

## Twenty Ninth Annual Report 2014 - 2015

### 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 32<sup>nd</sup> 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-imbursment 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 Bhuwania (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 11<sup>th</sup> 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 Bhuwania (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 3<sup>rd</sup> 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:

SI. 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 '1<sup>st</sup>', '2<sup>nd</sup>', '3<sup>rd</sup>', '4<sup>th</sup>', '5<sup>th</sup>' and '6<sup>th</sup>' 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:

'4<sup>th</sup> 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.3-5:

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.6-15:

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.

**\*\*MEMORANDUM OF ASSOCIATION OF  
VXL INSTRUMENTS LIMITED (Company Limited by Shares)  
(Incorporated under the Companies Act, 1956 as amended under the Companies Act, 2013)**

- 1<sup>st</sup> The name of the Company is VXL INSTRUMENTS LIMITED.
- 2<sup>nd</sup> The Registered Office of the Company will be situated in the state of Maharashtra\*.
- 3<sup>rd</sup> 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.

4<sup>th</sup> 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.

5<sup>th</sup> 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 12<sup>th</sup> August, 2015.

\*\* Altered vide Special Resolution passed at the 29<sup>th</sup> Annual General Meeting of the Company held on 21<sup>st</sup> 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.

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- (2) Every member shall deliver to the Company a nomination in accordance with and subject to the Rules made by the Board.
- (3) In case, the nomination is not made as provided above, it shall be deemed that a nomination has been made by the deceased member himself, in the following order of precedence:
  - a. a spouse, if any;
  - b. child or children, if any, jointly;

EXPLANATION: This includes both unmarried and married children of both sexes.

### 6. NOMINATION

Equity holders of Shares/Debentures may nominate a person to whom its shares in, or the debentures of the Company, shall vest, in accordance with the provisions contained in Companies Act, 2013.

### 7. SHARES IN ELECTRONIC FORM

#### (A). Definition:

‘Beneficial Owner’ shall mean the beneficial owner as defined in clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996.

‘Bye-laws’ means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996:

‘Depository’ shall mean a Depository as defined under clause (e) of sub section (1) of Section 2 of the Depositories Act, 1996.

‘Registered Owner’ means a Depository whose name is entered as such in the record of the Company.

‘Shareholder’ or ‘Member’ means the duly registered holder of the shares from time to time and includes the subscribers to the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub Section (1) of Section 2 of the Depositories Act, 1996.

‘SEBI Board’ means the Securities and Exchange Board of India;

‘Depositories Act’ means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force:

‘Record’ includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the Regulations:

‘Regulations’ means the regulations made by the SEBI Board;

‘Security’ means shares, debentures and such other security as may be specified by the SEBI Board from time to time.

#### (B). Dematerialisation of securities

Notwithstanding anything contained in these articles, the Company shall be entitled to dematerialize its securities in a dematerialised form, pursuant to the Depositories Act and the rules framed there under.

5(e) ‘The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the shares of the Company which are dematerialised in future or issued in future in dematerialised form’.

5(f) ‘The Company shall be entitled to dematerialize its existing shares, rematerialise its shares held in the Depositories and/or to offer its fresh shares, debentures and other securities, in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed there under, if any’.

#### (C). Option to receive security certificates or hold securities with Depository

(1) Every person subscribing to the securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository.

(2) Where a person opts to hold a security with a Depository, the company shall intimate such depository the details of allotment of the security, and on receipt of such information the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.



**(D). Securities in depositories to be in fungible form**

- (1) All securities held by a Depository shall be dematerialised and shall be in fungible form.
- (2) Nothing contained in Section 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.
- (3) In case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form, the provisions of the Depositories Act, 1996, shall apply.

**(E). Rights of Depositors and Beneficial Owners**

- (1) Notwithstanding anything to the contrary contained in the Articles or in any other law for the time being in force, a Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of a beneficial owner.
- (2) Save as otherwise provided in clause (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it.
- (3) Every person holding securities of the Company and whose name is entered as beneficial owner in the records of the Depository shall be deemed to be the member of the Company. The beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of his securities held by a Depository.
- (4) Nothing contained in the foregoing Article shall apply to transfer of security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of Depository.

**(F). Depository to furnish information**

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owners at such intervals and in such manner as may be specified by the bye-laws and the Company in this behalf.

**(G). Option to opt out in respect of any such security**

- (1) If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly.
- (2) The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company.
- (3) The Company shall, within (30) days of the receipt of intimation from a Depository and fulfilment of such conditions and on payment of such fees as may be specified by the Regulations, issue the certificate of securities to the beneficial owner or the transferee, as the case may be.

**(H). Section 56 of the Act not to apply**

Notwithstanding anything to the contrary contained in the Articles:

- (1) Nothing contained in Section 56 of the Act shall apply to a transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.

**(I). Registers and Index of beneficial owners**

- (1) The Register and index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and index of members for the purposes of the Act and these Articles.
- (2) Except as ordered by a court of competent jurisdiction or by Law required, the Company shall be entitled to treat the person whose name appears on the Register of members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the

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Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust, or equity and equitable contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof

(3) The Company shall keep a Register and index of Members in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by Law including in any form of electronic media. The Company shall be entitled to keep in any State or Country outside India, a branch Register of members resident in that State or Country.

(4) 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. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered on the Register of Members in respect thereof.

### **8. DIVIDEND**

#### **DIVISION OF PROFITS**

8.1. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles shall be divisible among the members in proportion to the amount of capital paid-up or credited as paid-up on the shares held by them respectively.

#### **THE COMPANY IN GENERAL MEETING MAY DECLARE A DIVIDEND**

8.2. The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

#### **DIVIDENDS ONLY TO BE PAID OUT OF PROFITS**

8.3. No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profit of the Company and remaining undistributed or out of both, provided that;

(a) If the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;

(b) If the company has incurred any loss in any previous financial year or years, the amounts of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both case after providing for depreciation in accordance with the provisions of Section 123 of the Act or against both.

#### **INTERIM DIVIDEND**

8.4. The Board may subject to provisions of the Act, from time to time, pay to the members, such interim dividend as in its judgment the position of the Company justifies.

#### **CAPITAL PAID UP IN ADVANCE AT INTEREST NOT TO EARN DIVIDEND**

8.5. Where capital is paid in advance of call, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits or voting rights.

#### **DIVIDEND IN PROPORTION TO AMOUNT PAID-UP**

8.6. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend accordingly.

**RETENTION OF DIVIDENDS UNTIL COMPLETION OF TRANSFER**

8.7. The Board may retain the dividends payable upon shares in respect of which any person is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.

**DIVIDEND ETC., TO JOINT HOLDERS**

8.8. Any one of several persons who are registered as the Joint-Holders of any share may give effectual receipts for all dividends or bonus or other moneys payable in respect of such shares.

**NO MEMBER TO RECEIVE DIVIDEND WHILE INDEBTED TO THE COMPANY AND COMPANY'S RIGHT OF REIMBURSEMENT THEREOF**

8.9. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares, or otherwise, however, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of the money so due from him to the Company.

**TRANSFER OF SHARES MUST BE REGISTERED**

8.10. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

**DIVIDEND HOW REMITTED**

8.11. Unless otherwise directed, any dividend may be paid by Cheque or warrant or by a pay slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint holders to that one of them first named in Register in respect of the joint holders. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission; or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

**UNCLAIMED DIVIDEND**

8.12. Dividends unclaimed for one year after having been declared may be invested or otherwise issued by the Board for the benefit of the Company until claimed. All dividends unclaimed on becoming barred by law may be forfeited by the Directors for the benefit of the Company. The Directors may remit the forfeiture whenever they may think proper. No unclaimed dividend shall be forfeited before the claim thereto becomes barred by law.

**NO INTEREST ON DIVIDENDS**

8.13. No unpaid dividend shall bear interest as against the Company.

**TRANSFER TO SPECIAL BANK ACCOUNT**

8.14. The Company after having declared the dividend must transfer the unpaid or unclaimed dividend, if any, to special account in a scheduled Bank to be named suitably to represent the Unpaid Dividend Account of **VXL INSTRUMENTS LIMITED** within 7 days after the expiry of 30 days commencing from the date of declaration of dividend.

**TRANSFER TO GENERAL REVENUE ACCOUNT**

8.15. If any dividend remains unpaid or unclaimed for a period of seven years after the amount is transferred to the special bank Account, the amount remaining in the special bank Account will have to be transferred to the General Revenue Account of the Central Government, containing the details of the share-holders who have not been paid the dividend and the amount of dividend unclaimed.

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### **DIVIDEND AND CALL TOGETHER**

8.16. Any General Meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting fixes, but so that call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged, between the company and the member, be set off against the calls.

### **9. CAPITALIZATION OF RESERVE**

- (1) The Company in General Meeting, may upon the recommendation of the Board, resolve:
  - a. That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - b. That such sum be accordingly set free for the distribution in the manner specified in Section (2) amongst the members who have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Section (3), either in or towards:
  - a. Paying up any amounts for the time being unpaid on any shares held by such members respectively
  - b. Paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid or
  - c. Partly in the way specified in sub Section (a) and partly in that specified in sub Section
- (3) A share premium account and a capital redemption reserve account may for the purpose of this regulation, only be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares.
- (4) The Board shall give effect to the resolution passed by the company in pursuance of this article.

### **10. NUMBER OF DIRECTORS**

There shall be a minimum of 3 and maximum of 15 Directors including all kinds of Directors but excluding nominee Directors of the financial institutions.

### **11. APPOINTMENT AND TENURE OF DIRECTORS**

- (1) The first Directors of the Company are:
  - (a) Mr. A.V. Kasargod
  - (b) Mr. M.V. Nagaraj
  - (c) Mr. J.R. Mundkur
  - (d) Mr. Kumar Shyam
  - (e) Mr. M.V. Shetty
- (2) The Directors shall cease to be Directors in case of death, resignation or removal as per the Act or disqualification or withdrawal of nomination by the nominating authority.
- (3) The Board may appoint additional Directors in accordance with the provisions of Section 161 (1) of the Companies Act, 2013 for the benefit of the Company in general, and in particular, when there is no quorum at the Board Meeting, and such meeting has to be conducted without adjournment.
- (4) The Board may appoint Alternate Directors as and when required subject to the provisions of Section 161 (2) of the Companies Act, 2013.
- (5) **Nominee Director**
  - (a) Notwithstanding anything contained in sub-article (1) and (2) hereof, financial institutions or banks who have granted long term loans to the Company may appoint Nominee Directors, during the

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period of their loans remaining unpaid, subject to the provisions of Section 25 of the Industrial Finance Corporation Act, 1948 and Section 27 of the Finance Corporation Act, 1951, as the case may be, or such agreement or arrangement, as has been mutually agreed upon.

- (b) The Nominee Directors so appointed shall not retire by rotation.
- (c) The Nominee Directors shall have the same rights and privileges in respect of voting rights at the Board Meetings, payment of sitting fee and reimbursement of travelling expenses in the same manner as admissible to other directors.

### 12. QUALIFICATION OF DIRECTORS

- (1) No Director shall be required to hold qualification shares.

### 13. SITTING FEE & COMMISSION

- (1) The Company may pay sitting fees to any Director for attending the Board, Committee or General Meetings of the Company as may be decided by the Board of Directors from time to time. Subject to the requisite approvals, the Directors may be paid commission on profits also.
- (2) The Directors may however be paid all travelling, hotel and other expenses properly incurred by them:
  - a. In attending and returning from meetings of the Board or any committee thereof or General Meeting of the Company; or
  - b. In connection with the activities of the Company.

### 14. APPOINTMENT OF MANAGING/WHOLE TIME DIRECTOR

- (1) The Board may appoint one or more of its body to the office of the Managing Director or Whole Time Director by whatsoever designation on such terms and conditions, including remuneration and privileges, as may be thought proper.
- (2) The Board may vest in such appointee(s) such powers and discretion as may be deemed necessary and expedient.
- (3) Notwithstanding anything contained herein, the Board shall have power to revoke such appointments before expiry of their tenure in the best interest of the Company and such revocation shall not be deemed to be removal within the meaning of Section 284 of the Act.

### 15. POWERS OF THE BOARD

Without prejudice to the general powers conferred on the Board by the Act and the Articles of Association of the Company, the Board shall have the following powers:

- (a) to borrow, with or without security, from any source, without any restrictions as to ceiling, however, subject to the provisions of the Act;
- (b) to make loans or lend money to anyone with security and interest as may be deemed appropriate to achieve the objectives of the Company;
- (c) to invest the funds of the Company in any manner as may be deemed appropriate to achieve the objectives of the Company;
- (d) to give guarantee or provide any security for any amount, with or without consideration;
- (e) to draw, make, accept, negotiate, endorse, discount, assign, execute, issue, buy or sell, promissory notes, bills of exchange, bills of lading and other negotiable instruments;
- (f) to make donations in any form, statutorily required or otherwise for the purpose of contribution to:
  - (1) financial health of the Company; or
  - (2) welfare of the members and the employees of the Company (and their families) present or past;
- (g) to remit or give time for the payment, any debt due by a Director, customer or buyer or an employee;

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- (h) to write off any bad debts;
- (i) to pay preliminary expenses, including those of any Company promoted by the Company;
- (j) to adopt, execute any or all the pre-incorporation contracts;
- (k) to delegate any or all the powers contained herein to any functional Directors, with an authority for further sub-delegation;
- (l) to purchase any property movable or immovable in India,
- (m) to appoint an attorney(ies) of the Company, with such powers, authorities and discretions(not exceeding those vested in or exercisable by the Board) as may be deemed proper and to revoke such appointments;
- (n) to frame rules where required by the provisions of these Articles; and
- (o) generally to do all deeds and things as the expedience of the business warrants.

### **16. POWERS OF THE CHAIRMAN**

- (1) The Chairman shall preside over every Board Meeting and General Meeting.
- (2) In the event of equality of votes, the Chairman shall have a casting vote, in addition to his own vote as a Director or a member as the case may be.
- (3) The Chairman may adjourn Board Meeting or a General Meeting or a Meeting of any Committee, as he may deem proper, if and when;
  - (a) a quorum is not present within 15 minutes from the time appointed for holding the meeting;
  - (b) a poll is demanded;
  - (c) a member raises a point of order(strictly confined to incorrect procedure, irrelevancy and unparliamentarily language or transgressing the provisions of Articles of Association of the Company);
  - (d) the meeting is turned into a mock show.
- (4) The Chairman may at his discretion close a debate of motion by the member if he is satisfied that such debate serves no useful and constructive purpose.

### **17. AUTHORITY TO CALL BOARD MEETINGS**

- (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (2) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

### **18. MEETINGS**

The Board and General Meetings of the Company can be convened through video conference as per the Act.

### **19. QUORUM**

- (1) Five members present in person at the General Meeting shall be the quorum for such a meeting of the Company.
- (2) Two Directors or one third of the total number of Directors as on the date whichever is higher shall be the quorum for the meetings of the Board/Committee.
- (3) If at the adjourned General Meeting a quorum is not present within half-an-hour from the time appointed for holding the meeting, the members present shall be a quorum.

### **20. PERIOD OF NOTICE FOR CALLING GENERAL MEETING**

- (1) A written notice of not less than 21 (Twenty one) days shall, for every General Meeting, be given to the members to their addresses recorded in the Register of Members or through electronic mode. However

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the General Meeting may be convened by giving shorter notice with the consent of the Shareholders as per the provisions of the Act.

- (2) The period of notice, provided in the foregoing sub-article, shall include the day of posting and delivery of a notice and the day of holding the meeting, and the 48 hours time of postal transit.
- (3) A notice, in pursuance of sub-article (i) shall be required to be given for every adjourned meeting of the Company.

### 21. CONTENTS OF NOTICE AND PERSONS TO WHOM IT IS TO BE SERVED

- (1) Every notice of a General Meeting shall specify the place, the day, and the time of the meeting and the agenda of business to be transacted there at.
- (2) Notice of every General Meeting shall be served on the members of the Company, who are entitled to vote there at, and the Auditors of the Company, in case of the Annual General Meeting.

### 22. ACCOUNTS

- (1) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the account and books of the Company or any of them shall be open to the inspection of members (not being Directors).
- (2) No member (not being a Director) shall have any rights of inspection any accounts or books of accounts of the Company except as conferred by the law or authorised by the Board or by the Company in General Meeting.
- (3) The Directors shall in all respects comply with the provisions of Sections 128,129,133,134, 135 and 136 of the Act, so far as they are applicable to a Private Company and the Statement of Income and Expenditure, Balance Sheet and Auditors Report and every other documents required by law to be annexed or attached, as the case may be, to the Balance Sheet shall be sent to every member of the Company at least 21 days before the date of the General Meeting of the Company at which they are to be laid.

### 23. AUDIT

- (1) The Auditors of the Company shall be appointed as per the Act.

### 24. INDEMNITY

Every Officer, Manager, Director or Agent of the Company, be and is hereby indemnified out of the assets of the Company against any liability incurred by him in discharging his acts bonafide.

### 25. COMMON SEAL

The Common Seal of the Company shall be affixed to any instrument (if such affixing has been authorised by a resolution of the Board or of a Committee of the Board) in the presence of one Director or the Company Secretary of the Company or such other person duly authorised by the Board, if any, and such Director or the Secretary or the said authorised person shall sign every instrument to which the Common Seal of the Company is so affixed in his presence.

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

By Order of the Board  
for VXL Instruments Limited

**Narayana Bhat**  
Chief Financial Officer &  
Company Secretary.

Place : Bengaluru  
Date : 30th July 2015

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### Notes:

1. 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.
2. Explanatory Statement as per Section 102 of the Companies Act, 2013 is attached hereto.
3. The Register of Members and the Share Transfer books of the Company will remain closed from 16th September 2015 to 21st September 2015 (both days inclusive).
4. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
5. Members/proxies should bring the Attendance slip sent herewith duly filled in to attend the meeting.
6. Members are requested to address all their correspondence including change of address, etc. to the present Registrars and Share Transfer Agent: Big Share Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072.
7. 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.
8. 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: Big Share Services Private Limited.
9. As regards to re-appointment of Mr. M. V. Shetty referred to in item No. 2 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Name of the Company/Firms	Nature of Interest
Nil	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 29<sup>th</sup> 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 [vijaykt@vjkt.in](mailto:vijaykt@vjkt.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)



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### **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 at the bottom of the Attendance Slip for the AGM : 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.nsdl.com](http://www.evoting.nsdl.com).
- (ii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- (iii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (iv) The e-voting period commences on 17th September 2015 (9:00 am) and ends on 20th September, 2015 (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 14th September 2015, 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 14th September 2015.
- (vi) if the share holder exercises his vote both electronically and physically, then the vote cast by him electronically will supercede .
- (vii) Mr. Vijayakrishna KT, Practising Company Secretary (Membership No. FCS- 1788 & CP 980) 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 three (3) working days 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 three (3) days 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](http://www.vxl.net) and on the website of NSDL within three (3) days of passing of the resolutions at the AGM of the Company and also communicated to BSE.
- (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.17, House of Excellence, Electronics City, Hosur Road, Bengaluru - 560 100 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 : Bengaluru  
Date : 30th July 2015

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

#### **Following Explanatory Statements are furnished in respect of Special Business**

##### **Item No. 4:**

At the meeting of the Board held on 12<sup>th</sup> June, 2015, Mr. Prakash H Rao was inducted as an Additional Director of the Company. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") he will hold office up to the date of the ensuing Annual General Meeting. Notice has been received from a Member signifying his intention to propose him as a Director at the ensuing Annual General Meeting along with a deposit of Rs. 1,00,000/- (Rupees One Lakh only).

Except Mr. Prakash H Rao, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.4.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

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

##### **Item No. 5:**

At the meeting of the Board held on 4<sup>th</sup> May, 2015, Mrs. Kumkum Bhawania was inducted as an Additional Director of the Company. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") she will hold office up to the date of the ensuing Annual General Meeting. Notice has been received from a Member signifying his intention to propose her as a Director at the ensuing Annual General Meeting along with a deposit of Rs. 1,00,000/- (Rupees One Lakh only).

Except Mrs. Kumkum Bhawania, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The Board recommends the Ordinary Resolution set out at item No. 5 of the notice for approval by the members.

##### **Item No. 6:**

Mr. Prakash H Rao (DIN 00492187): As regards appointment of Mr. Prakash H Rao as an Independent Director referred to in item No. 6 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Mr. Prakash H Rao aged 65 Years, has done his Masters in Management Sciences (MBA) from PSG College of Technology, Madras University. He has promoted, managed and lead Filcon Electronics Pvt. Ltd which specializes in the manufacturing of Professional Grade Plastic Film Capacitors for Electronic and Electrical applications and caters to the telecom, Defence, Railways and Energy Meters Industries in India. He has over 38 years of experience.

He does not hold any Shares in the Company and is not related to any other Directors of the Company. Details of his directorship in other companies and other membership / chairmanship of Committees (i.e., Audit Committee / Stakeholders' Relationship Committee) are exhibited below:

##### **Other Directorships / Committee Memberships: NIL**

In terms of Section 149 and other applicable provisions of the Companies Act, 2013. Mr. Prakash H Rao being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of the Company for a term of 5 consecutive years from 12<sup>th</sup> June, 2015 to 11<sup>th</sup> June, 2020.

Mr. Prakash H Rao has furnished a declaration confirming that he satisfies the criteria of independence as required under Section 149(6) of the Companies Act, 2013. The Board of Directors at its meeting held on 12<sup>th</sup>

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June, 2015, opined that Mr. Prakash H Rao fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Prakash H Rao as an Independent Director.

Mr. Prakash H Rao, being an appointee is concerned or interested in the resolution set out at Item No. 6 of the Notice.

None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the listing agreement with the Stock Exchanges.

The Board recommends the Ordinary Resolution set out at item No. 6 of the notice for approval by the members.

### **Item No. 7:**

Mrs. Kumkum Bhuwania (holding DIN 07160610): As regards appointment of Mrs. Kumkum Bhuwania as an Independent Director referred to in item No. 7 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Mrs. Kumkum Bhuwania aged 62 Years, has over 25 years of experience in consumer goods industry in general and fashion industry in particular. She has her own business in the name of Messrs Aditi Fashions for the last 12 years catering to both domestic and international markets. She has a successful track record in managing human resources and grooming potential leaders.

She does not hold any Shares in the Company and is not related to any other Directors of the Company. Details of her directorship in other companies and other membership / chairmanship of Committees (i.e., Audit Committee / Stakeholders' Relationship Committee) are exhibited below:

### **Other Directorships / Committee Memberships: NIL**

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mrs. Kumkum Bhuwania being eligible and offering herself for appointment is proposed to be appointed as an Independent Director of the Company for a term of 5 consecutive years from 4<sup>th</sup> May, 2015 to 3<sup>rd</sup> May, 2020.

Mrs. Kumkum Bhuwania has furnished a declaration confirming that she satisfies the criteria of independence as required under Section 149(6) of the Companies Act, 2013. The Board of Directors, at its meeting held on 4<sup>th</sup> May, 2015, opined that Mrs. Kumkum Bhuwania fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Kumkum Bhuwania as an Independent Director.

Mrs. Kumkum Bhuwania, being an appointee is concerned or interested in the resolution set out at Item No. 7 of the Notice.

None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the listing agreement with the Stock Exchanges.

The Board recommends the resolution in relation to her appointment as an Independent Director for the approval by the shareholders of the Company.

### **Item No. 8:**

The Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 has amended Clause 49 (VII) of

## VXL Instruments Limited

the Equity Listing Agreement with effect from October 1, 2014. Further, SEBI has also given the option to companies who wish to comply prior to October 1, 2014 to do so. Under the said amendment, all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the shareholders by a Special 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."

As a part of its regular business, the Company purchases/sells raw materials from Priya Limited (Priya). For the Financial Year 2015-16 ("on-going transaction") the Audit Committee has reviewed and approved the transactions as mentioned in the resolution set out at Item No. 8 of the Notice on 22.05.2015.

Priya Limited is a "Related Party" as per the definition under Section 2(76) of the Companies act, 2013 and Clause 49 of the Listing Agreement entered into with the stock exchange as Mr. Arun K Bhuwania being a Director of the Company is also a Director of Priya Limited.

The Board of Directors in its Meeting held on 22.05.2015, reviewed the estimated value of the transactions for the financial year 2015-16 in detail for recommending the same to the shareholders of the Company for their approval.

In terms of proviso to Clause 49-VII(C) of the Listing Agreement, 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 Clause 49, the transactions with the said related parties require the approval of members of the Company by a Special Resolution.

The Company's best interests 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 Clause 49(VII) of the Listing Agreement (Effective October 1, 2014), 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. 8 of the Notice.

None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the listing agreement with the Stock Exchanges.

The Board recommends the Ordinary Resolution set out at item No. 8 of the notice for approval by the members.

### **Item No. 9:**

As per the new Companies Act, 2013, the Memorandum of Association of the Company needs to be altered to fall in line with the Table A of the said Act and accordingly, those alterations are proposed.

It may be noted here that approval of Shareholders has been already sought and the polling closes on 8<sup>th</sup> August 2015 by way of Postal Ballot vide Notice dated 24<sup>th</sup> June, 2015 to shift the registered office of the Company from Bengaluru, in the state of Karnataka to Mumbai in the state of Maharashtra subject to all the procedural compliances and approval of Ministry of Corporate Affairs. Accordingly, the Registered office clause is exhibited.

None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board recommends the Special Resolution set out at Item No. 9 of the notice for approval by the members.

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**Item No. 10:**

It is proposed to adopt the new set of Articles of Association of the Company as per Table 'F' under the Companies Act, 2013.

The proposed new draft of Articles of Association is being uploaded on the Company's website for perusal by the Shareholders.

Copy of the proposed new draft of Articles of Association is available for inspection by members at the registered office of the Company.

None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board recommends the Special Resolution set out at Item No. 10 of the notice for approval by the members.

By Order of the Board  
for VXL Instruments Limited

Place : Bengaluru  
Date : 30th July, 2015

**Narayana Bhat**  
*Chief Financial Officer &  
Company Secretary.*