



VXL Instruments Limited

'House of Excellence', No. 17, Electronics City,
Hosur Road, Bengaluru - 560 100

☎ 91-80-28520046 / 28523251 ☎ 91-80-28520095

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

CIN: L85110 MH1986 PLC 272426



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

Date: 20th September, 2017

Department of Corporate Services
BSE Limited
Floor 25, P. J. Towers
Dalal Street
MUMBAI – 400 001

Dear Sir/Madam,

Sub: **Copy of Annual Report**

Pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the adopted copy of Annual Report of 31st Annual General Meeting of the Company held on 13th September, 2017 at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai- 400 018 as per the Companies Act, 2013.

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

Thanking you
Yours faithfully

For VXL Instruments Limited


Narayana Bhat
Chief Financial Officer & Company Secretary

31st
Annual Report
2016-2017



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

J V Shivaprakash
Practising Company Secretary
Bengaluru

REGISTRARS AND SHARE TRANSFER AGENTS

Bigshare Services Pvt Ltd
1st Floor, Bharat Tin Works
Building, Opp. Vasant Oasis
Makwana Road, Marol, Andheri
Mumbai – 400 072
Tel.: 022-62638200
Fax. : 022-62638299

WORKS

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

Thirty First Annual Report 2016 - 2017

CONTENTS

	Page No.
Notice.....	4
Board's Report.....	10
Secretarial Audit Report.....	24
Report on Corporate Governance.....	30
Certificate by CEO & CFO	38
Auditors' Report on Compliance of Corporate Governance	39
Auditors' Report.....	40
Balance Sheet.....	46
Profit and Loss Account.....	53
Statement of Cash Flow.....	66
Information for the benefit of investors.....	67
Attendance Slip	69
Proxy Form	71
Ballot Paper.....	72

THIRTY FIRST ANNUAL GENERAL MEETING

on Wednesday, 13th September 2017

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 Thirty First Annual General Meeting of the Members of the Company will be held at 1.00 P.M, on Wednesday 13th September, 2017 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 31st March, 2017, 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. Madireddy V Nagaraj (DIN: 00515419), Managing Director of the Company who retires by rotation and is eligible for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration.

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding rules and based on the recommendation of the Audit Committee and of the Board of Directors, Messrs YCRJ & Associates, Chartered Accountants (ICAI Firm Registration No. 006927S) who have offered themselves for appointment and have confirmed their eligibility under the relevant provisions of Chapter X of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, be and are hereby appointed as Statutory Auditors of the Company, to hold office for a period of Five (5) years from the conclusion of the 31st Annual General Meeting up to the conclusion of the 36th Annual General Meeting of the Company, subject to ratification at every Annual General Meeting, at a remuneration in addition to applicable taxes and re-imburement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company as may be decided by the Board of Directors of the Company every year."

SPECIAL BUSINESS:

4. **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 2017-18:

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. **Increase in borrowing powers and Powers to Hypothecate:**

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

"RESOLVED THAT pursuant to Section 180(1)(c) of the Companies Act, 2013 or other applicable provisions of the Companies Act, 2013, if any, or any amendment or modifications thereof, read with the Companies (Meetings of Board and its Powers) Rules, 2014, approval be and is hereby accorded to borrow and raise such sum or sums of money from time to time as may be required for the purposes of the business of the Company, not exceeding Rs. 100 Crores (Rupees One hundred cores Crores only) notwithstanding the fact that such borrowings together with the monies already borrowed by the Company may exceed aggregate of its paid-up share capital and free reserves of the Company, apart from temporary loans obtained by the Company from its bankers in the ordinary course of its business, on such terms and conditions as the Board may consider necessary and expedient in the best interest of the Company.

RESOLVED FURTHER THAT subject to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, the

Thirty First Annual Report 2016 - 2017

Board of Directors of the Company be and is hereby authorized to hypothecate or mortgage and/or charge all the immovable and movable assets of the Company wheresoever situate, present and future, and the whole or part of the undertaking of the Company to, or in favour of, banks or other lenders, to secure the said borrowings upto an amount in the aggregate not exceeding Rs. 100 crores- (Rupees One hundred crores only) together with interest, such other finance charges and all other moneys payable by the Company to the lenders as per the agreements entered into, by the Company with the banks or other lenders.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

6. Fees for delivery of any document through a particular mode of delivery to a member.

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

“RESOLVED THAT pursuant to Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules prescribed thereunder, upon receipt of a request from a member for delivery of any document through a particular mode an amount of Rs. 10/- (Rupees Ten only) per sheet, over and above reimbursement of actual expenses incurred by the Company, be levied as and by way of fees for sending the document to him in the desired particular mode.

RESOLVED FURTHER THAT the estimated fees for delivery of the document shall be paid by the member in advance to the Company, before dispatch of such document.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the documents to be paid in advance.”

By Order of the Board
For **VXL Instruments Limited**

Narayana Bhat

Chief Financial Officer
& Company Secretary

Place: Bangalore

Date: 10th August, 2017

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 7th September 2017 to 13th September, 2017 (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, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059.
- Pursuant to SEBI notification no. MED/ DOP/ Circular/05/2009 dated May 20, 2009, it has become mandatory for the transferee(s) to furnish copy of PAN Card to the Company/ RTA to enable/effect transfer of Shares in physical form.
- To support the 'Green Initiative', the Members who have not registered their e-mail address are requested to register the same with Registrars and Share Transfer Agent: Bigshare Services Private Limited.
- As regards to re-appointment of Mr. Madireddy V Nagaraj (DIN: 00515419) Managing Director of the Company, referred to in item No. 2 of the notice, the following necessary disclosures are made in terms of Regulation 27 of SEBI (LODR) Listing Regulations, 2015 for the information of the Shareholders:

VXL Instruments Limited

Particulars	Details
Name	Mr. Madireddy V Nagaraj
Date of Birth	6th August, 1952
Date of Appointment	31st July, 2010
Qualifications	Bachelor of Technology
Expertise in specific functional area	Design development & Manufacturing of Electronic items
Directorships held in other Companies (excluding foreign companies)	<ol style="list-style-type: none"> 1. K Sense Technology Private Limited 2. Medley Webserve Private Limited 3. ELCIA ESDM CLUSTER 4. Elcintech Solutions Private Limited
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 the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing to its members facility to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means through e-Voting Services provided by National Securities Depository Limited (NSDL).

The instructions for E-voting are as under:

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

- (i) Open email and open PDF file viz; "VXL Instruments-e-voting.pdf" with your Client ID or Folio No. as password.
The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com>.
- (iii) Click on Shareholder – Login.

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.

(vii) Select "EVEN" (E-Voting Event Number) of VXL Instruments Limited.

(viii) Now you are ready for e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory/ies who are authorized to vote, to the Scrutinizer through e-mail to 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 Participant(s) or requesting physical copy]:

- (i) Initial password is provided in the E-Voting form provided separately along with the Annual Report: EVEN (E-Voting Event Number) USER ID PASSWORD/PIN
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

Other Instructions:

- (i) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the downloads section of www.evoting.nsd.com.
- (ii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

Thirty First Annual Report 2016 - 2017

(iii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

(iv) The e-voting period commences on 10th September, 2017 (9:00 am) and ends on 12th September, 2017 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 6th September, 2017 may cast their vote electronically.

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

(v) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 6th September, 2017.

(vi) If the share holder exercises his vote both electronically and physically, then the vote cast by him electronically will supercede.

(vii) Mr. Sanjay Parab, Practising Company Secretary (Membership No. FCS-6613 & CP-7093) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(viii) The Scrutinizer shall within a period not exceeding forty eight (48) hours from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

(ix) The Results shall be declared within forty eight (48) hours from the conclusion of the AGM. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.vxl.net and on the website of NSDL within forty eight (48) hours of passing of the Resolutions at the AGM of the Company and also communicated to BSE Limited.

(x) Further, members may note the following:

- a. Remote e-voting shall not be allowed beyond the said date and time.
- b. The Company is providing facility to vote on a poll to the members present at the Meeting.
- c. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- d. A person whose name is recorded in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail

the facility of remote e-voting or voting in the General Meeting.

- e. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company i.e., No. 252, 5th Floor, Building No. 2, Solitaire Corporate Park, Chakala, Andheri East, Mumbai-400 093 during normal hours (10.00 am to 12.00 noon) on all working days, up to and including the date of the Annual General Meeting of the Company.

By Order of the Board.

For VXL Instruments Limited

Narayana Bhat

*Chief Financial Officer
& Company Secretary*

Place: Bangalore

Date: 10th August, 2017

VXL Instruments Limited

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

Item No. 3:

To appoint Statutory Auditors and to fix their remuneration

The Explanatory Statement for this Item No. 3 is being provided voluntarily though strictly not required as per Section 102 of the Companies Act, 2013 ("the Act"). The Members are informed that Messrs Ishwar & Gopal are Statutory Auditors of the Company since 2003. At the 29th Annual General Meeting (AGM) of the Company held on 21st September, 2015, Messrs Ishwar & Gopal were appointed as Statutory Auditors of the Company for a period of two years viz., FY 2015-16 and 2016-17 (subject to ratification by the shareholders at every AGM) in line with the provisions of Section 139 of the Companies Act, 2013 ("Act") read with Companies (Audit and Auditors) Rules, 2014.

The Act was notified and became effective from 1st April, 2014. Section 139 of the Act, lays down the criteria for appointment and mandatory rotation of Statutory Auditors. Pursuant to Section 139 of the Act and the Rules made there under, it is mandatory to rotate the Statutory Auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing Auditors depending on the number of consecutive years for which an audit firm has been functioning as Auditor in the same Company. The incumbent Auditors served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (two years) at the ensuing 31st AGM.

Pursuant to and in light of the above, the Company has identified Messrs YCRJ & Associates, Chartered Accountants (ICAI Firm Registration No. 006927S) as new Statutory Auditors.

In view of above, the Board of Directors of the Company on the recommendation of Audit Committee has proposed the appointment of Messrs YCRJ & Associates, Chartered Accountants (ICAI Firm Registration No. 006927S) as Statutory Auditors of the Company, subject to the approval of the members of the Company at this Annual General Meeting. Messrs YCRJ & Associates, Chartered Accountants being eligible, have indicated their willingness to serve as Statutory Auditors of the Company, if appointed at this Meeting. The Company has received a Special Notice under Section 140(4)(i) of the Companies Act, 2013 read with Rule 23 of the Companies (Management and Administration) Rules, 2014 from Ms. Prathima Devi, Shareholder proposing the name of Messrs YCRJ & Associates, Chartered Accountants (ICAI Firm Registration No. 006927S) for appointment as Statutory Auditors for a period of 5 years from the conclusion of the 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting thereafter. Their appointment as Statutory Auditors, if approved, by the members of the Company, will take effect from the conclusion of this Annual General Meeting. Further, as required under the provisions of Sections 139 and 141 of the Act, Messrs YCRJ & Associates, Chartered Accountants have confirmed that their appointment, if made at this Annual General Meeting, shall be in accordance with the provisions of the Act.

None of the Promoters/Directors/Key Managerial Personnel of the Company/ their respective relatives, is, in anyway, concerned or interested, financially or otherwise, in the said Resolution.

The Board recommends the Ordinary Resolution set forth at Item No. 3 of the Notice, for the approval of the members of the Company.

Item No. 4:

Approval of Material Related Party Transactions with Priya Limited

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

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

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

As a part of its regular business, the Company purchases raw materials from Priya Limited & sells finished goods to Priya Limited. The Board of Directors in its Meeting held on 27th May, 2017, reviewed the estimated value of the transactions for the financial year 2017-18 in detail for recommending the same to the Shareholders of the Company for their approval.

Thirty First Annual Report 2016 - 2017

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 party 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 a "Related Party" is concerned or interested in the Resolution set out at Item No. 4 of the Notice.

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

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

Item No. 5:

Increase in borrowing powers and Powers to Hypothecate etc.,

It may be recalled that the Board of Directors was empowered earlier with powers to borrow monies in compliance with the provisions of the Companies Act, 1956. Perhaps, the Shareholders have witnessed the growth path achieved by the Company. In order to enable the funding for ongoing plans, fund requirements needs to be evaluated carefully.

Accordingly, the Board in its Meeting held on 10th August, 2017 had considered such needs of the Company commensurate with the growth plans and after careful evaluation, it was decided to increase the borrowing powers of the Board of Directors and raise sum or sums of money from time to time as may be required for the purposes of the business of the Company upto Rs. 100,00,00,000/- crores (Rupees One hundred crores only) notwithstanding the fact that such borrowings including the monies already borrowed will be in excess of the aggregate of the paid-up capital and free reserves of the Company, excluding all temporary loans obtained by the Company from its bankers in the ordinary course of its business.

Further, such enhanced borrowing powers will need the Board of Directors to hypothecate, mortgage and/or charge all the immovable and movable assets of the Company.

These require approval of the Shareholders. Hence, the Resolution is brought before you for your approval.

The Board of Directors recommends this Special Resolution for your approval.

None of the Promoters/Directors/Key Managerial Personnel of the Company/their respective relatives is, concerned or interested in the above Resolution except to the extent of their holding of Equity Shares in the Company.

Item No. 6:

Fees for delivery of any document through a particular mode of delivery to a member:

Section 20 of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014 provides the mode of service of documents *inter alia* to the members of the Company. Further, proviso to sub-Section (2) of that Section states that where a member requests for delivery of any document through a particular mode, he shall pay such fees as may be determined by the company in its Annual General Meeting.

Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the Resolution.

Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Directors accordingly recommend the Special Resolution in Item no. 6 of this Notice for approval by the Shareholders of the Company.

None of the Promoters/Directors/Key Managerial Personnel of the Company/ their respective relatives, is, in anyway, concerned or interested, financially or otherwise, in the said Resolution.

By Order of the Board
For **VXL Instruments Limited**

Place: Bangalore
Date: 10th August, 2017

Narayana Bhat
Chief Financial Officer &
Company Secretary

VXL Instruments Limited

BOARD'S REPORT

Your Directors have pleasure in presenting the 31st Annual Report and Audited Financial Statements for the year ended 31st March, 2017 together with the Independent Auditor's Report.

1. FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	2016-17	2015-16
Net revenue from operations	5027	6212
Other income	7	48
Profit/(Loss) before provision for doubtful receivables and diminution in value of investment	(282)	(225)
Provision for doubtful receivables and diminution in value of investment	10	515
Profit (Loss) before Depreciation	(292)	(740)
Depreciation	32	33
Profit (Loss) before Taxation	(324)	(773)
Provision for Taxation (Deferred Tax Adjustments)	Nil	Nil
Profit (Loss) after Taxation	(324)	(773)
Adjustments towards extra ordinary items	Nil	Nil
Loss for the period	(324)	(773)

2. PERFORMANCE OF THE COMPANY:

During the financial year 2016-17 world-wide thin client sales have dipped. Decline in exports was significant. This has affected the performance of your Company too. The dip is attributable to economic factors rather than loss of interest in thin clients or desktop virtualization. The Company's losses increased due to lower sales.

FUTURE PROSPECTS

Your Company can take solace from IDC's predictions of a future thin client uptick. Greatly reduced electricity cost and IT management and maintenance cost are key factors favouring thin clients. Thin clients continue to be attractive due to very low power consumption, heat generation and noise. Thin clients offer longer meantime between failures than PCs. Thin clients enjoy a high level of system security and stability. Your Company is optimistic about the prospect of thin client market as enterprises adapt their infrastructure to meet future needs. Export market continues to be a cause for concern. Increased demand in the domestic market, sustained economic expansion, virtualization technology etc, are expected to push the demand for thin clients in the domestic market during financial year 2017-18.

Merger of VXL Instruments Limited with Priya Limited was called off due to the lack of synergies between the two Companies.

3. RESERVES:

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

4. SHARE CAPITAL:

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

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

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

6. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There are no material changes after 31st March, 2017 till the signing of this Report.

Thirty First Annual Report 2016 - 2017

7. CHANGE IN NATURE OF BUSINESS:

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

8. DIVIDEND:

Whilst your Directors understand the sentiments of the Investors, the financials in the year that has passed, the Board regrets its inability to recommend any dividend.

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

9. CORPORATE GOVERNANCE AND SHAREHOLDERS' INFORMATION:

A separate Report on Corporate Governance in terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred 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".

10. BOARD MEETINGS:

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

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

The Board of Directors duly met 7 (Seven) times from 1st April 2016 to 31st March 2017 on 30th May 2016, 21st July 2016, 8th September 2016, 29th October 2016, 16th November 2016, 8th December 2016 and 31st January, 2017.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Mr. Madireddy V Nagaraj, Managing Director, retires by rotation, as per the Companies Act, 2013 and being eligible, offers himself for re-appointment.

12. 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).

VXL Instruments Limited

13. COMPOSITION OF AUDIT COMMITTEE, NOMINATION AND REMUNERATION COMMITTEE AND 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) | Ms.Kumkum Bhuwania | - | Member |

ii) Nomination and Remuneration Committee:

- | | | | |
|----|--------------------|---|----------|
| a) | Mr. N. V. Maslekar | - | Chairman |
| b) | Mr. A K Bhuwania | - | 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 |

14. 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.

15. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

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

16. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY:

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

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

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

18. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- In the preparation of the Financial Statements, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- 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;

Thirty First Annual Report 2016 - 2017

- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the Financial Statements on a going concern basis;
- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively, and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. EXTRACT OF ANNUAL RETURN:

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

20. AUDITORS:

The Auditors, Messrs Ishwar & Gopal, Chartered Accountants, Bangalore, registered with Institute of Chartered Accountants of India (ICAI) under the firm registration number 001154S, who were appointed Statutory Auditors of the Company for the period of 2 (Two) years from the conclusion of 29th Annual General Meeting (AGM) till the conclusion of 31st AGM. Further, Messrs Ishwar & Gopal, Chartered Accountants, Bangalore will be completing the maximum number of transitional period (two years) at the ensuing 31st AGM of the Company. To align with the above, it is proposed to appoint Messrs YCRJ & Associates, Chartered Accountants (ICAI Firm Registration No. 006927S) as the Statutory Auditors of the Company for a period of 5 (Five) years, subject to the approval of the members of the Company at this Annual General Meeting.

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

Explanations by the Board on the comments of Secretarial Auditors:

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

22. EMPLOYEES' STOCK OPTION DETAILS:

The Company does not have any Employee Stock Option Scheme.

23. CONSERVATION OF ENERGY:

our 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 and Development activities are directed to achieve the aforesaid goal.

25. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company earned Rs. 37,87,10,487/- in foreign exchange and expended Rs.26,72,45,530/- 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, 2017.

VXL Instruments Limited

27. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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 AND INDUSTRIAL RELATIONS:

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

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

31. DETAILS OF HOLDING COMPANY/SUBSIDIARIES/JV:

VXL Instruments Limited (UK), ceased to be a Subsidiary Company pursuant to the winding up petition filed by one of the Creditors and upon the winding up Order passed by the Hon'ble High Court of Justice, Chancery Division, Companies Court (Court) UK under the provisions of the Insolvency Act, 1986 on 7th November, 2016. Further, the Hon'ble High Court has appointed Mr. Alan Simon as the Liquidator of VXL Instruments Limited (UK).

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:

On the recommendation of the Nomination and Remuneration Committee, the Board has framed a Policy for selection and appointment of Directors, Senior Management and for other employees and their remuneration. The same has been disclosed on the website of the Company at www.vxl.net.

Thirty First Annual Report 2016 - 2017

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-IV**.

36. LISTING WITH STOCK EXCHANGE:

The Company confirms that it has paid the Annual Listing Fees for the financial year 2017-18 to BSE Limited where the Company's Shares are listed.

37. CORPORATE GOVERNANCE AND SHAREHOLDERS' INFORMATION:

In compliance with the Listing Agreement 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 the SEBI (Listing Obligations and Disclosure Requirements) 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 V**.

38. CAPITAL EXPENDITURE:

As on 31st March, 2017, the gross tangible and intangible assets stood at Rs. 18,91,34,430/- and the net tangible and intangible assets, at Rs. 16,94,22,668/-. Additions during the year amounted to Rs. 27,06,616/-. The Company has not purchased any assets under lease.

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

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

The following is a summary of sexual harassment complaints received and disposed off during the financial year 2016-17:

No of complaints received: NIL

No of complaints disposed off: NIL

40. MANAGEMENT DISCUSSION AND ANALYSIS:

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

41. 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

Date: 10th August, 2017
Place: Bengaluru

Madireddy V. Nagaraj
Managing Director
DIN: 00515419

M V Shetty
Whole Time Director
DIN: 00515711

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

As on the financial period ended on March 31, 2017

[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 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East, Mumbai – 400 059. Tel.: 022-6263 8200 Fax. : 022-6263 8299 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
NA (Please refer point No.31 of Board's Report)					

Thirty First Annual Report 2016 - 2017

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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Shareholding of Promoter and Promoter Group									
Indian									
(a) INDIVIDUAL / HUF	1443030	0	1443030	10.83	1443030	0	1443030	10.83	0.00
(b) Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c) BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
(d) FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
(e) ANY OTHERS (Specify)									
(i) GROUP COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
(ii) TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
(iii) LDIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
SUBTOTAL (A)(1) :	1443030	0	1443030	10.83	1443030	0	1443030	10.83	0.00
Foreign									
(a) BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
(b) INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00
(c) INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
(d) QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(e) ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUBTOTAL (A)(2) :	0	0	0	0.00	0	0	0	0.00	0.00
Total holding for promoters (A)=(A)(1) + (A)(2)	1443030	0	1443030	10.83	1443030	0	1443030	10.83	0.00

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 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B) Public shareholding									
1. Institutions									
(a) Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(b) FINANCIAL INSTITUTIONS / BANKS	0	900	900	0.01	0	900	900	0.01	0.00
(c) MUTUAL FUNDS / UTI	0	3000	3000	0.02	0	3000	3000	0.02	0.00
(d) VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
(e) INSURANCE COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
(f) FII'S	0	0	0	0.00	0	0	0	0.00	0.00
(g) FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
(h) QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(i) ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
(j) FOREIGN PORTFOLIO INVESTOR	42645	0	42645	0.32	42645	0	42645	0.32	0.00
(k) ALTERNATE INVESTMENT FUND	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(1):	42645	3900	46545	0.35	42645	3900	46545	0.35	0.00
2. Non-institutions									
(a) BODIES									
(i) CORPORATE	1268127	9200	1277327	9.59	1306029	9200	1315229	9.87	0.28
(ii) INDIVIDUAL									
(i) (CAPITAL UPTO TO Rs. 1 Lakh)	969980	167482	1137462	8.54	1006440	167400	1173840	8.81	0.27
(ii) (CAPITAL GREATER THAN Rs. 1 Lakh)	1183227	0	1183227	8.88	894805	0	894805	6.72	(2.16)
(c) ANY OTHERS (Specify)									
(i) TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
(ii) CLEARING MEMBER	1411	0	1411	0.01	1112	0	1112	0.01	(0.00)

Thirty First Annual Report 2016 - 2017

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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(iii) NON RESIDENT INDIANS (NRI)	17154	176100	193254	1.45	16654	176100	192754	1.45	0.00
(iv) NON RESIDENT INDIANS (REPAT)	0	0	0	0.00	0	0	0	0.00	0.00
(v) NON RESIDENT INDIANS (NON REPAT)	19344	0	19344	0.15	234285	0	234285	1.76	1.61
(vi) DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
(vii) EMPLOYEE	0	0	0	0.00	0	0	0	0.00	0.00
(viii) FOREIGN NATIONALS	150100	287500	437600	3.28	150100	287500	437600	3.28	0.00
(ix) OVERSEAS BODIES CORPORATES	1785600	5800000	7585600	56.93	1785600	5800000	7585600	56.93	0.00
(x) UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00
(d) QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(2) :	5394943	6440282	11835225	88.82	5395025	6440200	11835225	88.82	0.00
Total Public Shareholding (B)=(B)(1) + (B)(2)	5437588	6444182	11881770	89.17	5437670	6444100	11881770	89.17	0.00
(C) Shares held by Custodians and against which Depository Receipts have been issued									
(a) SHARES HELD BY CUSTODIANS	0	0	0	0.00	0	0	0	0.00	0.00
(i) Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(ii) Public	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (C)(1)	0	0	0	0.00	0	0	0	0.00	0.00
(Grand Total)									
(A) + (B) + (C)	6880618	6444182	13324800	100.00	6880700	6444100	13324800	100.00	0.00
NOTES :									
1) NAME, NUMBER OF SHARES HELD & PERCENTAGE OF ENTITIES / PERSONS HOLDING MORE THAN 1% OF THE TOTAL SHARES OF THE COMPANY IS AS PER ANNEXURE									

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	M V NAGRAJ	319050	2.3944	0	319050	2.39	-	-
2	ARVIND VITHAL KASARGOD	100	0.00	-	100	0.00	-	-
3	RISHABH SHETTY	100	0.00	-	100	0.00	-	-
4	DEVIYANI DCRUZ	9100	0.07	-	9100	0.07	-	-
5	RIDHIMA SHETTY	16000	0.12	-	16000	0.12	-	-
6	JAYALAKSHMI SHYAM	16240	0.12	-	16240	0.12	-	-
7	M V SHETTY	29920	0.22	-	29920	0.22	-	-
8	KUMAR SHYAM	387900	2.91	-	387900	2.91	-	-
9	PRAVINA V SHETTY	263880	1.98	-	263880	1.98	-	-
10	LAXMI MUNDKUR	400740	3.01	-	400740	3.01	-	-
		1443030	10.83	-	1443030	10.83	-	-

(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	14,43,030	10.83	14,43,030	10.83
	Datewise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc)				
	At the End of the year	14,43,030	10.83	14,43,030	10.83

Thirty First Annual Report 2016 - 2017

(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	215141	1.66
7	Loknath Agarwala	175000	1.31	175000	1.31
8	Ankur Poaddar	61609	0.46	148109	1.10
9	Halifax Properties investment Pvt Ltd	130651	0.98	130651	0.98
10	Rina Poddar	128527	0.96	128527	0.96

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment - 4,19,68,135/-

VXL Instruments Limited

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 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	26,98,992	25,78,992	52,77,984
		3,01,008	3,01,008	6,02,016
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

B. Remuneration to other Directors:

Amount in Rs.

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Arun Kumar Bhuwania		N V Maslekar	
1	Independent Directors				
	• Fee for attending board / committee meetings • Commission • Others, please specify Total (1)	6,000	-	96,000	1,02,000
		6,000	-	96,000	1,02,000
2	Other Non-Executive Directors	K. Prakash	Kumkum Bhuwania	Prakash H. Rao	
	• Fee for attending board / committee meetings • Commission • Others, please specify	90,000	72,000	96,000	2,58,000
	Total (2)	90,000	72,000	96,000	2,58,000
	Total = (1+2)	96,000	72,000	96,000	3,60,000
Overall Ceiling as per the Act -- Within the Limits					

Thirty First Annual Report 2016 - 2017

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	1492492
	(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 - as % of profit - others, specify...	Nil Nil
5	Others, please specify	Nil
	Total	15,10,563

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 Penalty Punishment Compounding					
B. DIRECTORS Penalty Punishment Compounding			None		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding					

for and on behalf of the Board of Directors

Date: 10th August, 2017
Place: Bengaluru

Madireddy V. Nagaraj
Managing Director
DIN: 00515419

M V Shetty
Whole Time Director
DIN: 00515711

VXL Instruments Limited

SECRETARIAL AUDIT REPORT

ANNEXURE - II

(FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017)

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

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

The Members,

VXL Instruments Limited,

Mumbai - 400 093

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by VXL Instruments Limited for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
 - (i) SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The other following general laws as may be applicable to the Company during the audit:
 - a) The Competition Act, 2002 and the Rules thereon.
 - b) Electronics Hardware Technology Park (EHTP) Scheme.
 - c) The Environmental Protection Act, 1986.
 - d) The Factories Act 1948.
 - e) The Water (Prevention and control of Pollution) Act, 1974.
 - f) The Air (Prevention and control of Pollution) Act, 1981.
 - g) The Hazardous Waste (Management and Handling) Rules, 1989.

Thirty First Annual Report 2016 - 2017

I have also examined compliance with the applicable clauses of:

- a) The Listing Agreements entered into by the Company with BSE Limited and SEBI (Listing obligations and Disclosure Requirements) 2015 wherever applicable.
- b) The Secretarial Standards issued by the Institute of Company Secretaries of India.

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

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

I further report that:

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

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

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

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

1. I further report that during the financial year there were the following transactions affecting the financial position of the Company. During the financial year 2015 - 2016, the Company had made a provision for writing off receivables of Rs. 462 Lakhs from "VXL Instruments Limited-UK" a Foreign Subsidiary of the Company, and based on a petition for winding up, filed by one of the creditors, the High Court of UK has ordered winding up of "VXL Instruments Limited-UK", and liquidation proceedings are underway.
2. The Company had initiated a proposal to merge with Priya Limited, but subsequently withdrew its proposal.
3. The Company has a provision for diminution in value of investments of Rs. 51,69,261/- in its Books of Accounts.

Place: Bengaluru

Date: 25th May 2017

J V Shivaprakash
Company Secretary
C P NO.7123

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

VXL Instruments Limited

Annexure A'

To,
The Members
VXL Instruments Limited
Mumbai- 400 093

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

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

Date: 25th May 2017

Place: Bengaluru

J V Shivaprakash
Company Secretary
C P No 7123

Thirty First Annual Report 2016 - 2017

FORM NO. AOC.2

ANNEXURE III

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

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

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

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

SL. No.	PARTICULARS	DETAILS	
1.	Name(s) of the related party and nature of relationship	Priya Limited	Brent Properties Investment Private Limited
2.	Nature of contracts /arrangements /transactions	Purchases, Sales and Services	Leave and License Agreement
3.	Duration of the contracts/arrangements /transactions	Ongoing - based on periodical requirements	Ongoing - based on periodical requirements
4.	Salient terms of the contracts or arrangements or transactions	Based on Orders procured by Priya from Overseas Customers, Purchase Orders are placed on VXL. Based on projected Customer orders, Raw materials and other materials are procured through Priya from Overseas suppliers. Domestic Annual Maintenance Contracts, service of thin clients are carried out through Priya Limited.	Taking of premises on rental basis for official purpose situated at Unit No. 252, 5th Floor, Building No. 2, Solitaire Corporate Park, Village Chakala, Andheri Kurla Road, Andheri(E) Mumbai-400 093 on the terms and conditions set out in the Leave and License Agreement.
5.	Value of transactions	Transaction value for the previous Financial Year 2016-17(Rs.) 64,12,00,598 Estimated transaction value for the financial year 2017-18 (Rs.) 133,00,00,000	Transaction value for the previous Financial Year 2016-17 (Rs.) 18,90,000 Estimated Transaction Value for the Financial Year 2017-18 (Rs.)18,90,000
6.	Date(s) of approval by the Board	30th May, 2016	30th May, 2016
7.	Amount paid as advances	Nil	Nil

For & on behalf of the Board of Directors

Place: Bengaluru
Date: 10th August 2017

Madireddy V. Nagaraj
Managing Director
DIN: 00515419

M V Shetty
Whole Time Director
DIN: 00515711

VXL Instruments Limited

ANNEXURE – IV

THE RATIO OF THE REMUNERATION OF EACH DIRECTOR

<u>Requirements</u>	<u>Disclosure</u>
(i) The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the Financial Year;	Managing Director Mr. Madireddy V Nagaraj 13.52:1 Whole-Time Director Mr. M. V. Shetty 12.92:1
(ii) The percentage increase in aggregate remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year;	Managing Director: NIL % Whole-Time Director: NIL % CFO & Company Secretary: NIL%
(iii) The percentage increase in the median remuneration of employees in the Financial Year;	2%
(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 9.58% compared to 19.76 % reduction in revenue
(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	Revenue Growth : (-)19.76% (negative) Growth in Remuneration: Managing Director : NIL% Whole-Time Director : NIL% CFO & Company Secretary: NIL%
(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, 2017 : Rs.10.75 crores Market capitalisation as on 31 st March, 2016 : Rs. 17.50 crores Variation - Decreased by Rs.6.75 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.

Thirty First Annual Report 2016 - 2017

(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	Performance of the Company (Revenue Growth) : (-) 19.76% Remuneration increase of: Managing Director : NIL % Whole-Time Director : NIL % CFO & Company Secretary : NIL % increase (compared to Remuneration of 2015-16)
(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.

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

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

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

2. BOARD OF DIRECTORS:

The Company currently has 7 (Seven) Directors comprising of 2 (Two) Executive Directors, 1 (One) Non-Executive Director and 4 (Four) Independent Directors.

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

The details of the Directors' attendance at the Meetings of the Board of your Company during the financial year ended 31st March, 2017 are given below:

Name of Director	DIN	Category of Directorship	No. of Board Meetings attended	Whether attended Last AGM	No. of Directorship in other Companies incorporated in India	No. of Committee membership Member/ chairman in other companies in India
Mr. Arun Kumar Bhuwania	00387445	Independent & Non Executive	1	No	2	3
Mr. N. V. Maslekar	00904842	Independent & Non Executive	7	Yes	4	-
Mr. Prakash H Rao	00492187	Independent & Non Executive	7	Yes	-	-
Mrs. Kumkum Bhuwania	07160610	Independent & Non Executive	7	Yes	-	-
Mr. M. V. Shetty	00515711	Promoter - Executive	7	Yes	-	-
Mr. Madireddy V. Nagaraj	00515419	Promoter - Executive	5	Yes	4	-
Mr. K. Prakash	00542262	Non Executive	7	Yes	-	-

DETAILS OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR:

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

The Board of Directors duly met Seven (7) times during the year on 30th May 2016, 21st July 2016, 8th September 2016, 29th October 2016, 16th November 2016, 8th December 2016 and 31st January 2017.

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

Thirty First Annual Report 2016 - 2017

3. AUDIT COMMITTEE:

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

The Audit Committee comprises of Mr. N. V. Maslekar, Chairman, Mrs. Kumkum Bhawania, 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 4 (Four) times during the financial year. The attendance of each member of the Committee is stated below:

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

4. NOMINATION AND REMUNERATION COMMITTEE:

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

The Committee met 2 (Two) times during the financial year on 21st July, 2016 and 20th March, 2017.

The Nomination and Remuneration Committee has the following objectives:

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

The details of remuneration paid to the Directors during the financial year 2016-17 are stated below:

a. Executive Directors

(in Rs.)

Name	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

VXL Instruments Limited

b. Non-executive Directors:

(Rs. INR)

Name	Sitting fees	Commission
Mr. Arun Kumar Bhawania	6,000	NIL
Mr. K. Prakash	90,000	Niil
Mr. N. V. Maslekar	96,000	NIL
Mrs. Kumkum Bhawania	72,000	NIL
Mr. Prakash H Rao	96,000	NIL
Total	3,60,000	NIL

5. 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, 2017, the Committee comprised of Mr. K Prakash and Mr. N. V. Maslekar and Mr. Prakash H Rao.

The Committee met once during the financial year ended on 20th March, 2017.

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

6. COMPLIANCE OFFICER AND ADDRESS FOR CORRESPONDENCE:

Mr. Narayana Bhat

CFO & Company Secretary

VXL Instruments Limited

"House of Excellence"

No.17, Electronics City

Hosur Road, Bengaluru-560 100

E-Mail: narayanbhat@vxl.net

Phone: 91-80-2852 0046 Fax: 91-80-2852 0095

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

7. INDEPENDENT DIRECTORS' MEETING:

During the year under review, the Independent Directors met on 20th March, 2017, *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 Bhawania and Mr. Prakash H. Rao were present at the Meeting.

8. PERFORMANCE EVALUATION:

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

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board/Committees', who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire

Thirty First Annual Report 2016 - 2017

Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Corporate Secretarial Department. The Board were satisfied with the evaluation results which reflected the overall engagement and effectiveness of the Board and its Committees.

9. General Body Meetings:

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

Year	Date and time	Time	Venue
2013-2014	13 th September, 2014	12.00 Noon	Woodlands Hotel, No. 5, Rajaram appointment of Mohan Roy Road,
2014-2015	21 st September, 2015	12.00 Noon	Woodlands Hotel, No. 5, Rajaram Mohan Roy Road, Bengaluru – 560 025
2015-2016	30 th August, 2016	12.00 Noon	Hall of Quest, Nehru Planetarium, Nehru Centre, Dr. Annie Beasant Road, Worli, Mumbai - 400 018

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

13 th September, 2014	<ol style="list-style-type: none"> 1. Appointment of Mr. Arun Kumar Bhuwania (holding DIN 00387445) as Independent Director of the Company. 2. Appointment of Mr. N V Maslekar (holding DIN 00904842) as Independent Director of the Company.
21 st September, 2015	<ol style="list-style-type: none"> 1. Approval of related party transaction 2. Alteration of Memorandum of Association of the Company 3. Alteration of Articles of Association of the Company
30 th August, 2016	<ol style="list-style-type: none"> 1. Appointment of Mr. Madireddy V Nagaraj as Managing Director of the Company 2. Appointment of Mr. M V Shetty as Whole Time Director of the Company

There are 2 (Two) items which require to be passed as Special Resolutions at the ensuing Annual General Meeting (AGM) to be held on 13th September, 2017.

10. POSTAL BALLOT:

No Resolution was passed during the year attracting Postal Ballot and no Resolution attracting Postal Ballot is recommended at this Meeting.

11. SUBSIDIARY COMPANY:

VXL Instruments Limited (UK), ceased to be a Subsidiary Company upon the winding up Order passed by the Hon'ble High Court of Justice, Chancery Division, Companies Court (Court) UK under the provisions of the Insolvency Act, 1986 on 7th November, 2016

VXL Instruments Limited

There were Related Party Transactions during the financial year. It has been disclosed in Annexure III. The register of Contracts containing the transactions, in which Directors are interested, is placed before the Board as and when necessary.

13. COMPLIANCES:

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

14. MEANS OF COMMUNICATION:

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

15. REPORTING OF INTERNAL AUDITOR:

The Internal Auditor reports to the Audit Committee.

16. CEO AND CFO CERTIFICATION:

The Managing Director and the CFO of the Company have certified to the Board of Directors, *inter alia*, the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under SEBI Regulations, for the period ended 31st March, 2017.

17. CODE OF CONDUCT:

The Company has adopted Code of Conduct which has been implemented. The Code of Conduct is made applicable to the Directors and Senior Management Team. The Code of Conduct is available on the website of the Company at www.vxl.net. Requisite annual affirmations of compliance with respective codes have been made by the Directors and Senior Management of the Company for the period 1st April 2016 to 31st March, 2017.

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

***Code of Conduct for Directors and Senior Management
CEO Confirmation***

I hereby confirm that:

The Company has obtained from the Directors and Senior Management personnel affirmation that they have complied with the above code for, and in respect of, the year ended 31st March, 2017.

Place: Bengaluru
Date: 10th August, 2017

(Madireddy V Nagaraj)
Managing Director
DIN: 00515419

Thirty First Annual Report 2016 - 2017

18. General Shareholder information:

Annual General Meeting	
Date	13th September 2017
Time	01.00 P.M.
Venue	"Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.
Financial Calender	April to March
Date of Book Closure	7th September, 2017 (Tuesday) - 13th September 2017
Dividend payment date	NIL`
Listing on Stock Exchange	BSE Limited (Code 517399)
Scrip code	517399 in the BSE Limited

19. Stock Market (BSE) price data for the year

(in Rs.)

Month	High	Low
April 2016	13.49	9.94
May 2016	9.50	8.18
June 2016	8.72	7.02
July 2016	8.41	6.50
August 2016	7.71	6.03
September 2016	8.50	6.00
October 2016	8.46	6.97
November 2016	8.00	7.00
December 2016	7.92	5.60
January 2017	7.28	5.00
February 2017	8.30	6.77
March 2017	8.96	7.35

20 REGISTRAR AND TRANSFER AGENTS:

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

Their address is furnished below:

Big Share Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis
Makwana Road
Marol, Andheri East
Mumbai 400 059
Phone: +91 22 62638200, Fax: +91 22 62638299
E-mail: info@bigshareonline.com

21. SHARE TRANSFER SYSTEM:

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

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

VXL Instruments Limited

Distribution of shareholding as on 31st March, 2017:

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	4,073	90.1106	52,30,450	3.9253
5,001 - 10,000	196	4.3363	16,03,790	1.2036
10,001 - 20,000	103	2.2788	15,66,610	1.1757
20,001 - 30,000	38	0.8407	9,70,830	0.7286
30,001 - 40,000	15	0.3319	5,50,450	0.4131
40,001 - 50,000	11	0.2434	5,21,950	0.3917
50,001 - 1,00,000	35	0.7743	23,89,630	1.7934
1,00,001 & above	49	1.0841	12,04,14,290	90.3686
Total	4,520		13,32,48,000	100.0000

Shareholding pattern as on 31-03-2017:

Category	No of Shares	% Holding
Directors	3,48,970	2.62
Promoter but not Director	8,14,080	6.11
Directors' and Promoters' Relatives	5,00,871	3.76
Total A	16,63,921	12.49
Mutual Funds	3,000	0.02
Financial Institutions	900	0.01
Body Corporate	13,15,229	9.87
NRI	2,06,148	1.55
Foreign	80,65,845	60.53
Shares in Transit	1,112	0.00
General Public	20,68,645	15.52
Total B	1,16,60,879	87.51
Total A + B	1,33,24,800	100.00

22. DEMATERIALIZATION OF SHARES AND LIQUIDITY:

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

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

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

24. ANNUAL CUSTODY / ISSUER CHARGES:

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

25. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS:

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

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

26. ADOPTION OF THE NON-MANDATORY REQUIREMENTS:

- i. Nomination and Remuneration Committee has duly been constituted.
 - ii. The Company consistently trains its Board members, on an on-going basis, in the business model of the Company as well as the risk profile of the business parameters of the Company, their responsibilities as Directors, and the best ways to discharge them.
 - iii. The Company has a procedure of bringing to the notice of management, any matter/s regarding concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct or ethics policy.
- Independent Directors of the Company have the option and freedom to meet Company Management regularly. They are provided with all information sought by them to perform their duty effectively and efficiently.
 - Audit Committee has duly been constituted, and its scope and functions has already been detailed elsewhere in this report.
 - Matters referred to Audit Committee, as detailed elsewhere in the report include, *inter alia*, recommendation to Board, on appointment of Statutory, Internal and Cost Auditor/s.
 - Reconciliation of Share Capital Audit Report is conducted every financial quarter and placed before the Audit Committee and the Board for review.

27. AUDITORS' CERTIFICATION ON CORPORATE GOVERNANCE:

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

28. PLANT LOCATIONS:

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

29. ADDRESS FOR CORRESPONDENCE:

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

30. REGISTERED OFFICE:

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

VXL Instruments Limited

CEO and CFO CERTIFICATION

The Board of Directors
VXL Instruments Limited
Bengaluru

Dear Board Members,

We, Mr. Madireddy V. Nagaraj, Managing Director and Mr. Narayana Bhat, CFO and Company Secretary of VXL Instruments Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the financial statements and Cash Flow Statement for the year ending 31st March, 2017
2. These Statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for the periods presented in this report and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's auditors and the Company's Audit Committee of the Board of Directors.
5. We accept responsibility for establishing and maintaining internal controls reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
6. We have indicated, to the Auditors and Audit Committee:
 - a. Significant changes in internal control over financial reporting during the year
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Narayana Bhat
CFO & Company Secretary

Madireddy V. Nagaraj
Managing Director

Place: Bengaluru
Date: 27th May, 2017

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, 2017, 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) Regulations 2015.

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
10th August 2017

**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 2017, 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 2017 and its loss and its cash flows for the year ended on that date.

Thirty First Annual Report 2016 - 2017

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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2017 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 (n) 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.
 - iv. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 2 (o) of Notes to Accounts

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

Date : 27th May 2017
Place : Bangalore

K.V. Gopalakrishnayya
Partner
Membership No.: 021748

VXL Instruments Limited

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 2017, we report that:

- i. 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 deeds of immovable properties are held in the name of the Company.
- ii. 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;
- iii. 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.
- iv. 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.
- v. 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.
- vi. 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.
- vii. 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, 2017 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:

Thirty First Annual Report 2016 - 2017

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	14,03,292	2009-10, 2013-14, 2014-15 and 2015-16	Central Excise & Service Tax Appellate Tribunal

- viii. 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.
- ix. 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.
- x. 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.
- xi. 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.
- xii. 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.
- xiii. 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.
- xiv. 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.
- xv. 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 them. Accordingly, clause 3 (xv) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company during the year under review.
- xvi. 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 : 27th May 2017
Place : Bangalore

VXL Instruments Limited

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of VXL Instruments Limited ("the Company") as of 31 March 2017 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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

Thirty First Annual Report 2016 - 2017

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 2017, 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

Date : 27th May 2017
Place : Bangalore

K.V. Gopalakrishnaya
Partner
Membership No.: 021748

VXL Instruments Limited
BALANCE SHEET AS AT 31st MARCH, 2017

(Amount in Rs.)

Sl. Particulars No.	Note No.	As at		As at	
		31-Mar-17	31-Mar-17	31-Mar-16	31-Mar-16
I EQUITY AND LIABILITIES					
1 Shareholders' funds					
a. Share Capital	3	13,33,58,750		13,33,58,750	
b. Reserves and Surplus	4	<u>23,47,309</u>		<u>3,47,62,407</u>	
			13,57,06,059		16,81,21,157
2 Non-current liabilities					
a. Long Term borrowings	5	4,13,63,182		3,79,23,239	
b. Long term provisions	6	<u>16,72,949</u>		<u>38,15,932</u>	
			4,30,36,131		4,17,39,171
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.		18,50,47,214		20,08,13,325	
b. Other Current liabilities	7	1,31,91,447		1,20,29,202	
c. Short term provisions	8	<u>17,24,447</u>		<u>8,09,945</u>	
			19,99,63,108		21,36,52,472
TOTAL			<u>37,87,05,298</u>		<u>42,35,12,800</u>
II ASSETS					
1 Non-current assets					
a. Fixed Assets	9				
i. Tangible Assets	a	16,91,48,144		16,97,71,555	
ii. Intangible Assets	b	<u>2,74,524</u>		<u>3,15,819</u>	
			16,94,22,668		17,00,87,373
b. Non-current investments	10	11,000		11,000	
c. Long term loans & advances	11	53,98,842		63,24,050	
d. Other non current assets	12	-		-	
			54,09,842		63,35,050
2 Current Assets					
a. Inventories	13	13,99,48,654		16,53,48,268	
b. Trade receivables	14	2,57,91,061		2,68,44,464	
c. Cash & Cash equivalents	15	1,38,70,491		1,66,04,791	
d. Short term loans & advances	16	2,42,62,580		3,78,48,508	
e. Other Current assets	17	-		<u>4,44,346</u>	
			20,38,72,787		24,70,90,377
TOTAL			<u>37,87,05,298</u>		<u>42,35,12,800</u>

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 : 27th May 2017
 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

Thirty First Annual Report 2016 - 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	As at 31.03.2017		As at 31.03.2016	
	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	1,33,24,800	13,32,48,000
Share Forfeited Account *		1,10,750		1,10,750
Total	1,33,24,800	13,33,58,750	1,33,24,800	13,33,58,750

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 31.03.2017		As at 31.03.2016	
	Number	Amount in Rs.	Number	Amount in Rs.
Equity Shares				
Outstanding at the beginning of the period	1,33,24,800	13,32,48,000	1,33,50,000	13,33,53,000
Outstanding at the end of the period	1,33,24,800	13,32,48,000	1,33,24,800	13,32,48,000

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 previous 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 31.03.2017		As at 31.03.2016	
	No. of shares held	% of holding	No. of shares held	% of holding
Tefuli Ltd	19,50,000	14.63	19,50,000	14.63
Tintur Investments Ltd	19,25,000	14.45	19,25,000	14.45
Breezetop Investments Ltd	19,25,000	14.45	19,25,000	14.45
Daymount Ltd	17,85,600	13.40	17,85,600	13.40
Priya Ltd	9,00,000	6.75	9,00,000	6.75

VXL Instruments Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

	As at 31.03.2017 Amount in Rs.	As at 31.03.2016 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	13,73,26,077	13,72,88,827
Add: Received during the year	<u>—</u>	<u>37,250</u>
	13,73,26,077	13,73,26,077
c. Revaluation Reserve		
Balance as per last financial statement	15,12,20,744	15,12,20,744
d. General Reserves		
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	(25,84,37,956)	• (18,11,50,792)
Profit / (Loss) for the year	<u>(3,24,15,098)</u>	<u>(7,72,87,164)</u>
Net surplus / (Deficit) in statement of Profit & Loss Account	(29,08,53,054)	(25,84,37,956)
Total Reserves & Surplus	<u>23,47,309</u>	<u>3,47,62,407</u>
5 LONG TERM BORROWINGS		
a. Term Loans		
- From Banks - Secured *	19,68,135	10,21,305
- From Others - Secured *	—	1,24,739
b. Loans and Advances from Related parties - Unsecured **		
	<u>4,00,00,000</u>	<u>3,75,00,000</u>
Total Long term borrowings	<u>4,19,68,135</u>	<u>3,86,46,044</u>
Less: Instalments of term loan payable within a year	<u>6,04,954</u>	<u>7,22,805</u>
Total Long term borrowings	<u>4,13,63,182</u>	<u>3,79,23,239</u>

* Term loan is secured by hypothecation of vehicles. The loan is repayable in 36 equated monthly instalments of Rs. 26,123/- each and 60 equated monthly instalments of Rs. 18,061 and Rs. 20,112/- each. The agreements commence from various dates beginning from 1.8.2016 and ending on 1.7.2021

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

Thirty First Annual Report 2016 - 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

	As at 31.03.2017 Amount in Rs.	As at 31.03.2016 Amount in Rs.
6. LONG TERM PROVISIONS		
a Provision for employee benefits		
i Gratuity	-	9,89,347
ii Leave Benefits	16,72,949	28,26,585
Total Long Provisions	<u>16,72,949</u>	<u>38,15,932</u>
7 OTHER CURRENT LIABILITIES		
a Current maturities of long term debts		
Current maturities of term loan	6,04,954	7,22,805
b Other payables		
i Advances from Customers	-	3,690
ii Book Overdraft	59,03,215	15,11,773
iii Liabilities for expenses	66,83,279	97,90,934
Total other Current Liabilities	<u>1,31,91,447</u>	<u>1,20,29,202</u>
8 SHORT TERM PROVISIONS		
Provision for employee benefits		
i Gratuity	-	-
ii Leave Benefits	17,24,447	8,09,945
Total short term provisions	<u>17,24,447</u>	<u>8,09,945</u>

Note No. 9. FIXED ASSETS

NOTES TO THE FINANCIAL STATEMENTS

(in Rupees)

Particulars	Gross Block				Depreciation				Net Block	
	Balance as at 01.04.2016	Additions / (Reversals)	Disposal / Reversals	Balance as at 31.03.2017	Balance as at 01.04.2016	Charge for the year / amortisation	Reversals	Balance as at 31.03.2017	As at 31.03.2017	As at 31.03.2016
a. TANGIBLE ASSETS										
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	87,99,471	4,31,026		92,30,497	46,38,825	50,69,851
PLANT & MACHINERY	29,96,077			29,96,077	7,90,868	2,37,181		10,28,049	19,68,028	22,05,209
OFFICE EQUIPMENTS	33,33,287	4,72,174		38,05,461	12,73,605	6,55,558		19,29,163	18,76,298	20,59,682
FURNITURE & FIXTURES	22,80,184			22,80,184	9,84,858	1,83,141		11,67,999	11,12,185	12,95,326
MOTOR VEHICLES	49,70,814	19,58,924	(4,56,404)	64,73,334	23,59,210	7,69,962	(2,69,790)	28,59,382	36,13,952	26,11,604
COMPUTER AND DATA PROCESSING UNITS	43,56,682	2,22,768		45,79,450	24,48,003	8,13,795		32,61,798	13,17,652	19,08,679
TOTAL	18,64,27,566	26,53,866	(4,56,404)	18,86,25,028	1,66,56,015	30,90,663	(2,69,790)	1,94,76,887	16,91,48,144	16,97,71,551
PREVIOUS YEAR	18,40,10,335	24,17,231	-	18,64,27,566	1,34,81,458	31,74,557	-	,66,56,015		16,97,71,551
b. INTANGIBLE ASSET										
SOFTWARE LICENSE	4,56,652	52,750		5,09,402	1,40,833	94,045		2,34,878	2,74,524	3,15,819
TOTAL	4,56,652	52,750	-	5,09,402	1,40,833	94,045	-	2,34,878	2,74,524	3,15,819
PREVIOUS YEAR	3,22,436	-	-	3,22,436	59,548	81,285	-	1,40,833		1,81,603

Thirty First Annual Report 2016 - 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

	As at 31.03.2017 Amount in Rs.	As at 31.03.2016 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>51,69,261</u>
	-	-
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>11,000</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 dimunition in value of investments	51,69,261	51,69,261
11 LONG TERM LOANS AND ADVANCES		
a Capital Advances	-	-
b Security Deposits		
I Considered Good	40,74,193	41,20,075
c Other Loans & Advances [Unsecured]		
i Considered Good		
- Advance to Suppliers	13,000	10,13,000
- Receivable from statutory authorities	13,11,649	11,90,975
ii Considered Doubtful		
- Employee / Other Advances	11,04,560	1,72,990
Less : Provision for Doubtful Advances	<u>11,04,560</u>	<u>1,72,990</u>
Total	<u>53,98,842</u>	<u>63,24,050</u>
12 OTHER NON CURRENT ASSETS		
Long term trade receivables (including trade receivables on deferred credit terms)		
a Unsecured, Considered Doubtful	4,71,45,504	4,70,59,910
Less : Provision for doubtful debts	<u>4,71,45,504</u>	<u>4,70,59,910</u>
	-	-
b Unsecured, Considered Good	-	-
Total	<u>-</u>	<u>-</u>

VXL Instruments Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	As at 31.03.2017 Amount in Rs.	As at 31.03.2016 Amount in Rs.
13 INVENTORIES		
Raw Materials	13,20,24,899	15,24,90,834
Raw Materials in Transit	44,52,213	13,05,857
Finished Goods	34,71,542	1,15,51,578
Total	<u>13,99,48,654</u>	<u>16,53,48,268</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	14,55,961	6,23,187
Others	2,43,35,100	2,62,21,277
Total	<u>2,57,91,061</u>	<u>2,68,44,464</u>
15 CASH AND CASH EQUIVALENTS		
a Balance with banks		
i on Current Account	54,73,713	93,52,131
ii on Deposit Account	77,99,828	69,43,692
iii on Exchange Earners Foreign Currency Account	21,466	18,433
b Cash on Hand	4,61,927	1,55,903
c Cheques on Hand	1,13,558	1,34,632
Total	<u>1,38,70,491</u>	<u>1,66,04,791</u>
16 SHORT TERM LOANS AND ADVANCES		
Other Loans & Advances		
[Considered Good]		
i Advance Income Tax (net of provision for taxation)	53,53,791	55,58,683
ii Mat Credit Entitlement	33,98,062	33,98,062
iii Prepaid Expenses	18,05,745	24,18,095
iv Advance to Suppliers	8,00,345	10,23,233
v Balance with statutory / Government authorities	1,27,56,088	2,53,36,979
vi Employee Advances	1,48,549	1,13,456
Total	<u>2,42,62,580</u>	<u>3,78,48,508</u>
17 OTHER CURRENT ASSETS		
Interest accrued but not due on deposits	-	4,44,346
Total	<u>-</u>	<u>4,44,346</u>

Thirty First Annual Report 2016 - 2017

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in Rs.)

Particulars	Note No.	Figures for the current reporting period 31-Mar-17	Figures for the previous reporting period 31-Mar-16
I Revenue from operations	18	50,27,01,763	62,20,23,093
II Other Income	19	7,37,820	48,40,181
III Total Revenue (I + II)		<u>50,34,39,584</u>	<u>62,68,63,274</u>
IV Expenses:			
Cost of materials consumed	20	42,77,93,184	53,39,80,008
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	21	80,80,036	23,56,447
Employee benefits expense	22	4,52,07,205	4,99,95,866
Financial costs	23	94,73,330	80,19,163
Depreciation and amortization expense	24	31,84,708	32,55,842
Other expenses	25	4,21,16,221	10,65,43,112
Total Expenses		<u>53,58,54,682</u>	<u>70,41,50,438</u>
V Profit / (Loss) before exceptional and extraordinary items and tax (III - IV)		<u>(3,24,15,098)</u>	<u>(7,72,87,164)</u>
VI Profit/(Loss) for the period (III - V)		<u>(3,24,15,098)</u>	<u>(7,72,87,164)</u>
VII Earning per equity share: Basic & Diluted		(2.43)	(5.80)

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 : 27th May 2017
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, 2017

	Year Ended 31.03.2017 Rs.		Year Ended 31.03.2016 Rs.
18. Revenue from Operations			
Sale of Products	51,67,67,587		63,03,97,659
Sale of Services	11,60,963		12,58,134
Revenue from operations (Gross)	<u>51,79,28,550</u>		<u>63,16,55,793</u>
Less: Excise Duty	152,26,787		96,32,700
Revenue from operations (Net)	<u>50,27,01,763</u>		<u>62,20,23,093</u>
Details of Products Sold			
Finished Goods Sold			
Data Processing Units	51,67,67,587		63,03,97,659
	<u>51,67,67,587</u>		<u>63,03,97,659</u>
Details of Services Rendered			
AMC / Repair Services	11,60,963		12,58,134
Total	<u>11,60,963</u>		<u>12,58,134</u>
19 Other Income			
a Interest Income on Bank Deposits	3,99,383		7,01,241
b Interest Income on Others	18,193		1,38,547
c Dividend Income on Long Term Investments	-		5,819
d Excess provision for gratuity withdrawn	-		3,63,125
e Other non-operating income (net of expenses)			
i Net gain / loss on sale of fixed assets	77,303		
ii Refund received from Statutory Authorities	2,06,571	35,24,385	
iii Insurance claim received	-	1,05,240	
iv Others	36,370	3,20,244	1,824
	<u>7,37,820</u>		<u>48,40,181</u>
20 Cost of materials consumed			
Cost of raw materials consumed	42,74,08,139		53,38,06,934
Packing Materials	3,85,045		1,73,074
	<u>42,77,93,184</u>		<u>53,39,80,008</u>
Raw Material Consumption			
a Electronic Components	22,38,26,638		31,19,48,822
b Mechanical Items	3,75,20,970		5,63,97,904
c Electronic Assembly	1,28,29,705		2,11,31,440
d License Sticker Labels	14,19,49,144		14,29,74,146
e Others	1,12,81,682		13,54,622
Total	<u>42,74,08,139</u>		<u>53,38,06,934</u>

Thirty First Annual Report 2016 - 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

	Year Ended 31.03.2017 Rs.	Year Ended 31.03.2016 Rs.
21 Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade		
Inventories at the end of the year		
a Work in Progress	-	
b Finished Goods	<u>34,71,542</u>	1,15,51,578
Total	<u>34,71,542</u>	<u>1,15,51,578</u>
Inventories at the beginning of the year		
a Work in Progress	-	
b Finished Goods	<u>1,15,51,578</u>	1,39,08,025
Total	<u>1,15,51,578</u>	<u>1,39,08,025</u>
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	<u>80,80,036</u>	<u>23,56,447</u>
 22. Employee Benefit Expenses		
Salaries and Wages	4,19,40,462	4,69,12,445
Contribution to provident & Other Funds	23,19,972	22,00,610
Staff Welfare expenses	9,46,771	8,82,811
Total	<u>4,52,07,205</u>	<u>4,99,95,866</u>
 23 Financial Costs		
Interest on Working Capital	57,17,964	41,67,878
Interest on Term Loan	32,74,182	35,72,767
Interest on Others	79,460	73,568
Other Borrowing Costs	4,01,723	2,04,950
Total	<u>94,73,330</u>	<u>80,19,163</u>
 24 Depreciation and amortisation expenses		
Depreciation on tangible assets	30,90,663	31,74,557
Amortisation of intangible assets	94,045	81,285
Total	<u>31,84,708</u>	<u>32,55,842</u>

VXL Instruments Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

	Year Ended 31.03.2017 Rs.	Year Ended 31.03.2016 Rs.
25 Other Expenses		
Consumption of Stores & Spare parts	3,70,526	13,17,222
Power and Fuel	14,84,748	12,25,048
Rent	44,40,000	40,99,144
Repairs to Buildings	1,92,253	2,14,015
Repairs to Machinery	-	11,895
Repairs to Others	14,73,217	15,10,781
Insurance	6,23,260	5,68,549
Rates & Taxes	25,46,973	16,35,324
Remuneration to Auditors	4,19,927	4,22,977
Consultancy/Certification Charges	62,45,369	79,31,475
Software Expenses	36,63,489	72,70,874
Freight & Forwarding	85,08,839	173,47,900
Provision for Diminution in value of investments	-	51,69,261
Provision for Doubtful receivables / advances	10,17,165	4,63,37,953
Travelling and Conveyance	12,44,981	23,83,338
Communication expenses	15,68,582	15,60,385
Directors' Sitting Fees	3,60,000	4,14,000
Miscellaneous	49,17,003	48,75,053
Advertisement / Sales Promotion / Brokerage / Post sales support / Entertainment	8,84,613	16,44,549
Sales Commission	10,87,755	1,79,354
Exchange Fluctuation	4,87,863	19,614
Prior year expenses	5,79,654	4,04,400
Total	4,21,16,221	10,65,43,112
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	9,927	12,977
	4,19,927	4,22,977

CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 Corporate Information

VXL Instruments Limited is a Public Limited Company listed in Mumbai Stock exchange. The Company is engaged in the business of manufacture and sale of data processing units.

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 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 require the management of the Company to 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 actuals and estimates is recognized in the period in which the actuals are known. Examples of such estimates include provisions for doubtful debts, employee benefits, provision for income taxes, useful life of depreciable fixed assets and provision for impairment.

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.

VXL Instruments Limited

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 for 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.

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 asset 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.

Thirty First Annual Report 2016 - 2017

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 (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.

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. The details of movement during the year is furnished hereinunder:

	Amounts in INR	
Particulars	31-Mar-17	31-Mar-16
The carrying amount at the beginning of the period	36,36,530	35,56,063
Additional provisions made during the year	6,82,978	6,94,473
Amounts incurred and charged against the provision during the period	(9,22,112)	(6,14,006)
Unused amounts reversed during the period	—	—
The carrying amount at the end of the period	33,97,396	36,36,530
Short term liability	17,24,447	8,09,945
Long term liability	16,72,949	28,26,585

VXL Instruments Limited

b Investments in a Subsidiary.

VXL Instruments Limited, U.K., in which the Company has 60% share holding amounting to Rs. 5,169,261/- and receivable amounting to Rs. 4,61,71,564 as on 31st March 2017 (Rs.4,61,71,564 as at 31st March 2016) was wound up on 7th November 2016 as per the order passed by High Court of Justice, of United Kingdom. The liquidation proceedings are in progress. The company has initiated steps for approval for writing off these receivables and investment and during the previous year made provision for doubtful debts and diminution in value of investments.

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 amount contributed by the Company under this scheme during the year under review amounted to Rs 16,87,973/- (Rs 18,25,767/).

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 31.03.2017.

Particulars	Amount in Rupees	
	As at 31.03.2017	As at 31.03.2016
1 Change in benefit obligation		
Projected Obligation at the beginning of the year	75,31,113	73,78,258
Interest Cost	5,94,535	5,84,125
Current Service Cost	3,63,694	3,73,988
Benefits Paid	(5,23,828)	(1,06,228)
Actuarial (Gain) / Loss	(1,51,290)	(6,99,030)
Projected Obligation at the end of the year	78,14,224	75,31,113
2 Change in Plan Assets		
Fair Value of the Plan Assets at the beginning of the year	65,41,766	12,07,917
Expected Return on Plan Assets	5,45,848	3,52,609
Employer's Contributions	12,46,509	50,87,468
Benefit Paid	(5,23,828)	(1,06,228)
Actuarial (Gain) / Loss	58,491	-
Fair Value of the Plan Assets at the end of the year	78,68,786	65,41,766
Excess of (Obligations over Plan Assets) /		
Plan Assets Over Obligation	54,562	(9,89,347)
Short term	-	-
Long term	-	(9,89,347)

Thirty First Annual Report 2016 - 2017

3	Net Gratuity & Other Costs at the end of the year		
	Service Cost	3,63,694	3,73,988
	Interest on defined benefit obligation	5,94,535	5,84,125
	Expected Return on Plan Assets	(5,45,848)	(3,52,609)
	Net Actuarial Gain recognized in the year	(2,09,781)	(6,99,030)
	Adjustment related to prior year		
	Net Gratuity Costs for the year	2,02,600	(93,526)
4	Category of assets		
	Insurer Managed Funds	78,68,786	65,41,766
5	Assumptions		
	Discount Rate	7.45%	7.90%
	Salary Escalation Rate	7.00%	7.00%
	Expected Return on Plan Assets Rate	8.25%	8.35%

d Dues to Micro, Small and Medium Enterprises:

Trade Payables 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:

		Amounts in INR	
Sl. No.	Particulars	31-03-2017	31-03-2016
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.

VXL Instruments Limited

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	Amounts in INR	
	31-Mar-17	31-Mar-16
Revenue (Sales and Services)		
Domestic	12,07,12,431	7,82,22,423
Overseas	38,19,89,332	54,38,00,670
	<u>50,27,01,763</u>	<u>62,20,23,093</u>
Segment Result		
Domestic	1,47,52,341	1,26,93,063
Overseas	4,31,86,097	5,89,64,606
	<u>5,79,38,438</u>	<u>7,16,57,669</u>
Less :		
Unallocated Expenses		
Overheads	8,08,80,206	14,09,25,670
Interest	94,73,330	80,19,163
Provision / (Credit) for taxes	-	-
Profit / (Loss) After Taxation	<u>(3,24,15,098)</u>	<u>(7,72,87,164)</u>
Secondary Segments (Business Segments)		
Revenue (Sales and Services)		
Data Processing Units	50,15,40,800	62,07,64,959
Service Charges	11,60,963	12,58,134
Total	<u>50,27,01,763</u>	<u>62,20,23,093</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. Please refer Note No.2(b).

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

Name of the Related Party	Nature of Relationship
Sattva eTech 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

Thirty First Annual Report 2016 - 2017

d Disclosure of Related Party Transactions

Amounts in INR

Particulars	31-Mar-17	31-Mar-16
Sale of Goods		
Priya Limited	35,97,24,104	56,83,90,380
Purchase of Goods		
Priya Limited	28,14,76,494	33,00,26,697
Re-imbursment of Expenses		
Priya Limited	6,444	2,20,628
Brent Properties Investment Pvt Ltd	5,28,384	2,35,374
Interest on long term borrowings		
Priya International Limited	31,91,178	33,75,000
Remuneration paid		
Mr. Madireddy V. Nagaraj,	32,30,400	32,30,400
Mr. M.V. Shetty	30,96,000	30,96,000
Total	63,26,400	63,26,400

Rent Paid		
Brent Properties Investment Pvt Ltd	18,90,000	18,85,674

e Balances with related parties

Non Current Assets - Trade Receivables		
VXL Instruments Limited, UK*	4,61,71,564	4,61,71,564
Long Term Borrowings		
Priya International Limited	4,00,00,000	3,75,00,000
Trade / Other Payables		
Priya Limited	14,81,66,839	16,87,25,179
Priya International Limited	21,14,765	30,37,499
Trade / Other Receivables		
Sattva eTech Private Limited	6,12,625	6,23,187
Non current Investments		
VXL Instruments Limited, UK*	51,69,261	51,69,261

* Provision has been made for bad and 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. 44,40,000/- (Rs.40,99,144/-). Contingent rent recognized in the Profit and Loss Account Rs. Nil.

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

Particulars	31-Mar-17	31-Mar-16
Lease rentals recognized during the year	44,40,000	40,99,144
Lease obligations payable:		
Within one year of the Balance Sheet date	29,04,000	28,93,226
Due in a period between one year and five years	29,04,000	Nil
Due after five years	Nil	Nil

VXL Instruments Limited

h Value of Imported and Indigenous Consumption during the year (as certified by the management)				
Particular	%	31-Mar-17	%	31-Mar-16
Imported	64.17	27,45,22,850	53.63	28,63,67,035
Indigenous	35.83	15,32,70,334	46.37	24,76,12,973
Total	100.00	42,77,93,184	100.00	53,39,80,008
i Value of imports calculated on CIF Basis				
Raw materials		26,60,51,401		33,46,53,738
Capital Goods		–		3,72,900
j Expenditure in Foreign Currency				
Travelling Expenses		3,25,697		1,90,124
Certification Fees		8,68,432		18,43,561
k Earnings in foreign Currency calculated on FOB Basis				
Direct Exports		–		–
Deemed Exports through others		8,12,98,892		2,92,23,204
Third Party Exports		29,74,11,595		49,61,70,061
l Prior year expenses / (income) debited / (credited) to the Profit & Loss Account				
Particulars		31-Mar-17		31-Mar-15
Software Development		–		4,00,000
CST Claim		(4,58,874)		–
Contribution to ELCIA Trust		10,00,000		–
Professional / Service Charges		24,001		–
Freight		3,680		–
Conveyance		4,007		–
Others		6,840		4,400
		5,79,654		4,04,400
m Earnings per share (EPS)				
Operations for the year		31-Mar-17		31-Mar-16
Net Profit after tax for calculating Basic /Diluted EPS		(3,24,15,098)		(772,87,164)
Weighted average number of shares		1,33,24,800		133,24,800
Basic / Diluted EPS in Rupees		(2.43)		(5.80)
n CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)				
		31-03-2017		31-03-2016
(Amount in INR)				
CONTINGENT LIABILITIES				
i Counter Guarantees in respect of guarantees issued by Bankers (Covered by 100% Deposits)		39,57,200		43,11,800
ii Employee Provident Fund Damages, Interest under appeal [Net of Rs. 10,69,469/- deposited with the respective authorities]		3,36,896		3,36,896
iii Central Sales Tax liability under appeal		57,70,209		57,70,209
iv Service Tax Liability under dispute on the import of software license sticker labels considered as goods by Customs while importing		10,34,66,834		10,34,66,834
v Disputed Education cess on excise duty		–		3,59,830
vi Disputed Customs Duty		–		7,70,839
vii Cenvat Credit Refund under dispute. Matter under appeal with Commissioner of Central Excise.		14,03,292		9,21,960

Thirty First Annual Report 2016 - 2017

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

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

SL. No vi Disputed customs duty in respect of imported material which was not consumed. The goods has been confiscated by the Customs Department and sealed in the Company premises. No further liability is envisaged

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

o. Details of specified Bank Notes (SBN) held and transacted during the specified period 8th November 2016 to 30th December 2016.

(Amount in Rupees)

Particulars	SN/SBN	Other Denomination Notes	Total
Closing cash in hand as on 8th November 2016	1,52,500	1652510	18,05,010
Permitted Receipts		546436	5,46,436
Permitted Payments		263286	2,63,286
Amount Deposited in Banks	1,52,500		1,52,500
Closing cash in hand as on 30th December 2016	-	19,35,660	19,35,660

q Figures of the previous year have been re-cast / 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

For and on behalf of the Board

Madireddy V. Nagaraj
Managing Director

M. V. Shetty
Whole Time Director

Date : 27th May 2017
Place : Bangalore

K. Prakash
Director

Narayana Bhat
CFO & Company Secretary

VXL Instruments Limited**STATEMENT OF CASH FLOW FOR THE YEAR ENDING 31st MARCH, 2017**

Particulars	Year Ended 31.03.2017 Amount in Rs.	Year Ended 31.03.2015 Amount in Rs.
CASH FLOW FROM OPERATIONS:		
Net Income / (Loss) before current income taxes	(324,15,098)	(772,87,164)
Interest received	(4,17,576)	(8,39,788)
Dividend Received	-	(5,819)
Depreciation & Amortisation	31,84,708	32,55,842
Provision for doubtful debts	10,17,165	463,37,953
Provision for diminution in Investments	-	51,69,261
(Profit) / Loss on sale of fixed assets	(77,303)	-
Interest Expenses	90,71,606	78,14,213
(Increase)/decrease in Long term loans & advances	9,25,208	12,81,952
(Increase)/decrease in Other current assets	-	32,98,307
(Increase)/decrease in Trade Receivables	36,237	(225,41,479)
(Increase)/decrease in Short term loans & advances	133,81,036	(92,13,417)
(Increase)/decrease in Inventories	253,99,614	(100,37,750)
Increase/(decrease) in Long term provisions	(21,42,983)	(35,54,968)
Increase/(decrease) in trade payables	(157,66,110)	762,97,639
Increase/(decrease) in Other current liabilities	12,80,096	(29,01,666)
Increase/(decrease) in Short term provisions	9,14,502	(15,45,559)
Current income tax	2,04,892	44,243
Net cash from operations	45,95,995	155,71,800
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest Received	8,61,922	9,78,867
Dividend Received	-	5,819
Purchase of Investments	-	-
Sale of Investments	-	-
Proceeds from sale of fixed assets	2,63,917	-
Purchase of fixed assets	(27,06,616)	(25,50,449)
Net cash from investing activities	(15,80,777)	(15,65,763)
CASH FLOW FROM FINANCING ACTIVITIES:		
(Increase)/decrease in Long term Borrowings	33,22,089	(9,04,198)
(Increase)/decrease in Working Capital Borrowings	-	-
(Increase)/decrease in Share Capital	-	43,000
Interest paid	(90,71,606)	(78,14,213)
Net cash from financing activities	(57,49,517)	(86,75,410)
Net increase/(decrease) in cash and cash equivalents	(27,34,299)	53,30,627
Cash and cash equivalents at the beginning of the year	166,04,791	112,74,165
Cash and cash equivalents at the end of the year	138,70,491	166,04,791

As per our report of even date.

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

K.V. Gopalakrishnaya
Partner
Membership No.: 021748

For and on behalf of the Board

Madireddy V. Nagaraj
Managing Director

M. V. Shetty
Whole Time Director

Date : 27th May 2017
Place : Bangalore

K. Prakash
Director

Narayana Bhat
CFO & Company Secretary

Thirty First Annual Report 2016 - 2017

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.,
1st Floor, Bharat Tin Works Building, Opp.
Vasant Oasis Makwana Road, Marol, Andheri
East, Mumbai – 400 059.
Tel.: 022-6263 8200
Fax. : 022-6263 8299
Email: info@bigshareonline.com
Website:www.bigshareonline.com
3. Year ended on : 31st March 2017
4. 30th Annual General Meeting : Date - 13th September 2017
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 : 07.09.2017 to 13.09.2017
(both days Inclusive)
6. E-Voting Dates : Starts on 10.09.2017 9.00 am to
12.09.2017 5.00 pm
7. Result Date : 15.09.2017
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 22-42872197 Email: cfo@vxl.net Web: www.vxl.net

ATTENDANCE SLIP

31st ANNUAL GENERAL MEETING

Date: 13th September, 2017 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 Thirty First Annual General Meeting of the Company held on Wednesday, 13th September, 2017, 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

Thirty First Annual Report 2016 - 2017

VXL INSTRUMENTS LIMITED

CIN:L85110MH1986PLC272426

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

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

Form No. MGT-11

Proxy form

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

CIN No. : **L85110MH1986PLC272426**
Name of the Company : **VXL INSTRUMENTS LIMITED**
Registered office : **No. 252, 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:

VXL Instruments Limited

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty First Annual General Meeting of the Company, to be held on 13th day of September, 2017 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:

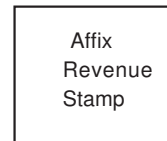
ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements including Audited Balance Sheet as at 31st March, 2017, 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 Madireddy V Nagaraj (DIN: 00515419), Managing Director who retires by rotation and is eligible for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration.

SPECIAL BUSINESS

4. Approval of related party transactions with Priya Limited.
5. Increase in borrowing powers and powers to hypothecate etc.
6. Fees for delivery of any document through a particular mode of delivery to a member

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.

Thirty First Annual Report 2016 - 2017

VXL INSTRUMENTS LIMITED

CIN:L85110MH1986PLC272426

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

Telephone: +91 22-42872197 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

31ST ANNUAL GENERAL MEETING, WEDNESDAY, 13TH SEPTEMBER, 2017

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	To receive, consider and adopt the Audited Financial Statements including Audited Balance Sheet as at 31 st March, 2017, 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. Madireddy V Nagaraj (DIN: 00515419), Managing Director who retires by rotation and is eligible for re-appointment.			
3	To appoint Statutory Auditors and to fix their remuneration.			
	SPECIAL BUSINESS			
4	Approval of Related Party Transactions.			
5	Increase in borrowing powers and powers to hypothecate etc.			
6	Fees for delivery of any document through a particular mode of delivery to a member.			

Place:

Date:

(Signature of the shareholder)

VXL Instruments Limited

Route Map Image

