

29th
Annual Report
2014-2015



VXL Instruments Limited

VXL Instruments Limited

BOARD OF DIRECTORS

Arun Kumar Bhuwania	<i>Chairman & Independent Director</i>
Dipak S Rao	<i>Vice Chairman</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

AUDITORS

Ishwar & Gopal
Chartered Accountants
Bengaluru

INTERNAL AUDITORS

Cuddappa Ramesh & co.
Chartered Accountants
Bengaluru

SECRETARIAL AUDITORS

S. Kedarnath & Associates
Practising Company Secretaries
Bengaluru

REGISTRARS AND SHARE TRANSFER AGENTS

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

WORKS AND REGISTERED OFFICE

"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 : L85110KA1986PLC007492
E-mail : cfo@vxl.net

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TWENTY NINTH ANNUAL GENERAL MEETING

on Monday the 21st September 2015

at

“ WOODLANDS HOTEL ”

No.5, Rajaram Mohan Roy Road

Bangalore – 560 025.

at 12.00 noon

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NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of the Company will be held at 12.00 noon, on Monday the 21st September 2015 at “**WOODLANDS HOTEL**” No.5, Rajaram Mohan Roy Road, Bengaluru – 560 025, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including Audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss of the Company for the year ended as on that date together with the Board's Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. M V Shetty who retires by rotation and is eligible for re-appointment.
3. To consider and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Messrs Ishwar & Gopal, Chartered Accountants, having ICAI Firm Registration No. 001154S, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Company's financial years 2015-16 to 2017-18 and to hold office from the conclusion of this Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company”.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to Articles of Association of the Company and the provisions of Section 161 of the Companies Act, 2013, Mr. Prakash H Rao (DIN: 00492187), who was appointed as an Additional Director of the Company by the Board of Directors, and who holds the office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, from a

member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company”.

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

“RESOLVED THAT pursuant to Articles of Association of the Company and the provisions of Section 161 of the Companies Act, 2013, Mrs. Kumkum Bhuvania (DIN: 07160610), who was appointed as an Additional Director of the Company by the Board of Directors, and who holds the office only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company”.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Prakash H Rao (holding DIN 00492187), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years i.e. for a term up to 11th June, 2020”.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mrs. Kumkum Bhuvania (holding DIN 07160610) Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years i.e. for a term up to 3rd May, 2020”.

8. To consider and to pass the following resolution as a SPECIAL Resolution:

“RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 and clause 49 (VII) of the Listing Agreement, consent of the members be and is hereby accorded to carry the related

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party transaction(s) by the Company with Priya Limited, a 'Related party' as defined under Section 2(76) of the Companies Act, 2013 and Clause 49(VII) of the Listing Agreement within the limits mentioned in the below table:

Sl. No.	Nature of Transactions	Estimated Value of Transactions per Annum (Rs./in Crores)
1	Purchase of materials /goods	90
2	Sale of materials /goods	125
3	Reimbursement of expenses	2

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".

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

Alteration in Memorandum of Association of the Company:

"RESOLVED THAT pursuant to the provisions of Section 13(1) of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 and other applicable provisions of the Companies Act, 2013, the Memorandum of Association of the Company be and is hereby altered in the following manner:

- By replacing numbering format 'I', 'II', 'III', 'IV', 'V' and 'VI' with '1st', '2nd', '3rd', '4th', '5th' and '6th' respectively to represent the various main clauses in the Memorandum of Association.
- By deleting the existing Clause III (C).
- By deleting the existing Clause 4 and by substituting the following new Clause 4 thereof as hereunder:

'4th The Liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.'

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do, from time to time, all such acts, deeds and things as may be necessary to give effect to the above resolution".

RESOLVED FURTHER THAT the new set of Memorandum of Association be and are hereby adopted by the shareholders to incorporate the provisions relating to the Companies Act, 2013 as in page no.6-8:

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

Alteration in Articles of Association of the Company:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and as warranted by the aforesaid Act, Articles of Association of the Company be and are hereby altered by deleting the existing Articles and by adopting the Articles from Table F under the said Act, with such modifications as may be applicable and relevant to the Company and as may be suggested by the Stock Exchanges in terms of the Listing Agreements executed by the Company with them,

RESOLVED FURTHER THAT the draft Articles of Association being available for inspection at the Registered Office of the Company and be uploaded on the website of the Company, be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the new set of Articles of Association be and are hereby adopted by the shareholders to incorporate the provisions relating to the Companies Act, 2013 as in page no.9-18:

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

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****MEMORANDUM OF ASSOCIATION OF VXL INSTRUMENTS LIMITED (Company Limited by Shares)**

(Incorporated under the Companies Act, 1956 as amended under the Companies Act, 2013)

- 1st The name of the Company is VXL INSTRUMENTS LIMITED.
- 2nd The Registered Office of the Company will be situated in the state of Maharashtra*.
- 3rd The objects for which the Company is established are:-

(A) THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

1. To carry on business as manufacturers, assemblers, buyers, sellers, indentors, hirers, repairers, importers, exporters, agents, representatives, designers, system engineers, system analysts, consultants, research and development experts of any one or more of the following items :-
 - a) Electronic and electrical instruments for measurement, control, protection and analysis, used in industrial, mining, chemical, transportation, space, environmental, scientific, educational and commercial applications.
 - b) Transducers, transmitters, sensors and equipments for testing and measurement of parameters such as temperature, pressure, flow, strain, level, density, concentration, radiation, time, mass as well as electric and magnetic parameters and any combinations thereof.
 - c) Computers, peripherals and other allied products including hardware, firmware, and software, used in all types of commercial, industrial, scientific and other applications.
2. To develop, create, maintain and render all kinds of services in all IT enabled/related fields especially in the field of internet connectivity, digital based network services like e-commerce, application services, content services, communication services through chat rooms, audio/video conferencing and the like especially through cable T. V. Networks, Telephone lines/cables and all modes of personal communication systems/networks and for that purpose to develop and deal with all kinds of software and hardware related to all fields of internet communication including creation of web sites, web portals, online sites and the like.

(B) THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS OF THE COMPANY ARE:

1. To purchase or otherwise acquire and undertake the whole or any part of the business, property and liabilities of any person, firm or company carrying on any business which this company is authorised to carry on or possessed of property or rights suitable for any of the purposes of the company.
2. To manufacture, buy, sell, treat and deal in plant, machinery, apparatus, tools, utensils, substances, articles and things necessary or useful for carrying on any of the above business or usually dealt with by persons engaged therein.
3. To carry on any business relating to the production, manufacture and preparation of any other materials and component parts which may be usefully or conveniently combined with the research, development, engineering and manufacturing business of the Company or any contracts undertaken by the Company either for the purpose only of such contracts or an independent business.
4. To negotiate and enter into agreements with foreign companies and corporations for the purpose of activating research, developing and manufacturing projects on the basis of knowhow and/or financial participation.
5. To acquire or obtain any agency and distribution rights for all goods, as aforesaid, manufactured in India or outside.

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6. To apply for, tender, purchase, or otherwise acquire any contracts, sub-contracts, licences and concessions for or in relation to the objects or business herein mentioned or any other and to undertake, execute, carryout, dispose of or otherwise turn to account the same.
7. To sub-let all or any contracts from time to time and upon such terms and conditions as may be thought expedient
8. To erect, construct, extend, alter or maintain factories, buildings and structures of every kind necessary or convenient for the Company's business.
9. To insure any of the properties, undertakings, contracts, guarantees or obligations of the Company of every nature and kind in any manner whatsoever.
10. To apply for purchase or by any other means acquire and protect, prolong and renew any patents, patent-rights, licences, protections and concessions which may appear likely to be advantageous or useful to the Company and to use and turn to account and to manufacture under or grant licences or privileges in respect of the same and to spend money in experimenting upon and testing and improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.
11. To buy, sell, exchange, let on hire and deal in all kinds of goods, stores articles and things which may be required for the purposes of, or used in connection with the business of the Company.
12. To purchase, acquire and hold shares, stocks, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any Company constituted or carrying on business in India or elsewhere and bonds and securities issued or guaranteed by any government, municipality, public body or other local authority to acquire by original subscription, tender, purchase, exchange, or otherwise, and to subscribe for the same either conditionally or otherwise, and to guarantee the subscription thereof, and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof, and any such shares, stocks, debentures, debenture stocks, bonds, obligations or securities to sell or otherwise dispose of.
13. To purchase, take on lease or hire or otherwise acquire land, buildings, easements or any rights therein or there over temporarily or permanently for all or any of the objects of the Company and to construct or otherwise acquire, repair, maintain and use buildings or factories of any description, suitable for the objects of the Company or any of them, and to demolish, re-erect, add to, alter or otherwise deal with the same as occasion may require.
14. To establish branches or appoint agencies or representatives or correspondents for or in connection with any of the objects of the Company in any part of the world, and to engage in agency business for others in any part of the world in such manner and upon such terms as are calculated to further the objects of the Company or any of them.
15. To purchase or otherwise acquire, or to amalgamate, with, enter into a partnership, subscribe for stock or shares in or otherwise finance, assist or co-operate with any other Company, corporation, association, firm or person doing or desirous of doing business with objects in whole or in part similar to those of the Company and to make arrangements for union of interests or for sharing expenses or profits with any such concern or person or firm.
16. To invest or lend or otherwise deal with any of the moneys of the Company not immediately required for the objects thereof upon such securities, not being shares in the Company, and in such manner as the Directors may think fit, and from time to time realise or vary such investments.
17. To acquire or issue and use, deal in and pledge, mortgage, transfer, assign, sell or negotiate mercantile documents of every kind and description and without prejudice to this generality, to draw, make, accept, endorse, discount, execute, issue, negotiate and assign cheques, drafts, bills of exchange, promissory notes, hundies, debentures, bonds, bills of lading, railway receipts and other

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negotiable or transferable instruments or securities and to purchase, sell, endorse and surrender for renewal any Government Promissory Note or Government War Loan Bonds or other securities of the Government of India or any other Government, whether within or outside India.

18. To sell exchange, let, assign, mortgage or otherwise dispose of the undertaking of the Company or any part thereof, or all or any of the property, asset, rights or interest of the Company for such consideration and upon such terms as the Company may think fit and in particular, for shares, debentures or securities of any other Company, having objects, altogether or in part, similar to those of this company.
19. To borrow or raise or secure the payment of money from time to time for any of the purposes of the Company by bonds, or by taking credit, or by opening accounts current with any individual or firm or with any Bank or Bankers and whether with or without giving any securities, goods or other articles or by mortgaging or selling or by receiving advances on the sales of any lands, buildings, machinery, goods or other property of the Company or by such other means as the Directors may in their own absolute discretion deem expedient.
20. To distribute any of the property or assets of the Company or the sale, lease or other disposable thereof among the members in specie on the winding up of the Company and to issue to or distribute among the members of the Company shares instead of cash by way of dividend or bonus.
21. To receive money on deposit subject to the Reserve Bank of India's direction in the matter, or loan on such terms as the Company may approve and to guarantee payment of the debts and the performance of the contracts of members of the Company or persons having dealing with the Company or others, but the Company shall not carry on Banking business as defined by the Banking Regulation Act, 1949. The acceptance of deposits shall also be subject to the provision of Section 58A of the Companies Act, 1956 and the rules framed there under.
22. To subscribe or contribute to any charitable, benevolent or useful object of a public character the support of which will, in the opinion of the Directors, tend to increase the repute or popularity of the Company among its employees or the public.
23. To provide for welfare of the persons in the employment of the Company, or formerly engaged in any business acquired by the Company and the wives, widows, and families of such persons by grants of money, pensions or otherwise, and to contribute towards the premiums of insurance payable on any insurance on the lives of such employees and to charge the amount of all subscriptions, donations, contributions, premiums or payments which may be made under this and the immediately preceding sub-clause to the working expenses of the Company.
24. To do all or any of the above things as principal, agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise and either alone or in conjunction with others.
25. To carry out all public works and to enter into all types of government and private contracts.
26. To carry on the business of manufacture, erection, installation, commissioning and maintenance in all types of instruments / equipments / systems of electronic research.

4th The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

5th The authorized share capital of the company is Rs. 15,00,00,000.00 (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs) equity shares of Rs. 10.00 (Rupees Ten only) each.

* Altered vide Special Resolution passed through postal ballot by the members of the Company on 12th August, 2015.

** Altered vide Special Resolution passed at the 29th Annual General Meeting of the Company held on 21st September, 2015.

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***ARTICLES OF ASSOCIATION OF VXL INSTRUMENTS LIMITED (Company limited by Shares)**

(Incorporated under the Companies Act, 1956 as amended under the Companies Act, 2013)

PRELIMINARY

(1) In these Articles:

"The Act" and reference to any Section or provision thereof respectively means and includes the Companies Act, 2013 and any statutory modification or re-enactment thereof for the time being in force and reference to the Section or provisions of the Act or such statutory modification.

"Affiliate" in respect of any Company, means any legal entity which, controls or is controlled by that Company, or is controlled by the same individual or entity which controls that Company. For the purposes of this definition, any entity is controlled by another entity or individual where that entity or individual owns, directly or indirectly, more than fifty percent of the shares entitled to a vote at general meetings of shareholders or has the power to cause the election of a majority of the Board of Directors of the first entity.

"Article" or "these Articles" means the Articles set out herein.

"Auditors" means and includes those persons appointed as such for the time being by the Company.

"Board" or "Board of Directors" means the Board of Directors and the Directors collectively or a meeting of the Directors duly called and constituted or, as the case may be, the Directors assembled at the Board or the Directors of the Company collectively.

"Capital" means the share capital for the time being raised or authorised to be raised for the purpose of the Company.

"Chairman" means the Chairman of the General Meetings and Board as referred to, in these Articles.

"the Company" or "the Corporation" means **VXL INSTRUMENTS LIMITED**.

"Director" means a Director appointed to the Board of the Company.

"Managing Director" means the Managing Director or Managing Directors of the Company for the time being.

"Dividend" includes any interim dividend.

"General Meeting" means the Annual General Meeting and Extraordinary General Meeting of the Company, as the case may be, as defined by the relevant provisions of the Act.

"Member" means a duly registered holder of Shares from time to time and includes the subscribers to the memorandum of the Company and beneficial owners as defined in the Depositories Act, 1996.

"Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto respectively under the Act.

"Month" means Calendar Month.

"Office" means the registered office for the time being of the Company.

"Paid up" includes credited as paid-up.

"Person" includes corporations as well as individuals.

"The Registrar" means the Registrar of Companies of the state in which the registered office of the Company is situated for the time being.

The word "debenture" includes debenture stock.

"Seal" means the common seal for the time being of the Company.

"Shareholder" means any person(s) who is a holder of any class of Shares.

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"Shares" and "Shares in the Company" mean all classes of shares in the Capital of the Company or any class thereof, as the case may be and includes any and all the rights conferred on a person by the ownership of such shares.

"Year" means the calendar year, and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.

Words importing the masculine gender also include the feminine gender.

Words importing the singular number include, where the context admits or requires, the plural number and vice versa.

"In writing" and "written" include printing or lithography or any other modes of representing or reproducing words in visible form.

- (2) Unless the context otherwise requires, words or expressions contained in these Articles of Association shall bear the same meaning as in the Act, or any statutory modification thereof in force on the date on which these Articles become binding on the Company.

1. APPLICATION OF TABLE 'F'

For the matters not provided herein, the provisions contained in Table 'F' shall apply to the Company.

2. PUBLIC COMPANY

The Company is a Public Company within the meaning of Section 2(71) of the Companies Act, 2013, with a minimum Paid up Capital of Rupees Five lakhs or such higher paid up capital as may be prescribed and accordingly:

- (i) Does not restrict the right to transfer its shares;
- (ii) Does not limit the number of its members to be two hundred:

Provided further that—

- (A) persons who are in the employment of the company; and
- (B) persons who, having been formerly in the employment of the company, were members of the company while in that employment and have continued to be members after the employment ceased, shall not be included in the number of members; and
- (iii) does not prohibit any invitation to the public to subscribe for any securities of the Company;

3. SHARE CAPITAL

- (1) The Authorised Share Capital of the Company shall be such amount as stated in the Company's Memorandum from time to time, with such rights, privileges and conditions attaching thereto as may be determined by the Company in General Meeting, and if no direction be given, as the Directors may determine.
- (2) The Shares of the Company shall be under the Control of the Board, subject to the provisions of the Act and Articles contained herein. The Board may issue, allot, or otherwise dispose off Shares in such manner as it may deem proper.

4. TRANSFER OF SHARES

- (1) The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form. Nothing contained in these Articles shall apply to transfer of securities held in Depository.

5. TRANSMISSION OF SHARES

- (1) On the death of sole member, his nominee(s), if any, shall be the only person(s) recognised by the Company as having any title to his interest in the shares to the exclusion of succession laws applicable to the deceased member.