adjustment in subsequent period(s). In respect of deferred tax asset, the same is recognised in the books of account if there is certainty of availability of future taxable income against which the same can be set off. This asset will be reviewed at each balance sheet date to verify adjustment thereof.

xiii) Earnings per share

The earnings considered in ascertaining the Company's earnings per share comprise of the net profit after tax. The number of shares used in computing the basic earnings per share is the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of shares, if any, which would have been issued on the conversion of dilutive potential equity shares.

xiv) Investments

Non current investments are valued at cost less provision, if any, for permanent diminution in value. Current investments are valued at lower of cost and net realisable value.

xv) Inventories

Inventories are valued at lower of cost and estimated net realisable value. Provision has been made in the accounts for damaged, obsolete and slow moving items.

xvi) Cash and Cash Equivalents

Cash and cash equivalents comprise of cash and cash on deposit with banks.

xvii) Cash Flow Statement

Cash Flows are reported using the indirect method. The cash flows from operating, investing and financing activities of the Company are segregated.

xviii) Leases

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the profit and loss account on a straight-line basis.

xix) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such asset. A qualifying asset is one that takes substantial period of time to get ready for intended use or sale. All other Borrowing Costs are charged to revenue.

xx) Segment Reporting

Revenue, operating results, assets and liabilities have been identified to represent separate segments on the basis of their relationship to the operating activities of the segment. Assets, liabilities, revenue and expenses which are not allocable to separate segment on a reasonable basis, are included under "Un-allocated".

2 Notes on accounts forming part of financial statements

a Principles of Consolidation

- a. The Consolidated Financial Statements comprise the financial statements of the Holding Company and the subsidiary drawn upto the same reporting date, i.e. 31st March, 2016.
- b. The said consolidated statements have been combined on a line by line basis by adding together the book values of assets, liabilities, income and expenditure after eliminating intra-group balances and transactions and any unrealised profit/loss included therein.
- c. The consolidated Financial Statements have been prepared using uniform accounting policies, to the extent possible, similar to that of the Company's separate financial statements

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- d. The losses applicable to the minority share holding have been adjusted to the extent of their equity holdings.
- e. Companies included in consolidation:

Name of the Subsidiary	Country of Incorporation	Percentage of Ownership
1. VXL Instruments Limited (UK)	United Kingdom	60%

b Leave Salary

The Holding company has made provision for leave salary on estimated basis. 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. The provision is made based on actuarial valuation.

Particulars	Amount in Rs.	
	31-Mar-16	31-Mar-15
Nature of obligation	Leave Salary	Leave Salary
The carrying amount at the beginning of the period	35,56,063	30,55,436
Additional provisions made during the year	6,94,473	9,39,891
Amounts incurred and charged against the provision during the period	(6,14,006)	(4,39,264)
Unused amounts reversed during the period	-	-
The carrying amount at the end of the period	36,36,530	35,56,063

c Retirement Benefit Plans

1 Defined contribution plans

The Holding 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 Holding Company recognised Rs. 18,25,767/- (Rs.22,08,149/-) for provident fund contributions in the profit and loss account. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

2 Defined benefit plans

The Holding 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, 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 31.03.2016.

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Particulars	Amount in Rs.	
	As at 31.03.2016	As at 31.03.2015
1 Change in benefit obligation		
Projected Obligation at the beginning of the year	73,78,258	62,42,768
Interest Cost	5,84,125	4,93,736
Current Service Cost	3,73,988	4,40,004
Benefits Paid	(1,06,228)	(79,769)
Actuarial (Gain) / Loss	(6,99,030)	2,81,519
Projected Obligation at the end of the year	75,31,113	73,78,258
2 Change in Plan Assets		
Fair Value of the Plan Assets at the beginning of the year	12,07,917	6,21,563
Expected Return on Plan Assets	3,52,609	71,655
Employer's Contributions	50,87,468	5,64,353
Benefit Paid	(1,06,228)	(79,769)
Actuarial (Gain) / Loss	–	30,115
Fair Value of the Plan Assets at the end of the year	65,41,766	12,07,917
Excess of (Obligations over Plan Assets) / Plan Assets Over Obligation	(9,89,347)	(61,70,341)
3 Net Gratuity & Other Costs at the end of the year		
Service Cost	3,73,988	4,40,004
Interest on defined benefit obligation	5,84,125	4,93,736
Expected Return on Plan Assets	(3,52,609)	(71,655)
Net Actuarial Gain recognized in the year	(6,99,030)	2,51,404
Net Gratuity Costs for the year	(93,526)	11,13,489
4 Category of assets		
Insurer Managed Funds	65,41,766	12,07,917
5 Assumption		
Discount Rate	8.95%	8.95%
Salary Escalation Rate	7.50%	7.50%
Expected Return on Plan Assets Rate	7.00%	7.00%

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d Dues to Micro, Small and Medium Enterprises:

Sundry Creditors include Rs. Nil (Rs. Nil) due to Micro, Small and Medium Enterprises. The information is determined based on the information available with the Company. The list of SSIs to whom the amount outstanding for more than 30 days are as under:

Sl. No.	Particulars	Amount in Rs.	
		31-03-2016	31-03-2015
a.	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
b.	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
e.	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 as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

e Segment Information

The Company's segment information is as follows:

Primary/Secondary Segment reporting format

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

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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

Primary Segments (Geographical Segments)

Description	31-Mar-16	31-Mar-15
Revenue (Sales and Services)		
Domestic	77,426,526	93,627,817
Overseas	<u>607,973,807</u>	<u>827,895,883</u>
	<u>685,400,333</u>	<u>921,523,700</u>
Segment Result		
Domestic	12,693,063	11,631,343
Overseas	<u>117,377,270</u>	<u>246,906,527</u>
	<u>130,070,333</u>	<u>258,537,870</u>
Less :Unallocated Expenses		
Overheads	167,734,331	250,467,876
Interest	8,066,248	2,537,138
Provision / (Credit) for taxes	-	<u>50,784,606</u>
Profit / (Loss) After Taxation	<u>(45,730,247)</u>	<u>(45,251,750)</u>
Secondary Segments (Business Segments)		
Revenue (Sales and Services)		
Data Processing Units	694,570,795	914,368,934
Service Charges	<u>1,258,134</u>	<u>7,154,766</u>
Total	<u>685,400,333</u>	<u>921,523,700</u>

f Disclosure of related parties / related party transactions

a. Parties where control exists

Name of the Related Party	Nature of Relationship
---------------------------	------------------------

b Other related parties with whom transactions were carried out during the year

Name of the Related Party	Nature of Relationship
SATTVA e TECH PRIVATE LIMITED	Company in which a Director is interested
KSENSE TECHNOLOGIES PRIVATE LIMITED	Company in which a Director is interested
MEDLEY WEBSERVE PRIVATE LIMITED	Company in which a Director is interested
PRIYA LIMITED	Company in which a Director is interested
PRIYA INTERNATIONAL LIMITED	Company in which a Director is interested
BRENT PROPERTIES INVESTMENT PRIVATE LTD	Company in which a Director is interested

c Key management personnel and their relatives

Mr. Madireddy V. Nagaraj	Managing Director
Mr. M.V. Shetty	Whole-Time Director
Mr. Dipak S Rao	Director of a subsidiary

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d	Disclosure of Related Party Transactions	Amounts in Rs.	
	Particulars	31-Mar-16	31-Mar-15
	Sale of Goods		
	PRIYA LIMITED	568,390,380	737,168,991
	Purchase of Goods		
	PRIYA LIMITED	330,026,697	460,825,426
	Re-imbursment of Expenses		
	PRIYA LIMITED	220,628	346,039
	BRENT PROPERTIES INVESTMENT PVT LTD	235,374	-
	Interest on long term borrowings		
	PRIYA INTERNATIONAL LIMITED	3,375,000	601,644
	Remuneration paid		
	Mr. Madireddy V. Nagaraj,	3,230,400	3,230,400
	Mr. M.V. Shetty	3,096,000	3,096,000
	Mr. Dipak S Rao	8,695,187	13,950,358
	Total	15,021,587	20,276,758
	Rent Paid		
	BRENT PROPERTIES INVESTMENT PVT LTD	1,885,674	-
e	Balances with related parties		
	Long Term Borrowings		
	PRIYA INTERNATIONAL LIMITED	37,500,000	37,500,000
	Trade Payables		
	PRIYA LIMITED	168,725,179	86,899,355
	Trade Receivables		
	KSENSE TECHNOLOGIES PRIVATE LIMITED	-	6,084
	SATTVA e TECH PRIVATE LIMITED	623,187	711,107
g	Operating Leases:		
	The Holding Company has taken various residential / commercial premises under cancelable operating leases. These lease agreements are normally renewed on expiry. The lease agreements provide an option to the Company to renew the lease period at the end of the period. There are no exceptional / restrictive covenants in the lease agreements. Rent debited to profit and loss account Rs. 52,13,458/- (Rs. 58,37,486/-). Contingent rent recognized in the Profit and Loss Account Rs. Nil.		
	Obligations on long-term, non-cancelable operating leases:		
	Particulars	31-Mar-16	31-Mar-15
	Lease rentals recognized during the year	4,099,144	5,837,486
	Lease obligations payable:		
	Within one year of the Balance Sheet date•	2,893,226	5,837,486
	Due in a period between one year and five years	Nil	5,837,486
	Due after five years	Nil	Nil

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h Value of Imported and Indigenous Consumption during the year (as certified by the management)				
Particulars	31-Mar-16		31-Mar-15	
	%	Amounts in INR	%	Amounts in INR
Imported	54.07	291,827,509	69.61	447,013,973
Indigenous	45.93	247,912,973	30.39	195,132,929
Total	100.00	539,740,482	100.00	642,146,902
i Prior year expenses / (income) debited / (credited) to the Profit & Loss Account				
			Amounts in Rs.	
Particulars		31-Mar-16	31-Mar-15	
Software Development		400,000	-	
Repairs & Maintenance Charges			(16,378)	
Rates & Taxes (Fees to STPI)			(51,969)	
Building			155,280	
Membership and Subscription Charges			10,100	
Others		4,400	(15,420)	
		404,400	81,613	
j Earnings per share (EPS)				
		31-Mar-16	31-Mar-15	
Operations for the year				
Net Profit after tax for calculating Basic /Diluted EPS		(45,730,247)	(45,251,750)	
Weighted average number of shares		13,324,800	13,350,000	
Basic / Diluted EPS in Rupees		(3.43)	(3.39)	
k CONTINGENT LIABILITIES AND COMMITMENTS				
(TO THE EXTENT NOT PROVIDED FOR)				
CONTINGENT LIABILITIES				
Guarantees				
Counter Guarantees in respect of guarantees issued by Bankers		4,311,800	7,472,470	
(Covered by 100% Deposits)				
Other money for which Company is contingently liable				
i	Employee Provident Fund Contributions under appeal [Net of Rs. 10,69,469/- deposited with the respective authorities]	336,896	336,896	
ii	Central Sales Tax liability under appeal	5,770,209	6,652,351	
ii	Service Tax Liability under dispute on the import of software license sticker labels considered as goods by Customs while importing	103,466,834	103,466,834	
iv	Education cess on excise duty	326,098	326,098	
v	Disputed Customs Duty	770,839	770,839	
vi	Cenvat Credit Refund under dispute	921,960	-	

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- 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 STRP with a direction to the Assessing Officer to consider rectification application filed by the Petitioner. The very subject matter is pending before the Apex Court and be subject to the result thereof
- Sl. No. iii: In respect of Service Tax pending before the Commissioner / CESTAT the Company's Consultants are of the opinion that the Company has good chances of winning the case since Customs is treating the sticker labels as goods while importing and hence no provision has been made for the same.
- Sl.No. iv: Commissioner Appeals has given the Order in favour of the Company but the Department has preferred Appeal before CESTAT
- Sl. No. v: Commissioner, Customs has given the Order in favour of the Company but the Department has appealed to CESTAT

I Figures of the previous year have been recast / re-grouped / re-arranged in conformity with the presentation of the current year. Figures in bracket relate to the previous year.

As per our report of even date.
For Ishwar & Gopal
Firm Registration No : 001154S
Chartered Accountants
K.V. Gopalakrishnayya
Partner
Membership No.: 021748
Date : 30th May 2016
Place : Bangalore

For and on behalf of the Board

Madireddy V. Nagaraj
Managing Director

M. V. Shetty
Whole Time Director

K. Prakash
Director

Narayana Bhat
CFO & Company Secretary

VXL Instruments Limited

STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDING 31ST MARCH, 2016

	31.03.2016 Rs.	31.03.2015 Rs.
CASH FLOW FROM OPERATIONS:		
Net Income before current income taxes	(4,57,30,247)	55,32,856
Interest received	(8,39,788)	(8,42,956)
Dividend Received	(5,819)	(7,200)
Depreciation & Amortisation	32,87,295	(43,91,951)
Provision for doubtful debts	-	8,12,374
Prior year adjustment	-	1,55,280
Adjustment for foreign currency fluctuation	(1,61,72,598)	1,87,69,859
(Profit) / Loss on sale of fixed assets	-	58,63,256
Interest Expenses	41,67,878	22,40,657
(Increase)/decrease in Long term loans & advances	12,81,952	(6,01,242)
(Increase)/decrease in Trade Receivables	(2,25,41,479)	(17,35,308)
(Increase)/decrease in Short term loans & advances	(92,13,417)	(1,29,64,592)
(Increase)/decrease in Inventories	(1,00,37,750)	(1,76,19,985)
Increase/(decrease) in Long term provisions	(35,54,968)	(5,87,982)
Increase/(decrease) in trade payables	10,78,39,751	(63,44,195)
Increase/(decrease) in Other current liabilities	58,32,719	38,285
Increase/(decrease) in Short term provisions	(15,45,559)	62,744
Current income tax	44,243	(96,909)
Net cash from operations	1,28,12,213	(1,17,17,009)
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest Received	9,78,868	2,65,476
Dividend Received	5,819	7,200
Purchase of Investments	-	(11,000)
Sale of Investments	-	60,000
Proceeds from sale of fixed assets	-	62,197
Purchase of fixed assets	(25,50,447)	(38,63,957)
Net cash from investing activities	(15,65,760)	(34,80,084)
CASH FLOW FROM FINANCING ACTIVITIES:		
(Increase)/decrease in Long term Borrowings	(9,04,198)	3,75,28,389
(Increase)/decrease in Working Capital Borrowings	-	(1,88,23,698)
(Increase)/decrease in Other Short term Borrowings	-	-
(Increase)/decrease in Share capital	43,000	-
Interest paid	(41,67,878)	(22,40,657)
Net cash from financing activities	(50,29,076)	1,64,64,033
Net increase/(decrease) in cash and cash equivalents	62,17,378	12,66,940
Cash and cash equivalents at the beginning of the year	1,38,55,126	1,25,88,186
Cash and cash equivalents at the end of the year	2,00,72,504	1,38,55,126

As per our report of even date.

For Ishwar & Gopal
Firm Registration No : 001154S
Chartered Accountants

K.V. Gopalakrishnayya
Partner
Membership No.: 021748
Date : 30th May 2016
Place : Bangalore

For and on behalf of the Board

Madireddy V. Nagaraj
Managing Director

K. Prakash
Director

M. V. Shetty
Whole Time Director

Narayana Bhat
CFO & Company Secretary

Thirtieth Annual Report 2015 - 2016

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
URL : Website : www.vxl.net
CIN : L85110MH1986PLC272426
E-mail : cfo@vxl.net
2. Registrars and Share Transfer Agent : Bigshare Services Pvt. Ltd.,
E-2 / 3, Ansa Industrial Estate
Saki Vihar Road
Saki Naka, Andheri (E)
MUMBAI – 400 072
Tel.: 022- 2847 0652 / 4043 0200
Fax : 022 - 2847 5207
Email: info@bigshareonline.com
3. Year ended on : 31st March 2016
4. 30th Annual General Meeting : Date - 30th August 2016
Time - 01.00 pm
Venue - **“HALL OF QUEST”**
Nehru Planetarium, Nehru
Centre, Dr. Annie Besant
Road, Worli,
Mumbai – 400 018
5. Registrar of Members & Share Transfer
Book Closure : 23.08.2016 to 30.08.2016
(both days Inclusive)
6. E-Voting Dates : Starts on 27.08.2016 9.00 am to
29.08.2016 5.00 pm
7. Result Date : 01.09.2016
8. Shares listed in Stock Exchange at : BSE Ltd.
9. Annual fees to Stock Exchanges : Paid up to date (Mumbai)
10. Paid – up Share Capital : Rs. 1332.48 Lakhs



VXL INSTRUMENTS LIMITED

CIN: L85110MH1986PLC272426

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

Telephone:+91 22-28245210 Email: cfo@vxl.net Web: www.vxl.net

ATTENDANCE SLIP

30th ANNUAL GENERAL MEETING

Date: 30th August, 2016 Time: 1.00 p.m

Place: "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli,
Mumbai – 400 018.

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

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

Member's Folio Number:

Client I.D. No. :

D.P.I.D No:

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

.....

No. of Shares held:

I hereby record my presence at the Thirtieth Annual General Meeting of the Company held on Tuesday, the 30th August, 2016, at 1.00 p.m. at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

To be signed at the time of handing
over the slip

Signature of member / Proxy

Thirtieth Annual Report 2015 - 2016

VXL INSTRUMENTS LIMITED

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Andheri East, Mumbai – 400093**

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Form No. MGT-11

Proxy form

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

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

Name of the member (s) :
Registered address :
E-mail Id:
Folio No/ Client Id :
DP ID :

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

1. Name :
Address :
E-mail Id :
Signature:, or failing him
2. Name :
Address :
E-mail Id :
Signature:, or failing him
3. Name :
Address :
E-mail Id :
Signature:, or failing him

VXL Instruments Limited

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirtieth Annual General Meeting of the Company, to be held on Tuesday, the 30th August, 2016 at 1.00 p.m. at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS

1. Adoption of Financial Statements for the year ended March 31, 2016.
2. Appointment of Mr. K. Prakash who retires by rotation.
3. Ratification of appointment of Statutory Auditors of the Company.

SPECIAL BUSINESS

1. Approval of related party transactions.
2. Appointment of Mr. Madireddy V Nagaraj as Managing Director of the Company.
3. Appointment of Mr. M V Shetty as Whole time Director of the Company.



Date;

Signature of shareholder

Signature of Proxy holder(s)

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

Thirtieth Annual Report 2015 - 2016

VXL INSTRUMENTS LIMITED
CIN:L85110MH1986PLC272426

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

Telephone:+91 22-28245210 Email: cfo@vxl.net Web: www.vxl.net

Form No. MGT-12
Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: VXL Instruments Limited

Registered office : No. 252, 5th Floor, Building No.2, Solitaire Corporate Park, Chakala, Andheri East, Mumbai – 400093

30TH ANNUAL GENERAL MEETING ON TUESDAY 30TH AUGUST, 2016
BALLOT PAPER

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

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

No	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
ORDINARY BUSINESS				
1.	Adoption of Financial Statements for the year ended March 31, 2016.			
2.	Appointment of Mr. K. Prakash, Director who retires by rotation			
3.	Appointment of Statutory Auditors of the Company.			
SPECIAL BUSINESS				
4.	Approval of Related Party Transactions.			
5.	Appointment of Mr. Madireddy V Nagaraj as Managing Director of the Company			
6.	Appointment of Mr. M V Shetty as Whole time Director of the Company			

Place:

Date:

(Signature of the shareholder)

VXL Instruments Limited

