

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

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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-imbursement 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

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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

Place: Bangalore

Chief Financial Officer

Date: 10th August, 2017

& Company Secretary

Notes:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.**
- Explanatory Statement as per Section 102 of the Companies Act, 2013 is attached hereto.
- The Register of Members and the Share Transfer books of the Company will remain closed from 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)	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)]:

- 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.
- Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
- Click on Shareholder – Login.

- Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- 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.
- Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- Select "EVEN" (E-Voting Event Number) of VXL Instruments Limited.
- Now you are ready for e-voting as Cast Vote page opens.
- Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- Once you have voted on the resolution, you will not be allowed to modify your vote.
- 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]:

- 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
- Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

Other Instructions:

- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the downloads section of www.evoting.nsdl.com.
- 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.

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(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.

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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.