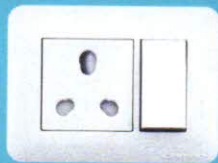


AN ISO 9001-2008 CERTIFIED COMPANY

Veto®

SINCE 1967

ELECTRICAL ACCESSORIES



**ELECTRICAL ACCESSORIES
WIRES AND CABLES**

CFL

FANS

LED LIGHTING

ANNUAL REPORT 2013-14

VETO SWITCHGEARS AND CABLES LTD.



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Corporate Information



MOHAN DAS GURNANI
Chairman



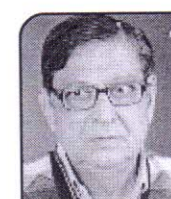
DINESH GURNANI
Whole-time Director



MURALI DHAR KAURANI
Independent Director



MOHAN SUKHANI
Independent Director



GOVIND RAM THAWANI
Independent Director



PRIAVRAT SHARMA (B.Com. CA)
Group CFO

**Company Secretary
and Compliance Officer**

Divya Singh
(B.Com, CS)

Sr. Manager Accounts

SANJEEV NIGAM (B.Com., CA)

Auditors

SINGORDIA GOYAL & Co.
Chartered Accountants
4A, Kaledonia-HDIL,
2nd Floor, Sahar Road,
Near Andheri Station,
Andheri (East),
Mumbai-400 069.

**Registrar and
Share transfer
Agents**

Bigshare Services Private
Limited
E/2, Ansa Industrial
Estate, Sakivihar Road,
Sakinaka, Andheri (E),
Mumbai-400 072.

Listed on

The National Stock
Exchange of India Limited

Registered Office

D-2, First Floor, Malad
Industrial Estate,
Ramchandra Lane Extn.
Kachpada, Malad (W),
Mumbai-400064.

Corporate Office

230 Sindhi Colony, Raja
Park, Jaipur- 302004

Website

www.vetoswitchgears.com

Mohan Das Gurnani, DIN : 01831741 is the Chairman of our Company. He is an under graduate and has over 30 years of experience in the field of wires and cable industry and other electrical accessories besides real estate. He is a NRI and based out in Dubai, United Arab Emirates. He has played vital role in the growth of the Group to the present level especially in international markets. He is also instrumental in taking major policy decision of the Company. He is playing vital role in formulating business strategies and effective implementation of the same abroad. He is also recipient of various awards for his contribution in these field.

Other Directorships and Committee Memberships:

| Sl No. | Names of the Companies | Position |
|--------|--|----------|
| 1 | Esma Constructions Private Limited | Director |
| 2 | Limitless Buildmart Private Limited | Director |
| 3 | Veto Electric Components Private Limited | Director |
| 4 | Veto Power Products Private Limited | Director |
| 5 | Veto Retails Private Limited | Director |
| 6 | Jaipur Buildvision Private Limited | Director |
| 7 | Veto Electropowers (India) Private Limited | Director |
| 8 | Gurnani Holdings Private Limited | Director |
| 9 | Gurnani Infradevelopers Private Limited | Director |
| 10 | Kripa Realmart Private Limited | Director |
| 11 | Mukesh Propcon Private Limited | Director |
| 12 | Pinkcity Buildhome Private Limited | Director |
| 13 | Veto Lightings Private Limited | Director |
| 14 | Gurnani Realators Private Limited | Director |
| 15 | Narayan Realhome Developers Private Limited | Director |
| 16 | Mukesh Buildhome Private Limited | Director |
| 17 | Shareholder's/Investor's Grievance Committee | Member |

Dinesh Gurnani, DIN : 00218635 is the Whole Time Executive Director of our Company. He is a Commerce Graduate and has over 10 years of experience in the field of wires and cable industry and other electrical accessories besides real estate. He has a specialized knowledge of manufacturing of copper wires, cables and electrical accessories. Further, he is instrumental in the formulation of distribution policies in India & abroad. Apart from the company, he is actively involved in the development of real estate projects of the group companies.

Other Directorships and Committee Memberships:

| Sl No. | Names of the Companies | Position |
|--------|---|----------|
| 1 | Gurnani Holdings Private Limited | Director |
| 2 | Gurnani Infradevelopers Private Limited | Director |
| 3 | Mukesh Propcon Private Limited | Director |
| 4 | Pinkcity Buildhome Private Limited | Director |
| 5 | Veto Electropowers (India) Private Limited | Director |
| 6 | Veto Electric Components Private Limited | Director |
| 7 | Veto Power Products Private Limited | Director |
| 8 | Veto Electricals Private Limited | Director |
| 9 | Veto Retails Private Limited | Director |
| 10 | Jaipur Buildvision Private Limited | Director |
| 11 | Veto Exim Private Limited | Director |
| 12 | Veto Lightings Private Limited | Director |
| 13 | Gurnani Realators Private Limited | Director |
| 14 | Narayan Realhome Developers Private Limited | Director |

| | | |
|----|---|----------|
| 15 | Mukesh Buildhome Private Limited | Director |
| 16 | Pink Square Build Estate Private Limited | Director |
| 17 | Pink Square Real Estate Private Limited | Director |
| 18 | Pink Infra Developers Private Limited | Director |
| 19 | Vankon Switchgears And Cables Private Limited | Director |
| 20 | V1 Infradevelopers Private Limited | Director |
| 21 | Audit Committee | Member |
| 22 | Corporate Social Responsibility Committee | Member |

Murlidhar Kaurani, DIN : 06367086 is Non- Executive Independent Director of our Company. He is a retired IAS officer and has over 36 years of experience and has been an active bureaucrat in Government of India. Being an active officer of the Indian Administrative Services, he has a good administrative power and his experience thus can act as a guiding role for growth of our organization. There were no other directorships held as on March 31, 2014. He is a member of Nomination and Remuneration Committee.

Mohan Sukhani, DIN: 00113432 is Non- Executive Independent Director of our Company. He is a Science Graduate and has over 31 years of experience in the field of textile and hotel business. There were no other directorships held as on March 31, 2014. He is a member of Nomination & Remuneration Committee and Audit Committee.

Govind Ram Thawani, DIN : 06367093 is Non- Executive Independent Director of our Company. He is an Arts Graduate and is a managerial level retired government employee. He is over 35 years of experience in the field of marketing and finance.

Other Directorships and Committee Memberships:

| Sl No. | Names of the Companies | Position |
|--------|--|----------|
| 1 | Veto Electricals Private Limited | Director |
| 2 | Audit Committee | Chairman |
| 3 | Nomination and Remuneration Committee | Chairman |
| 4 | Shareholder's/Investor's Grievance Committee | Chairman |
| 5 | Corporate Social Responsibility Committee | Chairman |

Notes:

1. Other Directorships and Committee Memberships of Directors are as on 31st March, 2014.
2. Directorships and Committee Memberships does not include Directorships and Memberships held Gurnani Group.

CHAIRMAN'S MESSAGE

Dear Shareowners,

Greetings from VETO!

In the last Annual General Meeting held on August 28, 2013, you were informed about the "Initial Public Offer" that hit the market on December 2012 with wonderful CRISIL SME fundamental grade of "SME 4/5" [pronounced SME four on Five], which indicate 'Highest Performance Capability and High Financial Strength'.

During the financial year 2013-14, the company faced various challenges as to the time when the market price of shares dropped to Rs.50.25 in the month of April, 2013 and May, 2013 that may be due to:

- Any increase of Indian Inflation rates or inflation.
- Any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India.
- Prevailing income conditions among Indian consumers and Indian corporations.
- Volatility in and actual or perceived trends in trading activity on India's principal stock exchanges.
- Changes in India's tax, trade, fiscal or monetary policies.
- Prevailing regional or global economic conditions including in India's principal export markets and
- Other significant regulatory or economic developments in or affecting India or the industries in which we operate.

VETO has always been able to ride industry cycles and economic crests and thoughts by virtue of its strong fundamentals and a value system nurtured by VETO organization. Values that helped us create a socially respected organization.

People are the heart of any business and in the case of VETO people are its brain too. We will continue to invest in people and specifically for increasing the diversity of our employees to join and grow in our VETO team. We are focused in building leadership as leaders multiply the value individual employees create and enlighten the bond within our organization. I firmly believe that having talent at all levels which are naturally linked to innovation, corporate governance, business ethics, commitment and continuous learning will enable us to out perform our industry and meet obligation as an organization to our stake holders.



MOHAN DAS GURNANI
Chairman

To conclude, we believe that we have a fundamentally strong business that can adopt in a dynamic macro economic environment. We have a clear strategy and are committed to its execution. We see high confidence level in our leadership team and employees. Through our focused efforts and with our continued support from you, I am confident that in the coming year, we will add new dimensions to the group's success, and that over the next twelve months, we will be able to further consolidate our leadership role in the global electrical accessory industry. I am personally confident that we are on a journey to build a strong, enduring and sustainable business. I want to thank each one of you our customers, shareholders, employees and supporters for your continued trust in building VETO for this exciting future.

Thank you,

Yours truly
Mohan Das Gurnani
DIN:01831741
Chairman

I. DIRECTOR'S REPORT

Dear Shareowners,

The period under review was challenging yet full of opportunities as there was unstability in macro economic environment. In spite of all odds, our Company recorded significant growth and robust performance at all levels. The growth oriented performance is grossly attributable to Company's customer-centric approach and its ability to innovate customer specific solutions, focus on pricing and aggressive marketing strategy, disciplined project executions, focused management approach, prudent financial and human resources management and ensuring better control over cost.

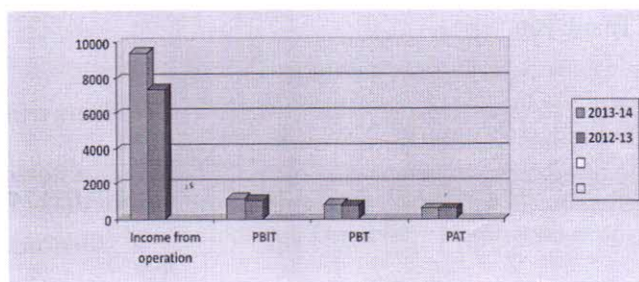
Your Director's have great pleasure in presenting you the 7th Annual Report of the Company together with the Audited Accounts for the financial period from April 1, 2013 to March 31, 2014.

1. Financial Results

(Rs. in Lacs)

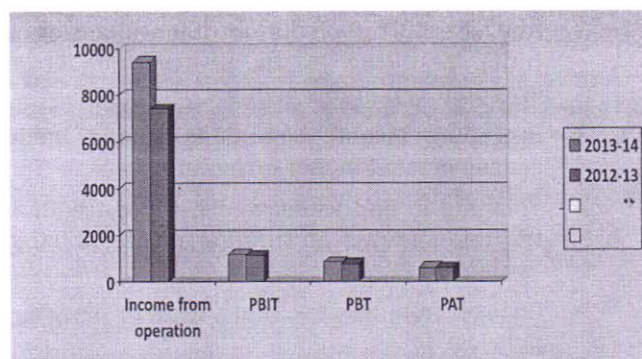
| Particulars | Consolidated | | Standalone | |
|---|--------------|-----------|------------|-----------|
| | 2013-2014 | 2012-2013 | 2013-2014 | 2012-2013 |
| Income from operation | 9447.72 | 7413.99 | 9447.72 | 7413.99 |
| Profit before Interest/Depreciation/Tax (PBDIT) | 1168.34 | 1113.48 | 1168.53 | 1113.37 |
| Less: Interest & Financial Charges | 204.73 | 245.17 | 204.73 | 245.17 |
| Less: Depreciation | 120.13 | 106.48 | 120.13 | 106.48 |
| Profit Before Tax (PBT) | 843.48 | 761.83 | 843.67 | 761.72 |
| Less: Provision for Taxation | 234.66 | 174.09 | 234.66 | 174.09 |
| -Current | | - | | - |
| -Deferred | | - | | - |
| Profit after Taxation (PAT) | 608.82 | 587.74 | 609.01 | 587.63 |
| Balance Carried Forward | 608.82 | 587.74 | 609.01 | 587.63 |

Consolidated Financial Results for the year ending 2013 and 2014:-



During the year under review on consolidated basis our Company earned an income of Rs. 843.48 Lacs against Rs. 761.83 Lacs in the previous year. The Company earned profit after tax of Rs. 608.82 Lacs as compare to Rs. 587.74 Lacs in the previous year. The Company had Income from operation of Rs. 9447.72 Lacs as compared to Rs. 7413.99 Lacs in previous year. The Profit before Interest/Depreciation / Tax (PBIT) was Rs. 1168.34 Lacs as compared to Rs. 1113.48 Lacs in previous year.

Standalone Financial Results for the year ending 2013 and 2014:-



During the year under review on standalone basis our Company earned an income of Rs. 843.67 Lacs against Rs. 761.72 Lacs in the previous year. The Company earned profit after tax of Rs. 609.01 Lacs as compare to Rs. 587.63 Lacs in the previous year. The Company had Income from operation of Rs. 9447.72 Lacs as compared to Rs. 7413.99 Lacs in previous year. The Profit before Interest/Depreciation/Tax (PBIT) was Rs. 1168.53 Lacs as compared to Rs. 1113.37 Lacs in previous year.

Keeping pace with growth trajectory and its efforts to improve efficiency, productivity and profitability the management seeks the trust of shareholders in future growth of the Company and enhancement of shareholders wealth.

2. Dividend

The Board of Directors has decided not to recommend any dividend for the year ended on 31st March, 2014.

3. Business Operations

Our Company is an ISO 9001:2008 certified company, engaged in the manufacture and sale of wires & cables and electrical accessories in India. The product portfolio ranges from industrial cables, stand cables to telephone & co-axial wires, from general switches to modular switches, from ceiling fans to rechargeable fans, compact fluorescent lamps, LED bulbs and other electrical accessories. Our Company supply these products under the brands "VETO" and "VIMAL POWER" through large network of dealers to the customers in India as well as selected customers abroad.

i. Raw Material

Our Company's present and proposed consumption of Raw material is as under:

(Qty. in kg)

| Product category | Existing | Proposed |
|------------------|----------|-----------|
| Copper | 500617 | 600740.40 |
| PVC Resin | 493095 | 591714.00 |
| Aluminium | 62027 | 74432.40 |

ii. Infrastructure facilities

➤ Power

Presently, we have 400 KVA of power supply sanctioned by Uttarakhand Power Corporation Limited, of which we utilize approximately 325 KVA of power for our present business operations. In addition, to avoid any disruption in the power supply, our Company has already installed a DG set of 250 KVA capacity. Therefore, we envisage that our further requirement of power for our proposed modernization at our Haridwar facility can be easily met from the present supplies.

➤ Fuel

Our Company mainly requires HSD for operating the DG sets. The present monthly consumption of HSD is about 1000 litres. The HSD is being supplied by retail outlets of IOC, HPCL and BPCL.

➤ Water

Water is basically required for drinking and other domestic purpose. Our present requirement at our Haridwar unit is about 5000 litres per day. Our entire water requirement is met from our own borewell. The water supply is regular and sufficient to meet entire requirements. The proposed modernization at our Haridwar facility will require additional 2000 litres of water per day. There is no difficulty in obtaining this because of the presence of a number of borewell and the water level in the area being high due to proximity to nearby canal and a river, Ganga.

➤ Manpower

Our Company has adequate manpower at all levels at present and does not envisage any difficulty in getting the requisite personnel for our business operations at existing locations. Following are the details of our manpower:

| Category | Nos. |
|--------------------------------|------------|
| Top management | 6 |
| Managerial & Supervisory staff | 60 |
| Office staff | 55 |
| Skilled workers | 60 |
| Unskilled workers | 340 |
| Total | 521 |

➤ Effluent Treatment and Disposal

Our Company does not generate any industrial effluents which is hazardous to the environment. The waste produced during the manufacturing operations is re-used or recycled.

➤ Environmental Clearance

We have got all the necessary approvals from the local authorities to operate our business.

➤ **Our Strategy**

Further research in process and product engineering to ensure the best manufacturing process for our products in order to enhance competitiveness in the markets is one of our goals. Research and development in electrical accessories and other allied products will better enable a competitive position in the market. Further enhancement of operations by improving the existing assets to yield better output and installation of new assets to enhance and attract new markets are also in the horizon.

➤ **Capacity and capacity utilization**

| Particulars | Projected | | Actual |
|-------------------------------|------------------|------------------|-------------------|
| | FY 2013-2014 | FY 2014-2015 | FY 2013-2014 |
| Wires & Cables | | | |
| Installed Capacity | 14.08 Bundles | 14.08 Bundles | 14.08 Bundles |
| Capacity Utilization (in %) | 42.61% | 42.61% | 39.13% |
| Production | 6.00 Lac Bundles | 6.00 Lac Bundles | 5.51 Lac Bundles |
| Electrical Accessories | | | |
| Installed Capacity | 380 Lac pieces | 380 Lac pieces | 380 Lac pieces |
| Capacity Utilization (in %) | 36.84% | 47.36% | 38.64% |
| Production | 140 Lac pieces | 180 Lac pieces | 146.83 Lac pieces |

➤ **Insurance**

Our Company has taken up a range of insurance policies including:

1. Fire policies for our units, buildings and offices, raw materials, work-in-progress and finished goods;
2. Marine policy for transit of raw materials

and finished products in India and Marine Export policy;

3. Accidental & Health insurance facility for field staff;
4. Gratuity policy;

These insurance policies are reviewed annually to ensure that the coverage is adequate. All the policies are in existence and the premiums have been paid thereon.

4. IPO proceeds and Deployment of funds

Our Company has successfully come up with an IPO on December 13, 2012 and listed on EMERGE in NSE. The issue size was Rs. 25,00,50,000/- (Twenty Five Crores Fifty Thousand only) consisting of 50,01,000 (Fifty Lakh One Thousand only) Equity Shares offered at Rs. 50/- (Face value of shares Rs. 10/- per share and premium of Rs. 40/- per share). The issue open and close date were December 3, 2012 and December 5, 2012 respectively.

The detail of proceeds of IPO is as under:

| Sl. No. | Particulars | Amount (Rs. in Lacs) |
|---------|-------------------|----------------------|
| A | Proceeds of Issue | 2500.50 |
| B | Internal Accruals | 49.50 |

As per RHP, the Proceeds of Issue were Rs. 2500 Lacs and Internal Accruals were Rs. 50 Lacs. However, due to lot size of 3000 Equity shares, IPO proceeds came to Rs. 2500.50 Lacs and therefore internal accruals get reduced by Rs. 0.50 Lacs.

The project covers Modernisation of existing facility at Haridwar amounting Rs. 470 Lacs, Working capital requirement amounting Rs. 1580 Lacs, Enhancement of our Company's brand through advertising and other Brand Building activities amounting Rs. 200 Lacs, General Corporate purposes amounting Rs. 100 Lacs and to meet the issue expenses amounting Rs. 200 Lacs.

| Sl. No. | Particulars | Amount (Rs. in Lacs) |
|---------|--|----------------------|
| 1 | Modernisation of existing facility at Haridwar | 470.00 |
| 2 | Working capital requirement | 1580.00 |

| | | |
|---|--|----------------|
| 3 | Enhancement of our Company's brand through advertising and other Brand Building activities | 200.00 |
| 4 | General Corporate purposes | 100.00 |
| 5 | To meet the issue expenses | 200.00 |
| | Total | 2550.00 |

As required under clause 52 (IV) (D) of SME Equity Listing Agreement, the utilization of IPO proceeds are being reported on half-yearly basis published by the Company after the same is reviewed by the Audit Committee.

The detailed description with respect to deployment of funds and explanation as per Clause 45 (c) of SME Listing Agreement is given hereunder:

| 1. Status of implementation of project/ commencement of commercial production | | | |
|--|---|----------------------------|--------------------------|
| (i) As disclosed in the offer document | | | |
| Sr. No | Activity | Date/Month of Commencement | Date/Month of Completion |
| 1 | Land | Completed | |
| 2 | Factory building & civil work (modernization) | October 2012 | January 2013 |
| 3 | Dies | October 2012 | June 2013 |
| 4 | Plant & Machinery & other service utilities | October 2012 | December 2012 |
| (ii) Actual Implementation AUGUST 2013 TO MARCH 2014 | | | |
| (iii) Reasons for delay in implementation, if any <u>DELAY IN ARCHITECTURAL PLAN</u> | | | |

2. Status of utilization of issue proceeds

(i) As disclosed in the offer document –

The total cost of the project is estimated at Rs. 2550.00 lacs
brief details of which are as follows:

| (Rs. in Lacs) | | |
|---------------|--|-----------------|
| Sr. No | Details | Amount |
| 1 | Modernisation of existing facility at Haridwar, Uttarakhand | 470.00 |
| 2 | Incremental long-term working capital requirement | 1,580.00 |
| 3 | Enhancement of our Company's brand through advertising and other brand building activities | 200.00 |
| 4 | General Corporate Purposes | 100.00 |
| 5 | To meet the Issue expenses | 200.00 |
| | Total Project Cost | 2,550.00 |

Means of Finance

| Particulars | Amount (In lacs) | Amount (In lacs) |
|-------------------------------|------------------|------------------|
| Proceeds of the Issue | | 2,500.50 |
| Internal accruals | | 49.50 |
| Total means of finance | | 2,550.00 |

(ii) Actual Utilisation –

(Rs. in lacs)

| Sr. no. | Particulars | Total | Actual Cost of entire project |
|---------|--|----------------|-------------------------------|
| 1 | Modernisation of existing facility at Haridwar, Uttarakhand. | 365.34 | 470.00 |
| 2 | Incremental long-term working capital requirement | 1580.00 | 1580.00 |
| 3 | Enhancement of our Company's brand through advertising and other brand building activities | 60.51 | 200.00 |
| 4 | General Corporate Purposes | 100.00 | 100.00 |
| 5 | To meet the Issue expenses | 200.00 | 200.00 |
| | TOTAL | 2305.85 | 2550.00 |

The details of amount utilized out of the IPO proceeds in the project upto March 31, 2014 is as stated below :

(Rs. in lacs)

| Particulars | Amount utilized till March 31, 2014 |
|---|-------------------------------------|
| Proceeds from IPO | 2500.50 |
| Less : | |
| Issue related expenses | 200.00 |
| Utilised towards objects of issue | 2105.85 |
| Pending utilization towards objects of issue* | 194.65 |

*The pending amount of Rs. 194.65 Lacs for utilization towards object of issue is kept in form of FDR with Indian Overseas Bank, Jaipur.

| | |
|-------------------------------------|-----|
| (iii) Reasons for deviation, if any | NIL |
|-------------------------------------|-----|

The utilization under modernization of Building & other civil work was amounting Rs. 100.00 Lacs. This utilization was supposed to be completed till January 2013, but it could not be started on time due to delay in finalization of architectural plans of elevation of factory building till April 2013 and then arrival of monsoon has hampered the modernization as per scheduled plan. Since the production is not at all affected due to the mentioned delay, the Company has decided to work on this plan from the month of September 2013 that is after the end of monsoon.

5. Depository System

Our Company's Equity Shares are available in dematerialized form through The National Stock Exchange of India Limited (NSDL) and The Central Depository Services of India (India) Limited (CDSL). As per the Securities and Exchange Board of India (SEBI) Circular No. : Cir/ISD/3/2011 dated June 17, 2011 on "trading rules and shareholding in dematerialized mode", all Listed Companies have to achieve 100% of their promoters and promoter group's holding in dematerialized form latest by quarter ended September 2011. Accordingly, all shares post IPO, of the Company are held in demat form.

6. Awards and Recognition



Our Company's Group CFO Mr. P V Sharma has been awarded 'Super Quality Crown of Industrial Excellence Award' by 'All India Economy Survey Award Council' on August 25, 2013 in New Delhi.

Mr. Vishnu Kumar Gurnani, former Managing Director of the Company has been awarded 'Indira Gandhi Sewa Chakra Award' by 'All India Economy Survey Award Council' on August 25, 2013 in New Delhi.

7. Change in directorship during the year

There were certain proposed appointments in capacity of directors as managing director and independent director. The current Managing Director of the Company has also resigned from the Company w.e.f. May 19, 2014. In place of Mr. Vishnu

Kumar Gurnani, the Board of Directors has proposed the name of Mr. Akshay Kumar Gurnani, s/o Mr. Vishnu Kumar Gurnani. The appointment shall subject to approval of shareholders in the Annual General Meeting. In order to comply with the provisions of Section 149 (10) and Section 149(1), the Independent directors of the Company shall required to be appointed on the Board for a term of five consecutive years by passing a special resolution and name of Ms. Jyoti Gurnani, D/o Mr. Vishnu Kumar Gurnani has been proposed for directorship of the Company. The detail has been given below:

| Sr. No. | Name Of Director | Designation | Date of Appointment | Date of Cessation |
|---------|--|------------------------------------|---------------------|-------------------|
| 1 | Mr. Vishnu Kumar Gurnani | Executive Managing Director | 01/05/2012 | 19/05/2014 |
| 2 | Mr. Murali dhar Kaurani | Non-executive Independent Director | 31/08/2012 | NA |
| 3 | Mr. Mohan Sukhani | Non-executive Independent Director | 31/08/2012 | NA |
| 4 | Mr. Govind Ram Thavani | Non-executive Independent Director | 31/08/2012 | NA |
| 5 | Mr. Jyoti Gurnani (Subject to approval by shareholders) | Director | Proposed | NA |
| 6 | Mr. Akshay Kumar Gurnani (Subject to approval by shareholders) | Executive Managing Director | Proposed | NA |

8. Auditors and Auditor's Report

M/s Singordia Goyal & Co., (Membership No. 44739) Chartered Accountants Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. It is proposed to re-appoint them as Statutory Auditors of the Company for the financial year 2014-15.

The Company has received a letter from Statutory Auditors to the effect that their re-appointment, if made would have be within the prescribed limits under Section 139 of the Companies Act, 2013 and that they are not disqualified for reappointment within the meaning of Section 141 of the said Act.

Our comments on financial statements

referred to in the Auditor's Reports under Section 145 of the Companies Act, 2013 are given below:

- a) With regard to the Emphasis of Matter appearing in the Auditor's Report, your attention is drawn to the notes forming part of financial statements of the year which are self-explanatory.
- b) With respect to the comments of the Auditors in their report on the Consolidated Audit Report, our responses are given in the Notes to the Financial Statements, which is self-explanatory.

9. Cost Audit

Pursuant to the provisions of Section 148 of The Companies Act, 2013 M/s Rajesh & Company, Cost Accountants, Jaipur were appointed as Cost Auditors of the Company for conducting cost audit for the financial year 2014-2015.

10. Subsidiary Company

Veto Electricals Private Limited is the only subsidiary Company during the year under review.

The details with respect to subsidiary Company as on March 31, 2014 has been discussed in **Annexure I.**

11. Accident

Post to end of Financial Year 2013-14, on May 19, 2014 at 5:00 P.M., one of our senior officer got a call from godown situated at E-2, Malviya Nagar Industrial Area, Jaipur informing about a severe fire accident. All our senior officials reached the venue immediately. The fire brigade and police control room were already informed, the moment as fire was noticed.

It was believed and later confirmed that the accident took place due to short circuit in wire at first floor of godown. The total loss caused by fire was Rs. 18 Crores. However, the godown was fully insured by Rs. 27 Crores from United India Insurance Limited.

Due to the vigilant approach of our senior staff at godown, there were no casualties.

12. Deposits

The Company has not accepted any deposits from the public.

13. Investments

Our Company has total fixed deposit of Rs. 7.61 Crores including accrued interest with Indian

Overseas Bank, M.I. road branch, Jaipur.

14. Information under section 217 (1) (e) of the Companies Act, 1956


Information under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are:

i. Environment, Health and Safety

VETO is committed to caring for people and the planet by integrating environmental and safety principles in all aspects of its business be it from procurement, material-use, manufacturing of sustainable products, creating awareness through marketing, and innovation/R&D for better products and processes. We constantly monitor and better our environmental and occupational health and safety performance through our internal risk management exercise. At the compliance level, your Company conforms to all applicable regulatory Environmental Health & Safety (EHS) requirements wherever it operates.

Our Company is sensitive to environmental and resource conservation and its manufacturing philosophies ensure safety of the worker and surroundings. Being in a non-polluting category of business, it has minimal impact on the environment but has a huge positive impact on the local community. RoHS or 'Restriction of Hazardous Substances' compliance in all its products like CFLs, cables, PCBs, etc. ensures safety across the product life cycle. Our Company strongly believes and promotes energy conservation not only through its products but also within the premises. Energy conservation measures have been adopted at all the plants.

Our Company follows best practices for health and safety. Employees and workers are regularly trained by industry experts on issues of occupational and industrial health & safety, first-aid and environment management. Healthy lifestyle and well-being are also promoted as a culture at VETO. Our Company also provides life insurance cover, personal accident cover and robust medical & health policies to all field staff against any unfortunate incident. VETO India



strongly believes in maintaining a work-life balance and therefore follows strict in-and-out work-timings. This has gone a long way in maintaining a healthy, happy and motivated workforce.

ii. Research & Development

To develop our product pipeline, we commit substantial time, efforts, funds and other resources for R&D. Our processes and products currently under development, if and when fully developed and tested, may not perform as we expect and we may not be able to successfully and profitably produce and utilize such products or processes. Therefore, our investments in R&D and new product launches could result in higher costs without a proportionate increase in revenues.

iii. Detail of Foreign Exchange Earnings and Outgo.

In this financial year Company exported electrical accessories and goods amounting USD 762378.60 and imported electrical accessories amounting USD 263736.73. Hence net foreign exchange inflow is USD 498641.87.

iv. Employee Relations

VETO has over the years realized the importance of human capital and duly acknowledges it in its business operations. Your Company has managed to create "Lifers" at VETO- people who have been associated with your Company, many having started their earning life at VETO. It gives the much needed stability and satisfaction when we realize that our partners in success trust us to such an extent that they stand by us at all times.

Their experience, skills, knowledge, ideas and enthusiasm are an invaluable asset. We humbly acknowledge their contributions with competitive compensation and benefits that appropriately reward performance. Pay revisions and other benefits are designed in such a way to compensate good performance of the employees of the Company. The talent pool of your Company has steadily evolved with changing times with fresh talent being infused to meet demanding situations. The

Company has scalable recruitment and human resource management process which enables us to attract and retain high caliber minds.

Inspired by its commitment to quality and core values of honesty and transparency, your Directors and employees look forward to the future with confidence and stand committed to creating an even brighter future for all stakeholders.

15. Particulars of Employees under Section 217 (2A)

The particulars of Section 217 (2A), which was introduced by the Companies (Amendment) Act, 2000 your Director's confirm that there were no employees who would fall under this category.

16. Credit Rating

Our Company has been assigned long-term rating of BBB+ (pronounced ICRA triple B plus) by ICRA Limited.

II. Corporate Governance Report

Corporate Governance refers to laws, regulations, and acceptable business practices that determine relationships between corporation owners and its managers, on one hand, and its investors, on the other hand. It was born and evolved in response to corporate failures, crises, and misdeeds. In many types of economies, corporate governance concentrates on at least four important factors: Ensuring disclosures of all relevant information to shareholders and creditors; including business risk analyses; Building a system of rules and voluntary practices that will guide the board of directors; Establishing independent audit committees composed of outside directors; Monitoring and controlling management. On the other hand, developing economies, like the Caribbean, focus on strengthening and improving the legal and regulatory systems that will help ensure better enforcement of contracts and protection of property rights.

Your Company is committed to achieving and maintaining high standards of Corporate Governance and places high emphasis on business ethics. Your Company has set up a Remuneration Committee under Annexure 1-D of SME Equity Listing Agreement, which was later reconstituted under the name 'Nomination and Remuneration Committee' pursuant to provisions of Section 174

of The Companies Act, 2013. The report on Corporate Governance as stipulated under Clause 52 of the SME Equity Listing Agreement has been included in **Annexure II** of this report.

The Company has laid down a well-defined Code of Conduct, which fairly addresses the issues of integrity, conflict of interest and confidentiality and stresses the need of ethical conduct, which is the basis of good Governance. This code is applicable to all members of the Board and the Senior Management Personnel. The declaration regarding compliance with Veto Switchgears And Cables Limited-Code of Conduct and Ethics for all Board Members and Senior Management Personnel of the Company forms part of the Report on Corporate Governance.

The Company is promptly submitting a "Half-yearly Compliance Report on Corporate Governance" as per Clause 52 of the Listing Agreement with the Stock Exchanges.

The certificate from the Practising Company secretary, Ms. Nisha Agarwal, C.P. No. 8584, confirming the compliance with the condition of Corporate Governance as stipulated under Clause 52 is reproduced in a separate section elsewhere in the report.

III. Management Discussion and Analysis

Management Discussion and Analysis report is attached herewith forms part of this report. Summary of performance and various businesses and functions of the Company is as follows:

1. Economy and Markets :

The after effects of the global financial crisis of 2008 have continued to cast their shadow on the economies around the world even now. The crisis brought to fore the vulnerabilities of the systems of regulation and operation of the financial and fiscal processes. The unprecedented scale of fiscal stimulus that was required to manage this crisis has meant that bringing the fiscal deficit back to acceptable levels is an equally daunting challenge.

The Indian economy rebounded strongly in fiscal 2011 from the moderation induced by the global downturn. India registered real GDP growth of 15.74% in 2011-12, 12.25% in 2012-13, an estimated 11.94% in fiscal 2013-14.

2. Market Overview :

Our Company is a mid-sized recognized manufacturer in Rajasthan, India in the segment

which we operate. Our products are mainly targeted to the households and business groups. Our products are marketed in both domestic and international markets.

The manufacturing of wires & cables and electrical accessories & other allied products in India has been growing at a steady rate and is expected to increase further due to affordability and changing life styles of the people. As such, demand for our products has been increasing and therefore we have proposed to expand our manufacturing capacity so as to meet the increased demand both in domestic and foreign markets.

3. Competition :

Our Company operates in competitive environment and has a number of organized players and very few unorganized players. Our peers who are engaged in the similar activity like that of ours are namely, M/s. Havells India Limited, M/s Anchor Electricals Private Limited, M/s V-Guard Industries Limited, etc. Our Company's major emphasis is on manufacturing of superior designed quality product at affordable price. Thus, due to consistent emphasis on quality and delivery, our Company has been receiving repeated orders from its dealer network.

4. Marketing Setup :

Our Promoters have vast experience of marketing of wires and cables and electrical accessories & other allied products. They have been manufacturing and marketing these products for past over 35 years. We have a good reputation among our dealer network which consists of more than 2,000 in number. The sale price of the components to be manufactured is decided based on design complexities, material, process, quantity, period of supply, etc.

5. Export obligation :

As on the date, we do not have any export obligations.

6. Strength :

- Established brand in North West India;
- Experienced management team;
- Organized and comprehensive product offering;
- Established reputation for quality products;
- Driving growth through innovation and marketing;

- Our relationship with customers;
- Our relationship with more than 2,000 dealers;
- Dedicated team of technical manpower;

7. Weakness :

- Player in regional market.
- Any avoidance of rules of Govt. caused under unavoidable circumstances may have an adverse impact on the project.

8. Opportunity :

- The location of the unit is the hub of industry of the multiproduct category. This will cause a competition and that will help the customer to differentiate between the average and the best product. The importers will get variety of the products, which will be a healthy situation for the Industry ultimately.
- The Company has many opportunities in view of the increasing demand for wires & cables and electrical accessories.

9. Threats :

- **In the event there is any delay in the completion of the objects of this Issue it would in turn affect our revenues and results of operations.**

The funds that we receive would be utilized for the objects of the Issue. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may face time and cost overruns and this may affect our revenues and results of operations.

- **Our contingent liabilities, not provided for, if crystallized, could adversely affect our financial condition.**

We have not provided for certain contingent liabilities which if materialized could adversely affect our financial position. The details of the same areas under :

in Lacs

| Particulars | As of March 31, 2014 | As of March 31, 2013 |
|---|----------------------|----------------------|
| Guarantee given by banks on behalf of the Company | 12.50 | 17.00 |

| | | |
|---|--------------|--------------|
| Estimated amount of contracts remaining to be executed on capital account | - | 43.98 |
| Total | 12.50 | 56.48 |

If these liabilities materialise, it could have an adverse effect on our results of operations.

- **The loss of or shutdown of operations at our production facilities may have a material adverse effect on our business, financial condition and results of operations.**

The breakdown or failure of our equipments and/ or civil structure can disrupt our production schedules, resulting in performance being below expected levels. In addition, the development or operation of our facilities may be disrupted for reasons that are beyond our control, including explosions, fires, earthquakes and other natural disasters, breakdown, failure or sub-standard performance of equipment, improper installation or operation of equipment, accidents, operational problems, transportation interruptions, other environmental risks, and labour disputes. Our production facilities are also subject to mechanical failure and equipment shutdowns. Our machineries may be susceptible to malfunction. If such events occur, the ability of our facilities to meet production targets may be adversely affected which may affect our business, financial condition and results of operations.

IV. Director's Responsibility Statement

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

i. in the preparation of the annual accounts for financial year ended March 31, 2014, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31,

2014 and of the profit of the Company for the year under review;

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud & other irregularities; and

iv. the Directors had prepared the annual accounts for financial year ended March 31, 2014 on a 'going concern' basis.

V. General Shareholders Information

1. Annual General Meeting

| Date | Day | Time | Venue |
|------------|-----------|------------|--|
| 27/08/2014 | Wednesday | 12:00 P.M. | China 1 G-05, Morya Landmark 1, Plot B-25, Off New Link Road, Andheri (West), Mumbai at 12:00 A.M. |

2. Book Closure

The Book Closure date will be June 13, 2014 for the purpose of Annual General Meeting.

3. Financial calendar for the year 2013-14

Financial reporting for the half year ending (tentative calendar)

| Half Yearly | Time Period |
|------------------------------------|------------------|
| April 1, 2014 – September 30, 2014 | October 30, 2014 |
| October 1, 2014 – March 31, 2015 | May 15, 2015 |

4. Registered Office

The Board of Directors proposes to change registered office of the Company from D-2, First Floor, Malad Industrial Estate, Ramchandra Lane Extn. Kanchpada, Malad (West), Mumbai 400064 to Gala No.2, Sanskruit Building, Sagar Signature Complex, Waliv Phata, Waliv, Vasai (E) Dist. Thane - 401208, Maharashtra.

The proposed change will be implemented pursuant to approval of Shareholders at the Annual General Meeting of the Company.

5. Listing on Stock Exchange and Stock Code

| Name | Symbol |
|--|--------------|
| The National Stock Exchange of India Limited | VETO |
| ISIN Demat number | INE918N01018 |

It is hereby been confirmed that Annual Listing Fees has been duly paid to The National Stock Exchange of India Limited.

6. Registrar and Transfer Agent

Bigshare Services Private Limited

E/2, Ansa Industrial Estate,
Sakivihar Road, Sakinaka, Andheri (E),
Mumbai 400 072 Tel.: +91 22 404 30 200
Facsimile: +91 22 2847 5207
Email: ashok@bigshareonline.com
Website: www.bigshareonline.com

Date: 04.08.2014

Place: Mumbai

For and on behalf of the Board

| | |
|--|---|
|  Mohan Das Gurnani Director 01831741 |  Dinesh Gurnani Director 00218635 |
|--|---|

7. Stock Market Data

| Month | High (Rs.) | Low (Rs.) | Volume Traded (Quantity) | Sensex (closing) |
|-----------------|------------|-----------|--------------------------|------------------|
| April, 2013 | 51.40 | 50.25 | 102000 | 51.00 |
| May, 2013 | 50.30 | 50.25 | 24000 | 50.25 |
| June, 2013 | 52.50 | 50.40 | 141000 | 52.30 |
| July, 2013 | 55.95 | 52.00 | 27000 | 55.95 |
| August, 2013 | 55.00 | 52.50 | 54000 | 52.50 |
| September, 2013 | 57.25 | 52.50 | 42600 | 54.50 |
| October, 2013 | 58.00 | 54.25 | 297000 | 55.50 |
| November, 2013 | 60.50 | 55.50 | 122100 | 56.25 |
| December, 2013 | 60.00 | 59.00 | 9900 | 60.00 |
| January, 2014 | 64.10 | 59.50 | 56100 | 65.50 |
| February, 2014 | 65.00 | 63.50 | 16500 | 63.50 |
| March, 2014 | 64.50 | 53.30 | 848100 | 54.00 |

Source: NSE, Sensex

8. Distribution of Shareholding as on March 31, 2014:

| Sr. No. | Category of Shareholder | Total Holders | % of Total Holders | No. of shares | % of shareholding |
|---------|-----------------------------|---------------|--------------------|---------------|-------------------|
| 1 | Promoter and Promoter Group | 9 | 3.85 | 12826000 | 69.98 |
| | Individuals | 8 | - | 2510070 | 13.70 |
| | Bodies Corporate | 1 | - | 10315930 | 56.28 |
| 2 | Public | 225 | 96.15 | 5501100 | 30.02 |
| | Total | 234 | 100 | 18327100 | 100 |

9. Share Holding pattern

| S.NO. | Name | Shares | Percentage of shareholding |
|-------|--|----------|----------------------------|
| I | Promoter Group | | |
| A | Individual | 2510070 | 13.69 |
| 1 | Mukesh Gurnani | 6600 | 0.04 |
| | Pushpa Devi Gurnani & Akshay Gurnani | 2200 | 0.01 |
| 2 | Narayan Das Gurnani | 13200 | 0.07 |
| | Kishore Kumar Gurnani | 439914 | 2.40 |
| 5 | Rohit Gurnani | 109978 | 0.60 |
| 6 | Kanishka Gurnani | 109978 | 0.60 |
| 7 | Harish Kumar Gurnani | 733333 | 4.00 |
| 8 | Akshay Gurnani | 1094867 | 5.97 |
| B | Body Corporate | 10315930 | 56.29 |
| 1 | Veto Electropowers (India) Private Limited | 10315930 | 56.29 |
| II | Public | 5501100 | 30.02 |
| | TOTAL | 18327100 | 100.00 |

*No shares were allotted to non-executive directors of the Company.

10. Top Ten Shareholders as on March 31, 2014

| Sr. No. | Name of Shareholder | Number of Shares held | % |
|---------|--|-----------------------|--------------|
| 1 | Veto Electropowers (India) Private Limited | 1031590 | 56.29 |
| 2 | Akshay Kumar Gurnani | 1094867 | 5.97 |
| 3 | Maverick Share Brokers Limited | 1014750 | 5.54 |
| 4 | Harish Kumar Gurnani | 733333 | 4.00 |
| 5 | Kishore Kumar Gurnani | 439914 | 2.40 |
| 6 | Thakur Nihalchand Tolani | 429000 | 2.34 |
| 7 | Rajendra Goklani | 363000 | 1.98 |
| 8 | Prakash Thakurdas Tolani | 326700 | 1.78 |
| 9 | Hem Finlease Private Limited | 316800 | 1.73 |
| 10 | Kamal Kishore Sawlani | 221100 | 1.21 |
| | TOTAL | 15255394 | 83.24 |

10. Dematerialization of Shares

As on 31st March 2014, 18327100 Equity Shares representing 100% of the Company's paid-up Equity Shares Capital have been dematerialized. Trading in Equity Shares of the Company is permitted only in dematerialized form as per the notification issued by SEBI.

ADDRESS FOR CORESPONDENCE:

- Website : www.vetoswitchgears.com
- Any query on Annual Report or Investors' Grievance Redressal:

E-mail: cfo@vetoswitchgears.com,

cs.divya@vetoswitchgears.com

Phone: 0141-4100407, 4100416

- For shares held in Demat form:

Bigshare Services Private Limited

E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai 400 072

Tel.: +91 22 404 30 200

Facsimile: +91 22 2847 5207

Email: ashok@bigshareonline.com

Website: www.bigshareonline.com

Date: 04.08.2014

For and on behalf of the Board

Place: Mumbai

Mohan Das Gurnani
Director
01831741

Dinesh Gurnani
Director
00218635

Annexure I

Subsidiary Company

1. Veto Electricals Private Limited

Veto Electricals Private Limited ("VEPL") was incorporated on March 24, 2008 vide Certificate of Incorporation issued by the Registrar of Companies, Rajasthan, at Jaipur. The CIN of VEPL is U31300RJ2008PTC12189.

The main objects of VEPL are to carry on in India or elsewhere all or any of the business of general merchants, manufacturers, buyers, seller, importers, exporters, traders, procurers, retailers, distributors, franchises and collaborators in all kinds and every description of wires, cables, electrical fans and accessories, PVC wires, copper conductors, aluminium conductors or other conductors made of any of the substance, electrical lamps including vacuum and gas filled lamps, general lighting lamps, luminaries and accessories etc. and other appliances, cables, wire lines and all types of machinery, plant or apparatus and things required for, or capable of being used in connection with the manufacture of the above and business

related commercial activities and services, merchandise, electrical and electronic goods at outright commission basis or through departmental stores, super markets, chain stores of electrical and electronic items.

Registered Office

The registered office of VEPL is located at 230, Sindhi Colony, Raja Park, Jaipur, Rajasthan 302 004 India.

Capital Structure and Shareholding Pattern

The authorized share capital of VEPL is ` 1,000,000 divided into 100,000 equity shares of ` 10/- each. The issued, subscribed and paid-up share capital is ` 1,000,000 divided into 100,000 equity shares of Rs. 10/- each.

The shareholding of Veto Switchgears And Cables Limited is of 90% i.e. 90,000 equity shares.

Disclosure as per the provisions of Section 212 of Companies Act, 1956.

For the year ended March 31, 2014.

| Particulars | As on March 31, 2014 | As on March 31, 2013 |
|--------------------------|----------------------|----------------------|
| Capital | 10,00,000 | 10,00,000 |
| Reserves | 0 | 0 |
| Total Assets | 18013146 | 18012800 |
| Total Liabilities | 17013146 | 17012800 |
| Investments | 0 | 0 |
| Turnover/Total Income | 0 | 0 |
| Profit/(Loss) before Tax | 0 | 0 |
| Provision for Tax | 0 | 0 |
| Profit/Loss after tax | 0 | 0 |
| Proposed Dividend | 0 | 0 |

Annexure II

Corporate Governance Report

1. Corporate governance in India

The last few years have seen some major scams and corporate collapse across the globe. In India, the major example is Satyam which is one of the largest IT companies in India. All these events have caused the pendulum of public faith to shift away from free market to a more closely regulated one. However "corporate governance", in spite of being the new object of interest and inquisitiveness from various quarters, remains an ambiguous and often misunderstood phrase. So before delving further on the subject it is important to define the concept of corporate governance.

The Indian corporate scenario was more or less stagnant till the early 90s.

- The position and goals of the Indian corporate sector has changed a lot after the liberalization of 90s.
- India's economic reform programme made a steady progress in 1994.
- India with its 20 million shareholders, is one of the largest emerging markets in terms of the market capitalisation.

2. Corporate governance of India has undergone a paradigm shift

- In 1996, Confederation of Indian Industry (CII), took a special initiative on Corporate Governance.
- The objective was to develop and promote a code for corporate governance to be adopted and followed by Indian companies, be these in the Private Sector, the Public Sector, Banks or Financial Institutions, all of which are corporate entities.
- This initiative by CII flowed from public concerns regarding the protection of investor interest, especially the small investor, the promotion of transparency within business and industry.

Our Policy

Our Company has complied with the provisions of the SME Equity Listing Agreement including Clause 52 of the SME Equity Listing

Agreement and other requirements under the SME Equity Listing Agreement in relation to the meetings of the Audit Committee and the Investor Grievance Committee. The Board of Directors consists of a total of 5 Directors of which 3 are independent Directors (as defined under Clause 52), which constitutes 60% of the Board of Directors. This is in compliance with the requirements of Clause 52.

Pursuant to provisions Section 135 of The Companies Act, 2013 the Company formed a new committee 'Corporate Social Responsibility Committee' under the chairmanship of Mr. Govind Ram Thawani with an insight of bearing responsibility towards society and become part of social development. The Remuneration Committee has also been renamed as 'Nomination and Remuneration Committee' pursuant to section 178 of The Companies Act, 2013.

Ms. Divya Singh, Compliance Officer and Company Secretary of the Company shall act as Secretary to the Committees.

The details of the Board of Directors, Audit Committee, Remuneration Committee, and Investor Grievance Committee, of our Company are given below:

1. Board of Directors

Our Company currently has Five Directors on the Board.

The following table sets forth details regarding the Board of Directors as on the March 31, 2014:

i. Composition and category of Directors:

| Sr. No. | Name of Director | Designation | Attendance in Board Meeting | Number of other Board Committees in which the directors are member | Number of other Board Committees in which director is a chairman |
|---------|---------------------|------------------------------------|-----------------------------|--|--|
| 1. | Mohan Das Gurnani | Non-Executive Chairman | 03 | - | - |
| 2. | Dinesh Gurnani | Executive | 09 | 02 | - |
| 3. | Murali dhar Kaurani | Non-Executive Independent Director | 04 | 01 | - |
| 4. | Mohan Sukhani | Non-Executive Independent Director | 04 | 02 | - |
| 5. | Govind Ram Thawani | Non-Executive Independent Director | 08 | 04 | 04 |

ii. Details of directors appointed and resigned during the year under review.

| Sr. No. | Name Of Director | Designation | Date of Appointment | Date of Cessation |
|---------|--------------------------|-----------------------------|---------------------|-------------------|
| 1 | Mr. Vishnu Kumar Gurnani | Executive Managing Director | 01/05/2012 | 19/05/2014 |

Note: Private limited companies, foreign companies and companies under section 25 of the Companies Act, 1956 are excluded for the above purposes. Only audit committee and shareholders' grievance committee are considered for the purpose of committee positions as per listing agreement.

iii. Detail of Board Meetings held:

| Sr. No. | Date of Board Meeting |
|---------|-----------------------|
| 1 | April 6, 2013 |
| 2 | May 29, 2013 |
| 3 | July 25, 2013 |
| 4 | August 28, 2013 |
| 5 | September 28, 2013 |
| 6 | November 13, 2013 |
| 7 | February 4, 2014 |
| 8 | March 10, 2014 |
| 9 | March 28, 2014 |

2. Audit Committee

The Audit Committee was reconstituted at the Board meeting held on September 2, 2012 and comprises of the following members:

1. Mr. Govind Ram Thawani - Chairman
2. Mr. Mohan Sukhani
3. Mr. Dinesh Gurnani

i. Terms of reference/scope of the Audit Committee:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and fixation of audit fees.
3. Approval of payment to statutory auditors

for any other services rendered by the statutory auditors.

4. Reviewing, with the management the annual financial statements before submission to the Board for approval, with particular reference to:

- a. Matters required being included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
- b. Changes, if any, in accounting policies and practices and reasons for the same.
- c. Major accounting entries involving estimates based on the exercise of judgement by management.
- d. Significant adjustments made in the financial statements arising out of audit findings.
- e. Compliance with listing and other legal requirements relating to financial statements.
- f. Disclosure of any related party transaction.
- g. Qualification in the draft audit report.

5. Reviewing with the management, the half-yearly financial statements before submission to the Board for approval.

6. Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

8. Discussion with internal auditors any significant findings and follow-up thereon.

9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

10. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.

11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of

declared dividends) and creditors.

12. To review the functioning of the Whistle Blower Mechanism, in case the same exists.

13. Carry out any other function as is mentioned in the terms of reference of Audit Committee

ii Meetings and Attendance during the year

| Date | No. of members present |
|------------|------------------------|
| 28/05/2013 | 03 |
| 26/08/2013 | 03 |
| 13/11/2013 | 03 |
| 28/03/2014 | 03 |

3. Nomination and Remuneration Committee

Pursuant to Section 178 of The Companies Act, 2013, the Remuneration Committee was reconstituted at the Board meeting held on July 28, 2014 under the name 'Nomination and Remuneration Committee' comprises of the following members:

1. Mr. Govind Ram Thawani - Chairman
2. Mr. Murlidhar Kaurani
3. Mr. Mohan Sukhani

The role of the Nomination and Remuneration Committee is to review market practices and to decide on remuneration packages applicable to the Managing Director and Senior Executives of our Company.

i) Remuneration policy

1. For Labours: Minimum Wages Act is applicable.
2. For office staff: Minimum 5% for office staff. The management of the Company may provide excess of remuneration on the basis of outstanding performance of employee.

ii) Detail of remuneration to all directors as per format in main report

| Sr. No. | Name of director | Remuneration (Rs. in Lacs) | Director's Sitting Fees (Rs. in Lacs) |
|---------|----------------------|----------------------------|---------------------------------------|
| 1 | Mohan Das Gurnani | - | 0.075 |
| 2 | Vishnu Kumar Gurnani | 6.96 | - |
| 3 | Dinesh Gurnani | 14.4 | - |
| 4 | Murali dhar Kaurani | - | 0.075 |
| 5 | Mohan Sukhani | - | 0.15 |
| 6 | Govind Ram Thawani | - | 0.20 |

4. Shareholders'/ Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee was reconstituted at the Board meeting held on September 2, 2012. The Investor Grievance Committee comprises of the following members:

1. Mr. Govind Ram Thawani - Chairman
2. Mr. Dinesh Gurnani
3. Mr. Mohan Sukhani

The Committee normally meets as and when required and have following powers and responsibilities:

1. It shall have the authority to investigate into any matter in relation to transfer of securities or referred to it by the Board and for this purpose, shall have full access to information contained in the records of our Company and external professional advice, if necessary.
2. To investigate any activity within its terms of reference.
3. To seek information from any employee.
4. To seek information from share transfer agents.
5. To obtain outside legal or other professional advice.
6. To secure attendance of outsiders with relevant expertise, if it consider necessary.
7. To approve issue of duplicate share certificates and to oversee and review all matters connected with the transfer, transmission and issue of securities.
8. To approve share transfer / transmission of securities periodically, whether by circular resolution or otherwise.
9. To look into redressing of shareholders' complaint like transfer of shares, non-receipt of balance sheet, non receipt of declared dividends, etc.
10. To oversee the performance of the Registrar and Transfer Agents and recommend measures for overall improvement in the quality of investors services.

i. Meetings and Attendance during the year

Since there were no grievances related to shareholders and investors, the Committee meeting was not held during the financial year.

ii. Detail of shareholder's complaints

| Particulars | No. of complaints | whether resolved/ if yes, no. of days taken in resolution |
|---|-------------------|---|
| Shareholder's Complaints received during the year | 0 | - |
| Complaints not solved to the satisfaction of shareholders | 0 | |
| Complaints pending | 0 | |

5. Corporate Social Responsibility Committee

We are committed to:

- Continuous improvement in our Corporate and Social Responsibility (CSR) strategy;
- Encouraging our business partners to strive for matching performance;
- Acting in a socially responsible way;
- Continually improving our performance and meeting all relevant legislation;
- Encouraging our staff to be mindful of the effect of their actions on any natural resource.

Purpose and Aims

- The purpose of the policy is to make clear to all stakeholders what we mean by CSR and how we propose to work towards achieving it. The CSR policy applies throughout all of the Procurement Service and governs our approach to all our activities;

In implementing this policy we aim to:

- Be responsible;
- Be an exemplar of good practice.

Standards of business conduct

- We recognise that good CSR embraces all aspects of sustainable development and the way we affect people through our business operations;
- We will assess which social issues are of most relevance to the contract and decide at what stage in the procurement lifecycle this social policy could most effectively and legally be included;
- We shall operate in a way that safeguards against unfair business practices;
- We believe that a responsible approach to developing relationships between companies and the communities they serve, global or local, is a vital part of delivering business success;
- When carrying out our business, in consultation with our customers, we will determine the environmental, social and economic issues;
- Our contracts will clearly set out the agreed terms, conditions and the basis for our relationship;
- We will continually review our policies and business practices to encourage engagement with small and medium enterprises and to promote the development of the regional supply chain.

Corporate Governance

- We will share and declare information on personal and corporate conflicts of interest and seek guidance from higher authority before acting;
- We are committed to ensuring that our business is conducted in all respects according to rigorous ethical, professional and legal standards;
- All the laws that regulate and apply will be complied with;
- We endeavour to ensure that stakeholders have confidence in the decision-making and management processes of the Procurement Service, by the conduct and professionalism of all staff. We do this by continually training



and developing our staff;

- All groups and individuals with whom we have a business relationship will be treated in a fair, open and respectful manner;
- Competition will be reasonable and based upon the quality, value and integrity of the products and services being supplied;
- Feedback on performance will be actively sought, and we will continually review all activities to ensure best practice is observed at all times;
- We will allow our customers and vendors to give feedback on our performance and ensure that all customer comments are analysed, responded to and where appropriate, acted upon;
- An Action Plan will be developed to ensure continuous improvement is achieved.

Environment

- Our objective is to endeavour to reduce our impact on the environment through a commitment to continual improvement;
- We will continue to work with our vendors to reduce their impact on the environment;
- We do assess production, use and disposal associated with the main goods we use;
- Our customers will be informed of the key issues involved in procurement so they can make informed purchases to reduce their impact on the environment;
- We will ensure that paper products used come from forests independently certified as well-managed according to the standards of the Forest Stewardship Council (FSC), or from recycled materials. All virgin paper products have been banned throughout the Company, environmental alternatives are used.

Human Rights

- We aim to support and respect the protection of internationally proclaimed human rights;
- Vendors are actively encouraged to observe international human rights norms within their work.

Equality and Diversity

- We aim to eliminate discrimination on any grounds and promote equality of opportunity in the supply chain;
- We will ensure that our customers and vendors are able to work together in confidence and be treated with respect by each party;
- Our range of contracts will take account of the needs of a diverse customer base.

Sustainability

- A Sustainable Procurement Policy will be maintained that will set out the principles, policies and procedures on which sustainable business activity within Company will be based.
- The policy will act as a prompt to staff to consider sustainability as a factor in all purchasing decisions;
- We seek to minimise the adverse environmental effects of people travelling to and from our offices

Impact on Society

- We will take steps to understand how we can most effectively support the needs of the local community and implement initiatives accordingly;
- Our impact on the local and wider community will be understood and nurtured;
- Dialogue with local communities shall be encouraged for mutual benefit.

Ethics and Ethical Trading

- We will ensure clear visibility through our supply chains, so we know where all our products are made;
- Training will be provided to relevant



people on environmental and social issues affecting our supply chains;

- We will ensure that vendors uphold the workplace standards and behaviours consistent with the Company's requirements.

Biodiversity

- We actively encourage the use of sustainable practices in the maintenance of the Company grounds and premises.

Vendors (Suppliers)

- Vendors will be worked with to help us achieve our policy aspirations in the delivery of our products and services;
- We shall encourage vendors to adopt responsible business policies and practices for mutual benefit;
- Vendors are regarded as partners and we will work with them to help us achieve our policy aspirations in the delivery of our products and services;
- A documented environmental and social assessment will be undertaken for every new contracted vendor;
- We are committed to ensuring that the welfare of workers and labour conditions within our supply chain meet or exceed recognised standards;
- Where necessary, we will exert procurement pressure to ensure that all of our vendors behave in a socially responsible way. This includes environmentally-friendly products and making sure that workers are treated properly;
- Where appropriate, our tender specifications include questions to reflect our desire for sustainable procurement;
- We hold regular meetings with vendors to support these ideas;
- We will continue to work with vendors to:
 - Promote more environmentally

friendly products and promote these to our customers;

- Reduce the amount of packaging and transit where possible;
- Implement schemes to take-back, recover, re-use and recycle products at the end of their use/life.

Composition of CSR Committee:

1. Mr. Govind Ram Thawani, Chairman
2. Mr. Mohan Sukhani
3. Mr. Dinesh Gurnani

Projects under CSR Committee:

1. Animal Protection (approx. 25% of Projected monthly expenditure)
2. Children Education (approx. 10% of Projected monthly expenditure)
3. Water cooler in hospitals and public area (approx. 25% of Projected monthly expenditure)
4. Food facility in Rain Basera (Night Shelter) (approx. 20% of Projected monthly expenditure)
5. For weaker employee welfare fund (approx. 20% of Projected monthly expenditure)

Monitoring Process

The Committee will monitor the outflow of funds for the above projects on Quarterly basis.

6. General Body Meetings

| Sr. No. | Date of AGM | Location & Time | Whether any special resolution passed | Special resolution passed through postal ballot | Name of person, conducting postal ballot |
|---------|--------------------|-----------------|---------------------------------------|---|--|
| 1 | August 28, 2013 | Mumbai | 01 | NA | NA |
| 2 | August 31, 2012 | Mumbai, 11 A.M. | NA | NA | NA |
| 3 | September 29, 2011 | Mumbai, 10 A.M. | NA | NA | NA |
| 4 | September 30, 2010 | Mumbai, 10 A.M. | NA | NA | NA |



VI. Disclosure:

Relationship between Directors:

| Name of the Director | Relationship between the Directors |
|-----------------------|--|
| Mr. Mohan Das Gurnani | Brother of Mr. Vishnu Kumar Gurnani |
| Mr. Dinesh Gurnani | Nephew of Mr. Vishnu Kumar Gurnani and Mr. Mohan Das Gurnani |

VII. Name and Address of Designated Stock Exchange:

The National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

VIII. Means of communication

The provisions with respect to half yearly results of the Company under the Listing Agreement have been duly complied with. The half-yearly results can be seen at Company's website www.vetoswitchgears.com and also at the website of The National Stock Exchange of India Limited.

IX. Policy on Prevention of Insider Trading

Our Company is in compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992. Management is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.


X. Code of Conduct

The Board has laid down "Veto Switchgears And Cables Limited-Code of Conduct" (Code) for all the Board members and the Senior Management of the Company and the Code is posted on the website of the Company. Annual declaration regarding compliance with the Code is being obtained from every Senior Management personnel covered by this Code of Conduct. A declaration to this effect signed by the Managing Director is forming part of the Corporate Governance Report.

Affirmation by Chairman

To,
The Board of Directors,
Veto Switchgears and Cables Limited,
D-2, First Floor, Malad Ind. Estate,
Ramchandra Lane Extension,
Kachpada, Malad(w), Mumbai

I Mohan das Gurnani, Chairman of the Company do hereby affirm that all directors and senior managers of the Company have complied with the Code of Conduct for Board Members and Senior Managers of our Company during the financial year end on 31st March, 2014.


Mohan das Gurnani
DIN: 01831741
Chairman

Place : Mumbai
Date : March 31, 2014

NISHA AGARWAL
Company Secretary

30/24/08 VARUN PATH
MANSAROVAR, JAIPUR-20
Ph.: + 91- 9950933137

Certificate on Compliance of Conditions of Corporate Governance

To the members of
VETO SWITCHGEARS AND CABLES LIMITED

I have examined the compliance of conditions of Corporate Governance by VETO SWITCHGEARS AND CABLES LIMITED for the year ended March 31, 2014 as stipulated in Clause 52 of the Listing Agreement entered into by the Company with the EMERGE – NSE SME Platform. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied in all material respects with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.


Nisha Agarwal
Practising Company Secretary
C. P. No. 8584
July 30, 2014, Jaipur

CERTIFICATION UNDER CLAUSE 52 (V) OF SME LISTING AGREEMENT

This is to certify that:

1. I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Issuer"s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company"s code of conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we were aware and sufficient steps have been taken or proposed to rectify these deficiencies.
4. I have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Issuer"s internal control system over financial reporting.



Dinesh Gurnani

DIN: 00218635

Place : Mumbai

Date : May 30, 2014



INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors of
Veto Switchgears and Cables Limited,

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Veto Switchgears And Cables Limited, ("the Company") and its subsidiary Veto Electricals Private Limited (hereinafter collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014 and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating and appropriateness of accounting policies used and the reasonableness of the accounting estimates made by

management, as well as evaluating the overall presentation of the financial statements.

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

Opinion


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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956;

For S G C O & Co.
Chartered Accountants
Firm Reg No: 112081W


Suresh Murarka
Partner
Mem. No. 44739

Place : Mumbai
Date : 30th May 2014

Annexure to Auditors Report

Annexure referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date on the accounts of **Veto Switchgears and Cables Limited** for the year ended March 31, 2014.

As required by the Companies (Auditors Report) Order, 2003 and amendments thereto and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) All the fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
- c) The Company has not disposed off substantial part of fixed assets during the year.
- (ii) a) The inventories have been physically verified by the management during the year at reasonable intervals.
- b) The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of inventories and no discrepancies noticed on physical verification of inventories during the year.
- (iii) a) The Company has granted unsecured loans to six parties covered in the register maintained under Section 301 of the Companies Act, 1956 on call basis. The maximum amount outstanding during the year was Rs.733.46 lakhs and the year-end balance was Rs.174.91 lakhs.
- b) *The above loans are interest free and to that extent it is prejudicial to the interest of the Company.* Other terms and conditions on which the loan has been granted are *prima facie*, not prejudicial to the interest of the Company.
- c) In view of our comments in para (iii) (a) and (b) above, clauses 4 (iii) (c) and (d) of the said Order are not applicable.
- d) The Company has taken unsecured loans on call basis from one party covered in the register maintained under Section 301 of the Companies



Act, 1956. The maximum amount outstanding during the year was Rs.40.93 lakhs and the year-end balance was Rs.Nil.

- e) The above loan is interest free and other terms and conditions on which the loan has been taken *isprima facie*, not prejudicial to the interest of the Company.
- f) In view of our comments in para (iii) (d) and (e) above, clause 4 (iii) (g) of the said Order is not applicable.
- (iv) There are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of goods. We have not observed any continuous failure to correct major weakness in internal control system during the year.
- (v) a) The particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that needs to be entered into the register maintained under section 301 have been so entered.
b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company does not have a formal

internal audit system. However, according to the information and explanations given to us, the operating control systems are commensurate with the size of the Company and nature of its business.

- (viii) As per explanation & information given to us, the Company has maintained the cost records as prescribed by the Central Government under clause (d) of subsection (1) of Section 209 of the Act. However the same have not been reviewed by us.

- (ix) a) Accordingly to the records of the Company, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess wherever applicable have been regularly deposited with the appropriate authorities. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2014 for a period more than six months from the date they became payable.

- b) There are no amount in respect of any disputed sales tax, income tax, wealth tax, service tax, custom duty, excise duty and cess.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in such financial year and in the immediately preceding financial year.



(xi) The Company has not defaulted in repayment of its dues to banks and financial institutions.

(xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.

(xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.

(xv) The Company has not given any guarantee for loans taken by others from banks and financial institutions.

(xvi) The Company has applied the term loans during the year for the purpose they were obtained.

(xvii) On an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long term investment.

(xviii) The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.


(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money by public issues during the year. The

management has disclosed the end use of monies during the year, out of public issue raised in the previous year and the same has been verified by us.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year.

For S G C O & Co.
Chartered Accountants
Firm Reg No: 112081W


Suresh Murarka
Partner
Mem. No. 44739

Place : Mumbai
Date : 30th May 2014

Veto Switchgears & Cables Limited

Balance Sheet as at 31st March 2014

(Rs. in Lacs)

| Particulars | Notes | As at 31st March 2014 | As at 31st March 2013 |
|--------------------------------|-------|--------------------------|--------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 2 | 1,832.71 | 1,666.10 |
| Reserves & surplus | 3 | 4,720.96 | 4,278.56 |
| | | <u>6,553.67</u> | <u>5,944.66</u> |
| Non-current liabilities | | | |
| Long-term borrowings | 4 | 634.94 | 63.46 |
| Deferred tax liabilities (Net) | 5 | 11.87 | 16.66 |
| Long-term provisions | 6 | 4.83 | 1.94 |
| | | <u>651.64</u> | <u>82.06</u> |
| Current liabilities | | | |
| Short-term borrowings | 7 | 2,909.94 | 362.79 |
| Trade payables | 8 | 720.37 | 748.47 |
| Other current liabilities | 9 | 367.25 | 201.88 |
| | | <u>3,997.56</u> | <u>1,313.14</u> |
| Total | | <u>11,202.87</u> | <u>7,339.86</u> |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 10 | 1,969.78 | 797.22 |
| Intangible assets | 10 | 0.77 | 0.79 |
| Non-current investments | 11 | 10.49 | 10.49 |
| Long-term loans and advances | 12 | 1,810.71 | 607.15 |
| Other non-current assets | 13 | 0.27 | - |
| | | <u>3,792.02</u> | <u>1,415.65</u> |
| Current assets | | | |
| Current investments | 14 | 93.44 | 0.35 |
| Inventories | 15 | 2,582.16 | 2,434.48 |
| Trade receivables | 16 | 3,028.62 | 2,014.48 |
| Cash and bank balances | 17 | 1,285.26 | 912.97 |
| Short-term loans and advances | 18 | 421.37 | 561.93 |
| | | <u>7,410.85</u> | <u>5,924.21</u> |
| Total | | <u>11,202.87</u> | <u>7,339.86</u> |

See Accompanying notes to the financial statements

1 to 39

As per our report of even date attached

For S G C O & Co.

Chartered Accountants


Suresh Murarka

Partner

Mem. No. 44739

For and on behalf of the Board


Director


Director


Company Secretary

Place: Mumbai

Date : 30th May 2014

Place: Jaipur

Date : 30th May 2014

Statement of Profit and Loss for the year ended 31 st March 2014

(Rs. in Lacs)

| Particulars | Notes | Year ended 31st March 2014 | Year ended 31st March 2013 |
|---|-------|-------------------------------|-------------------------------|
| INCOME | | | |
| Revenue from operations | 19 | 9,447.72 | 7,413.99 |
| Other income | 20 | 87.46 | 27.80 |
| Total Revenue | | <u>9,535.18</u> | <u>7,441.79</u> |
| EXPENSES | | | |
| Cost of materials consumed | 21 | 4,632.71 | 3,774.14 |
| Purchases of Stock - in - Trade | 22 | 2,284.52 | 1,900.47 |
| Changes in inventories of finished goods and Stock in Trade | 23 | (69.32) | (562.94) |
| Employee benefits expense | 24 | 525.65 | 468.00 |
| Finance costs | 25 | 204.73 | 245.16 |
| Depreciation | 10 | 120.12 | 106.48 |
| Other expenses | 26 | 993.10 | 724.28 |
| Total Expenses | | <u>8,691.51</u> | <u>6,655.59</u> |
| Profit before prior period items and tax | | <u>843.67</u> | <u>786.20</u> |
| - Prior Period Items | | - | 24.48 |
| Profit before tax | | <u>843.67</u> | <u>761.72</u> |
| Less : Tax expenses | | | |
| - Current tax | | 172.68 | 152.40 |
| - MAT Credit (Entitlement)/Utilised | | 66.77 | 23.70 |
| - Deferred tax | | (4.79) | (2.02) |
| Profit for the year | | <u>609.01</u> | <u>587.64</u> |
| Earnings per equity share | 27 | | |
| (Nominal value of share Rs.10 (PY Rs.10)) | | | |
| - Basic | | 3.32 | 3.57 |
| - Diluted | | 3.32 | 3.57 |

See Accompanying notes to the financial statements

1 to 39

As per our report of even date attached

For S G C O & Co.

Chartered Accountants


Suresh Murarka

Partner

Mem. No. 44739

For and on behalf of the Board


Director


Director


Company Secretary

Place: Mumbai

Date : 30th May 2014

Place: Jaipur

Date : 30th May 2014

Veto Switchgears & Cables Limited

Balance Sheet as at 31st March 2014

(Rs. in Lacs)

| Particulars | Notes | As at 31st March 2014 | As at 31st March 2013 |
|--------------------------------|-------|--------------------------|--------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 2 | 1,832.71 | 1,666.10 |
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| | | <u>3,792.02</u> | <u>1,415.65</u> |
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| | | <u>7,410.85</u> | <u>5,924.21</u> |
| Total | | <u>11,202.87</u> | <u>7,339.86</u> |

See Accompanying notes to the financial statements

1 to 39

As per our report of even date attached

For S G C O & Co.

Chartered Accountants


Suresh Murarka
Partner

Mem. No. 44739

Place: Mumbai
Date : 30th May 2014

For and on behalf of the Board


Director


Director


Company Secretary

Place: Jaipur
Date : 30th May 2014

Statement of Profit and Loss for the year ended 31st March 2014

(Rs. in Lacs)

| Particulars | Notes | Year ended 31st March 2014 | Year ended 31st March 2013 |
|---|-------|-------------------------------|-------------------------------|
| INCOME | | | |
| Revenue from operations | 19 | 9,447.72 | 7,413.99 |
| Other income | 20 | 87.46 | 27.80 |
| Total Revenue | | <u>9,535.18</u> | <u>7,441.79</u> |
| EXPENSES | | | |
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| Changes in inventories of finished goods and Stock in Trade | 23 | (69.32) | (562.94) |
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| Depreciation | 10 | 120.12 | 106.48 |
| Other expenses | 26 | 993.10 | 724.28 |
| Total Expenses | | <u>8,691.51</u> | <u>6,655.59</u> |
| Profit before prior period items and tax | | <u>843.67</u> | <u>786.20</u> |
| - Prior Period Items | | - | 24.48 |
| Profit before tax | | <u>843.67</u> | <u>761.72</u> |
| Less : Tax expenses | | | |
| - Current tax | | 172.68 | 152.40 |
| - MAT Credit (Entitlement)/Utilised | | 66.77 | 23.70 |
| - Deferred tax | | (4.79) | (2.02) |
| Profit for the year | | <u>609.01</u> | <u>587.64</u> |
| Earnings per equity share | 27 | | |
| (Nominal value of share Rs.10 (PY Rs.10)) | | | |
| - Basic | | 3.32 | 3.57 |
| - Diluted | | 3.32 | 3.57 |

See Accompanying notes to the financial statements

1 to 39

As per our report of even date attached

For S G C O & Co.

Chartered Accountants


Suresh Murarka
Partner

Mem. No. 44739

Place: Mumbai
Date : 30th May 2014

For and on behalf of the Board


Director


Director


Company Secretary

Place: Jaipur
Date : 30th May 2014

Veto Switchgears & Cables Limited

Cash Flow Statement For the year ended 31st March. 2014

| Particulars | (Rs. in Lacs) | |
|--|-------------------------------|-------------------------------|
| | Year ended 31st March 2014 | Year ended 31st March 2013 |
| A. Cash flow from operating activities | | |
| Profit before taxation | 843.67 | 786.20 |
| <u>Adjustments for:</u> | | |
| Depreciation on fixed assets | 120.12 | 106.48 |
| Finance costs | 204.73 | 245.17 |
| Provision for doubtful debt | 19.07 | - |
| Profit on sale of fixed assets | (1.11) | (0.29) |
| Interest income | (70.89) | (20.35) |
| Operating profit before working capital changes | 1,115.59 | 1,117.21 |
| <u>Adjustments for:</u> | | |
| (Increase) / Decrease in inventories | (147.68) | (647.23) |
| (Increase) / Decrease in Long term Provision | 2.89 | 1.94 |
| (Increase) / Decrease in trade receivables | (1,033.21) | 25.11 |
| (Increase) / Decrease in short term loans and advances | 140.57 | (290.45) |
| Increase / (Decrease) in trade payables | (28.11) | 199.70 |
| Increase / (Decrease) in other current liabilities | 165.36 | (202.69) |
| Cash generated from / (used in) operations | 215.42 | 203.59 |
| Direct taxes paid | (177.60) | (173.14) |
| Net cash flow from / (used in) operating activities | 37.81 | 30.45 |
| Prior Period adjustments | - | (24.48) |
| Net cash flow from operating activities | 37.81 | 5.97 |
| B. Cash flow from investing activities | | |
| Purchase of fixed assets | (1,293.32) | (137.54) |
| Sale proceeds from fixed assets | 1.75 | 4.51 |
| (Increase) / Decrease in long term loans and advances | (1,265.40) | (75.12) |
| Redemption / maturity of bank deposits (having maturity of more than 3 months) | 11.13 | (744.52) |
| Purchase of current investments | (93.09) | - |
| Interest received | 70.89 | 20.35 |
| Net cash flow from / (used in) investment activities | (2,568.04) | (932.32) |
| C. Cash Flow from Financing Activities | | |
| Proceeds from issue of shares | - | 544.89 |
| Proceeds from securities premium | - | 2,348.77 |
| Share issue expenses | - | (9.81) |
| Expenses relating to Initial Public Offer (IPO) | - | (236.97) |
| Proceeds / (Repayment) of borrowings | 3,118.65 | (1,514.02) |
| Interest paid | (204.73) | (245.17) |
| Net cash flow from / (used in) financing activities | 2,913.92 | 887.69 |
| Net increase / (decrease) in cash and cash equivalents | 383.69 | (38.66) |
| Cash and cash equivalents at the beginning of the year | 141.04 | 179.70 |
| Cash and cash equivalents at the end of the year | 524.73 | 141.04 |

Notes :


Cash and Cash Equivalents at the end of the year consists of cash in hand and balances with banks are as follows :

| Particulars | (Rs. in Lacs) | |
|---------------------------------------|--------------------------|--------------------------|
| | As at 31st March 2014 | As at 31st March 2013 |
| Cash on hand | 36.68 | 14.29 |
| Balances with bank on current account | 488.05 | 126.75 |
| | 524.73 | 141.04 |

The previous year's figures have been regrouped / rearranged wherever necessary in order to conform to current years presentation.

As per our report of even date attached

For S G C O & Co.
Chartered Accountants


Suresh Murarka
Partner
Mem. No. 44739

Place: Mumbai
Date : 30th May 2014

For and on behalf of the Board


Director


Director


Company Secretary

Place: Jaipur
Date : 30th May 2014

Veto Switchgears & Cables Limited

Accompanying notes to the financial statements for the year ended 31st March 2014

Note 1 : Significant Accounting Policies:

A Basis of Accounting:

The Financial Statements have been prepared under the historical cost convention, on an accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India and comply with the Accounting Standards prescribed by the Companies (Accounting Standard) Rules 2006 to the extent applicable and in accordance with the relevant provisions of the Companies Act, 1956.

B Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the financial statements and the reported amounts of revenues and expenses during the reporting period.

Difference between actual results and estimates are recognized in the periods in which the results are known/ materialize.

C Revenue Recognition

- i) Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection
- ii) Revenue in respect of export sales is recognised on shipment of products.

- iii) Interest is recognised on a time proportion basis taking in to account the amount outstanding and the rate applicable.
- iv) Dividend income is recognised when right to receive the payment is established.
- v) Claims for insurance are accounted on receipts/ on acceptance of claim by insurer.

D Fixed Assets:

- i) Fixed Assets are stated at actual cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- ii) Costs relating to acquisition of trademarks are capitalised as "Intangible Assets"

E Depreciation:

- i) Depreciation on all Fixed Assets is provided on Written Down Value Method as per the rates and in the manner specified in Scheduled XIV of the Companies Act, 1956.
- ii) Fixed assets acquired on lease basis are amortised over the period of the respective lease terms.
- iii) Goodwill & Trade marks has been amortized over a period of five years.

F Impairment of Assets:



An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

G Investments:

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investment and are carried at cost less any provision for permanent diminution in value. Investments other than long term investments being current investments are valued at cost or fair value whichever is lower.

H Inventories:

Inventories are valued as follows:

- i) Finished Goods are valued at lower of cost or net realisable value*.
- ii) Raw Material are valued at lower of cost or net realisable value**.
- iii) Packing Materials are valued at cost or net realizable value**.
- iv) Stock in Trade is valued at lower of cost or net realisable value**.

*Cost is arrived at on retail method.

** Cost is arrived at on weighted average cost method.

I Employee Benefits :

- i) Company's contribution to Provident Fund and other Funds for the year is

accounted on accrual basis and charged to the Profit & Loss Account for the year.

- ii) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance Sheet.

J Provisions and Contingent Liabilities:

- i) Provisions are recognized in terms of Accounting Standard 29- "Provisions, Contingent Liabilities and Contingent Assets issued by The Institute of Chartered Accountants of India (ICAI), when there is a present legal or statutory obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.
- ii) Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or where reliable estimate of the obligation cannot be made. Obligations are assessed on an on going basis and only those having a largely probable outflow of resources are provided for.

K Foreign Currency Transactions :

- i) The transactions in foreign currencies are stated at the rate of exchange



- prevailing on the date of transactions.
- ii) The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization is charged to the Statement of Profit and Loss Account.
 - iii) Differences on translations of Current Assets and Current Liabilities remaining unsettled at the year-end are recognized in the Statement of Profit and Loss.
 - iv) The premium in respect of forward exchange contract is amortised over the life of the contract. The net gain or loss on account of any exchange difference, cancellation or renewal of such forward exchange contracts is recognised in the Statement of Profit and Loss.

L Borrowing Cost

Borrowing costs are recognised as an expense in the period in which they are incurred except the borrowing cost attributable to be acquisitions / constructions of a qualifying assets which are capitalised as a part of the cost of the fixed assets, up to the date, the assets are ready for its intended use.

M Accounting for Taxes of Income:-

Current Taxes

Provision for current income-tax is recognized in accordance with the provisions

of Indian Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions

Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.



Veto Switchgears and Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March, 2014

(Rs. in Lacs)

Note 2 : Share capital

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Authorised | | |
| 200.00 Lacs Equity shares of Rs.10/- each | 2,000.00 | 2,000.00 |
| | 2,000.00 | 2,000.00 |
| Issued, Subscribed and Fully Paid Up | | |
| 183.27 Lacs (PY 166.61 Lacs) Equity shares of Rs. 10/- each fully paid up | 1,832.71 | 1,666.10 |
| | 1,832.71 | 1,666.10 |

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

i) Equity Shares of Rs. 10/- each fully paid up

| Particulars | As at 31st March, 2014 | | As at 31st March, 2013 | |
|---|----------------------------|-----------------|----------------------------|-----------------|
| | No. of Shares (in lacs) | Amount | No. of Shares (in lacs) | Amount |
| Equity Shares | | | | |
| At the beginning of the year | 166.61 | 1,666.10 | 58.30 | 538.21 |
| Call Money Received on Partly Paid Shares | - | - | - | 44.79 |
| Issued during the year | 16.66 | 166.61 | 108.31 | 1,083.10 |
| Outstanding at the end of the year | 183.27 | 1,832.71 | 166.61 | 1,666.10 |

ii) Shares allotted for a consideration other than Cash

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|----------------------|---------------------------|---------------------------|
| | No. of Shares | No. of Shares |
| Equity Shares | | |
| Bonus Shares | 16.66 | 58.30 |

The Company has allotted 16.66 lacs (PY 58.30 lacs) fully paid equity shares as bonus to the existing equity shareholders in the ratio of 1:10 (PY 1:1) by capitalisation of Reserves and Surplus.

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

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

c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates

| Particulars | As at 31st March, 2014 | | As at 31st March, 2013 | |
|--|------------------------|----------|------------------------|--------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Veto Electropowers (India) Private Limited | 103.16 | 1,031.60 | 93.78 | 937.81 |



Veto Switchgears and Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March, 2014

(Rs. in Lacs)

d) Details of Shareholders holding more than 5% shares in the company:

| Particulars | As at 31st March, 2014 | | As at 31st March, 2013 | |
|--|------------------------|-----------|------------------------|-----------|
| | No. of Shares | % holding | No. of Shares | % holding |
| Veto Electropowers (India) Private Limited | 103.16 | 56.29% | 93.78 | 56.29% |
| Maverick Share Brokers Limited | 15.44 | 8.43% | 14.04 | 8.43% |
| Akshay Gurnani | 10.95 | 5.97% | 9.95 | 5.97% |

Note 3 : Reserves & surplus

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Securities Premium Account | | |
| Balance at the beginning of the year | 1,761.33 | 65.85 |
| Add: On further issue of shares | - | 2,348.77 |
| Less : Utilised for Issue of Bonus Shares [Refer Note No. 2(a) (ii)] | 166.61 | 406.51 |
| Less: Expenses for Increase in Authorised Share Capital | - | 9.81 |
| Less: Expenses relating to Initial Public Offer (IPO) | - | 236.97 |
| Closing Balance | 1,594.72 | 1,761.33 |
| Surplus / (Deficit) in the Statement of Profit and Loss | | |
| Balance at the beginning of the year | 2,517.23 | 2,106.08 |
| Add : Profit for the year | 609.01 | 587.64 |
| Less: Utilised during the year for Issue of Bonus Shares [Refer Note No. 2(a) (ii)] | - | 176.49 |
| Closing Balance | 3,126.24 | 2,517.23 |
| | 4,720.96 | 4,278.56 |

Note 4 : Long-term borrowings

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Secured | | |
| Term loans from banks | 618.76 | 23.79 |
| Less: Interest accrued but not due on borrowings | 4.22 | 0.25 |
| Less: Current maturities of long term debt | 9.00 | 9.00 |
| | 605.54 | 14.54 |
| Hire purchase loans from banks | 47.95 | 65.92 |
| Less: Current maturities of long term debt | 18.55 | 17.00 |
| | 29.40 | 48.92 |
| | 634.94 | 63.46 |

Veto Switchgears and Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March, 2014

(Rs. in Lacs)

Additional information pursuant to long term borrowings :

a) Rs. 14.70 lacs (PY Rs. 23.79 lacs) term loan from Indian Oversease Bank carries interest @ Base rate + 2.50% p.a. The loan is repayable in 60 Monthly instalments along with interest starting from January, 2011. The loan is secured by way of equitable mortgage of factory building and hypothecation of plant & machinery and personal guarantee of four directors.

b) Rs. 604.06 lacs (PY Rs. Nil) term loan from Indian Overseas Bank carries interest @ Base rate + 2.75% p.a.. The loan is repayable in 20 Quaterly instalments along with interest starting from June, 2015. The loan is secured by way of equitable mortgage of land and building and personal guarantee of four directors.

c) Rs 47.95 lacs (PY Rs. 65.92 lacs) hire purchase loans carries interest @ between 9% to 11% p.a. The loans are repayable in 36 to 60 equal monthly instalments starting from the respective date of finance. The loan are secured by hypothecation of vehicles financed.

Note 5 : Deferred tax liabilities (Net)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Deferred tax liabilities | | |
| Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting | 18.06 | 16.66 |
| Deferred tax (assets) | | |
| Provision for Doubtful Advances | (6.19) | - |
| Deferred Tax Liabilities (Net) | 11.87 | 16.66 |

Note 6 : Long-term provisions

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|------------------------|---------------------------|---------------------------|
| Provision for Warranty | 4.83 | 1.94 |
| | 4.83 | 1.94 |

In pursuance of Accounting Standard- 29 (AS 29) 'Provisions, Contingent Liabilities and Assets', the provision required have been incorporated in the books of accounts in the following manner

A provision is recognised for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will have been incurred within two years after the reporting date. Assumptions used to calculate the provisions for warranties were based on current sales levels and current information available about returns based warranty period for all products sold. The table below gives information about movement in warranty provisions.

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|-------------------------------|---------------------------|---------------------------|
| At the beginning of the year | 1.94 | - |
| Arising during the year | 2.89 | 1.94 |
| Utilised during the year | - | - |
| Unused amount reversed | - | - |
| At the end of the year | 4.83 | 1.94 |

Veto Switchgears and Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March, 2014

(Rs. in Lacs)

Note 7 : Short-term borrowings

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---------------------------------------|---------------------------|---------------------------|
| Working Capital Loan (Secured) | | |
| From Bank | 2,909.94 | 362.79 |
| | 2,909.94 | 362.79 |

Additional information pursuant to secured short term borrowing :

Rs. 2,909.94 lacs (PY Rs. 362.79 lacs) working capital loan from Indian Oversease Bank carries interest @ 12% p.a. The loan is secured by way of hypothecation of stocks of raw materials, work in process, finished goods, book debts and personal guarantee of four directors and corporate guarantee by the holding company .

Note 8 : Trade payables

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Due to Micro, Small & Medium Enterprises | - | - |
| Due to Others | 720.37 | 748.47 |
| | 720.37 | 748.47 |

The name of the Micro, Small and Medium Enterprises suppliers defined under "The Micro Small and Medium Enterprises Development Act 2006" could not be identified , as the necessary evidence is not in the possession of the Company.

Note 9 : Other current liabilities

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Current maturities of loan term debt | 27.55 | 26.00 |
| Interest accrued but not due on borrowings | 4.22 | 0.25 |
| Trade deposits | 45.78 | 45.70 |
| Salary & Wages payable | 29.16 | 30.40 |
| Book overdraft | 58.93 | - |
| Duties & taxes payable | 114.38 | 58.02 |
| Provision for expenses | 67.30 | 26.49 |
| Advance from debtors | 19.93 | 15.02 |
| | 367.25 | 201.88 |

Note 10 : Fixed assets

(Rs. in Lacs)

| Description | Gross Block | | | Depreciation | | | | Net Block | | |
|--------------------------|---------------------|------------------------------|-------------------------------|---------------------|--------------------|--------------------------|-------------|--------------------|---------------------|---------------------|
| | As at 01.04.2013 | Additions during the year | Deductions during the year | As at 31.03.2014 | Upto 31.03.2013 | Provided for the year | Adjustments | Upto 31.03.2014 | As at 31.03.2014 | As at 31.03.2013 |
| Tangible Assets | | | | | | | | | | |
| Leasehold Land | 117.47 | 1,023.41 | - | 1,140.88 | 6.35 | 0.99 | - | 7.34 | 1,133.54 | 111.12 |
| Factory Building | 314.64 | 56.68 | - | 371.32 | 122.51 | 20.66 | - | 143.17 | 228.15 | 192.14 |
| Leasehold Improvement | - | 79.92 | - | 79.92 | - | 5.62 | - | 5.62 | 74.30 | - |
| Plant & Machinery | 598.93 | 84.76 | - | 683.69 | 254.31 | 54.78 | - | 309.09 | 374.60 | 344.63 |
| Office Equipments | 10.03 | 10.05 | - | 20.08 | 3.73 | 1.36 | - | 5.09 | 14.99 | 6.31 |
| Furniture & Fixtures | 60.36 | 24.33 | - | 84.69 | 29.30 | 6.13 | - | 35.43 | 49.26 | 31.08 |
| Computers | 11.88 | 2.14 | - | 14.02 | 9.02 | 1.29 | - | 10.31 | 3.71 | 2.86 |
| Vehicles | 119.74 | 11.92 | 3.66 | 188.00 | 70.66 | 29.13 | 3.02 | 96.77 | 91.23 | 109.08 |
| Sub Total | 1,293.05 | 1,293.21 | 3.66 | 2,582.60 | 495.86 | 119.96 | 3.02 | 612.82 | 1,969.78 | 797.22 |
| Intangible Assets | | | | | | | | | | |
| Goodwill | 5.40 | - | - | 5.40 | 5.40 | - | - | 5.40 | - | - |
| Trade Mark | 0.98 | 0.14 | - | 1.12 | 0.19 | 0.16 | - | 0.35 | 0.77 | 0.79 |
| Sub Total | 6.38 | 0.14 | - | 6.52 | 5.59 | 0.16 | - | 5.75 | 0.77 | 0.79 |
| Grand Total | 1,299.43 | 1,293.35 | 3.66 | 2,589.12 | 501.47 | 120.12 | 3.02 | 618.57 | 1,970.55 | 798.01 |
| Previous Year | 1,170.85 | 137.56 | 6.96 | 1,299.43 | 399.69 | 106.48 | 4.74 | 501.47 | 798.01 | |

Veto Switchgears and Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March, 2014

(Rs. in Lacs)

Note 11 : Non - current investments

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Trade, Unquoted (At cost, unless stated otherwise) | | |
| Investment in Equity Instruments | | |
| Investment in Subsidiaries | | |
| Veto Electricals Private Limited | 9.00 | 9.00 |
| 90,000 Equity Shares of Rs.10 each fully paid up | | |
| Others | | |
| Veto Lightings Private Limited | 0.51 | 0.51 |
| 5,100 Equity Shares of Rs.10 each fully paid up | | |
| Vankon Switchgears and Cables Private Limited | 0.98 | 0.98 |
| 9,800 Equity Shares of Rs.10 each fully paid up | | |
| | 10.49 | 10.49 |

| Particulars | As at Mar 31, 2014 | As at March 31, 2013 |
|---|-----------------------|-------------------------|
| Aggregate market value of quoted investments* | - | - |
| Aggregate book value of quoted investments | - | - |
| Aggregate value of unquoted investments | 10.49 | 10.49 |

Note 12 : Long - term loans and advances

(Unsecured, Considered Good)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Capital Advances | 100.30 | 44.30 |
| Security Deposits | | |
| - To related parties | 1,250.00 | 50.00 |
| - To others | 34.47 | 25.08 |
| Loans & Advances to related party | 170.10 | 170.10 |
| MAT credit entitlement | 242.17 | 308.94 |
| Advance Tax (net of provisions) | 13.67 | 8.73 |
| | 1,810.71 | 607.15 |
| Security Deposits includes : | | |
| Enterprises under significant influence of key management personnel | 1,250.00 | 50.00 |
| Loans and advances to related parties denotes loan to : | | |
| Subsidiary company | 170.10 | 170.10 |
| | 1,420.10 | 220.10 |

Veto Switchgears and Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March, 2014

(Rs. in Lacs)

Note 13 : Other non - current assets
(Unsecured, Considered Good)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Fixed Deposits (Maturity Period of more than 12 Months) - Held as Margin Money | 0.27 | - |
| | 0.27 | |

Note 14 : Current investments

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Non - trade, Quoted (At lower of cost and fair value, unless stated otherwise) | | |
| Investment in Equity Instruments | | |
| Jubilant Life Sciences Limited | 93.44 | - |
| 61,000 (PY Nil) Equity Shares of Rs.1 each fully paid up | | |
| Non - trade, Unquoted | | |
| Investment in National Saving Certificates | - | 0.35 |
| | 93.44 | 0.35 |

| Particulars | As at Mar 31, 2014 | As at March 31, 2013 |
|--|-----------------------|-------------------------|
| Aggregate market value of quoted investments | 96.93 | - |
| Aggregate book value of quoted investments | 93.44 | - |
| Aggregate value of unquoted investments | - | |

Note 15 : Inventories

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|-------------------|---------------------------|---------------------------|
| Finished goods | 915.27 | 1,022.14 |
| Stock in trade | 881.68 | 705.49 |
| Raw materials | 707.93 | 651.85 |
| Packing materials | 77.28 | 55.00 |
| | 2,582.16 | 2,434.48 |

Veto Switchgears and Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March, 2014

(Rs. in Lacs)

Note 16 : Trade receivables
(Unsecured, considered good)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Unsecured | | |
| Due for a period exceeding six months from the date they are due for payment | 175.94 | 227.33 |
| Considered Good | 19.07 | - |
| Considered Doubtful | 195.01 | 227.33 |
| Less :- Provision for Doubtful Debts | 19.07 | - |
| | 175.94 | 227.33 |
| Other debts | 2,852.68 | 1,787.15 |
| | 3,028.62 | 2,014.48 |
| Trade receivables includes due from related parties : | | |
| Enterprises under significant influence of key management | 0.54 | 1.00 |
| | 0.54 | 1.00 |

Note 17 : Cash and bank balances

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Cash and cash equivalents | | |
| Balances with banks: | | |
| In current accounts | 488.05 | 126.75 |
| Cash in hand | 36.68 | 14.29 |
| Other bank balances | | |
| Balance with banks to the extent held as margin money* | 760.80 | 771.93 |
| Less : Deposits with maturity for more than 12 months | 0.27 | - |
| | 760.53 | 771.93 |
| | 1,285.26 | 912.97 |

* Includes

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Held as margin money or security against borrowings, other commitments (as applicable) | 4.08 | 5.69 |

Veto Switchgears and Cables Limited
Accompanying notes to the financial statement for the year ended on 31st March, 2014

(Rs. in Lacs)

Note 18 : Short - term loans and advances
(Unsecured Considered Good)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Loans & advances | | |
| - To related parties | 4.81 | 9.81 |
| - To others | 17.00 | 45.37 |
| Security Deposits | | |
| - To related parties | - | 200.00 |
| - To others | 16.82 | 16.11 |
| Advance recoverable in cash or kind | | |
| - To related parties | 21.54 | 34.28 |
| - To others | 361.20 | 256.36 |
| | 421.37 | 561.93 |
| Loans and advances to related parties includes : | | |
| Relative of Key Management Personnel | 4.81 | 4.81 |
| Enterprises under significant influence of key management personnel | - | 5.00 |
| Security Deposits includes: | | |
| Enterprises under significant influence of key management personnel | - | 200.00 |
| Advance recoverable in cash or kind includes : | | |
| Key Management Personnel | - | 9.72 |
| Relative of key management personnel | - | 9.86 |
| Enterprises under significant influence of key management personnel | 21.54 | 14.70 |
| | 26.35 | 244.09 |

Note 19 : Revenue from operations

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|---|--------------------------------|--------------------------------|
| Revenue from operations (Gross) | | |
| Sale of Products * | 9,434.71 | 7,411.92 |
| Other Operating Revenue | | |
| Gain on Foreign Exchange Fluctuations (Net) | 4.00 | 0.29 |
| Scrap Sale | 1.54 | 1.78 |
| Export benefits & incentives | 7.47 | - |
| | 9,447.72 | 7,413.99 |

Veto Switchgears and Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March, 2014

(Rs. in Lacs)

* Sales are reported net of discounts, rebates and returns

Details of Products Sold

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|-----------------------|--------------------------------|--------------------------------|
| Finished Goods | | |
| Accessories | 2,888.65 | 2,208.02 |
| Wire | 3,801.49 | 3,289.61 |
| | 6,690.14 | 5,497.63 |
| Traded Goods | | |
| Accessories | 2,593.35 | 1,477.07 |
| Wire | 151.21 | 437.22 |
| | 2,744.56 | 1,914.29 |
| | 9,434.70 | 7,411.92 |

Note 20 : Other income

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|---|--------------------------------|--------------------------------|
| Interest Income | 70.89 | 20.35 |
| Profit / (loss) on sale of fixed assets | 1.11 | 0.29 |
| Miscellaneous Income | 15.46 | 7.16 |
| | 87.46 | 27.80 |

Note 21 : Cost of materials consumed

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|----------------------|--------------------------------|--------------------------------|
| Opening stock | 651.85 | 570.88 |
| Add: Purchases | 4,688.79 | 3,855.11 |
| Less: Closing stocks | 707.93 | 651.85 |
| | 4,632.71 | 3,774.14 |

Purchases are stated net of discounts and rate difference

Details of Material Consumed

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|--------------|--------------------------------|--------------------------------|
| Copper | 2,520.70 | 2,245.17 |
| Aluminium | 93.53 | 96.36 |
| PVC Compound | 348.49 | 327.76 |
| Others | 1,669.99 | 1,104.85 |
| | 4,632.71 | 3,774.14 |

Veto Switchgears and Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March, 2014

(Rs. in Lacs)

Details of Inventory

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|--------------|--------------------------------|--------------------------------|
| Copper | 5.24 | 198.69 |
| Alluminium | 7.91 | 3.41 |
| PVC Compound | 8.78 | 21.44 |
| Others | 686.00 | 428.31 |
| | 707.93 | 651.85 |

Note 22 : Purchases of Stock - in - Trade

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|----------------------------|--------------------------------|--------------------------------|
| Purchase of stock in trade | 2,284.52 | 1,900.47 |
| | 2,284.52 | 1,900.47 |

Details of Purchases of stock - in - trade

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|-------------|--------------------------------|--------------------------------|
| Accessories | 1,751.43 | 1,470.87 |
| Wires | 533.09 | 429.60 |
| | 2,284.52 | 1,900.47 |

Note 23 : Changes in inventories of finished goods and Stock in Trade

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|---|--------------------------------|--------------------------------|
| Finished goods | | |
| Opening stock | | |
| - Accessories | 362.71 | 412.83 |
| - Wires | 659.43 | 195.96 |
| | 1,022.14 | 608.78 |
| Closing stock | | |
| - Accessories | 681.58 | 362.71 |
| - Wires | 233.69 | 659.43 |
| | 915.27 | 1,022.14 |
| Changes in inventories of finished goods (A) | 106.87 | (413.35) |
| Stock in trade | | |
| Opening stock | | |
| - Accessories | 553.18 | 417.02 |
| - Wires | 152.32 | 138.89 |
| | 705.50 | 555.91 |
| Closing stock | | |
| - Accessories | 667.57 | 553.18 |
| - Wires | 214.11 | 152.32 |
| | 881.68 | 705.50 |
| Changes in inventories of stock in trade | (176.18) | (149.59) |
| | (69.32) | (562.94) |

Veto Switchgears and Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March, 2014

(Rs. in Lacs)

Note 24 : Employee benefits expense

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|--|--------------------------------|--------------------------------|
| Salary, wages and other allowances | 449.45 | 406.20 |
| Contribution to provident fund and other funds | 37.21 | 29.58 |
| Staff welfare expenses | 17.63 | 15.97 |
| Directors Remuneration | 21.36 | 16.25 |
| | 525.65 | 468.00 |

Note 25 : Finance costs

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|---------------------------|--------------------------------|--------------------------------|
| Interest expense : | | |
| On bank borrowings | 167.88 | 226.25 |
| Others | 16.20 | 7.55 |
| Bank Charges | 20.65 | 11.35 |
| | 204.73 | 245.15 |

Note 26 : Other expenses

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|--|--------------------------------|--------------------------------|
| Manufacturing expenses | | |
| Consumables & Stores consumed | - 4.42 | 6.42 |
| Power & Fuel | 69.37 | 58.75 |
| Job Charges | 101.89 | 36.51 |
| Repairs & Maintenance : | | |
| - Plant & Machinery | 22.85 | 25.25 |
| - Factory Building | - | 0.02 |
| Freight & Transportation | 29.75 | 18.27 |
| Factory Insurance Premium | 2.30 | 4.17 |
| Other Factory Expenses | 14.17 | 10.15 |
| | 244.75 | 159.55 |
| Administration, Selling and Distribution expenses | | |
| Rent | 14.76 | 17.15 |
| Rates & Taxes | 14.16 | 7.62 |
| Repairs & Maintenance | | |
| - Building | 3.27 | 5.37 |
| - Others | 14.96 | 9.67 |
| Legal and Professional Fees | 42.55 | 26.47 |
| Auditor's Remuneration | 3.41 | 2.80 |
| Travelling & Conveyance | 51.79 | 59.14 |
| Communication Costs | 18.70 | 17.73 |
| Printing & Stationery | 7.48 | 7.38 |
| Water & Electricity Charges | 15.42 | 13.17 |
| Commission | 25.30 | 12.01 |
| Packing Materials Consumed | 217.06 | 145.08 |
| Advertising & Sales Promotion Expenses | 149.79 | 116.10 |
| Transportation, Freight & Handling Charges | 100.93 | 74.34 |
| Provision for Doubtful Debt | 19.07 | - |
| Miscellaneous Expenses | 49.70 | 50.18 |
| | 993.10 | 724.21 |

Veto Switchgears and Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March, 2014

(Rs. in Lacs)

Payment to Auditor

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|----------------|--------------------------------|--------------------------------|
| Audit fees | 1.50 | 1.36 |
| Tax Matters | 0.11 | 0.11 |
| Other services | 1.80 | 1.33 |
| | 3.41 | 2.80 |

Note 27 : Earnings per equity share

In accordance with Accounting Standard 20- Earning Per Share, the computation of earning per share is set out below :

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|--|--------------------------------|--------------------------------|
| Weighted average number of Equity Shares of Rs. 10/- each | | |
| Number of shares at the end of the year | 183.27 | 166.61 |
| Weighted average number of Equity Shares outstanding during the year * | 183.27 | 164.64 |
| Weighted average number of Potential Equity Shares outstanding during the year | - | - |
| Total number of Equity share for calculating Diluted Earning Per Share | 183.27 | 164.64 |
| Net Profit after Tax available for Equity shareholders | 609.00 | 587.63 |
| Basic Earning Per Share (in Rs.) | 3.32 | 3.57 |
| Diluted Earning Per Share (in Rs.) | 3.32 | 3.57 |

* Earning per share (EPS) is calculated after adjusting for 16.66 lacs bonus shares issued, with retrospective effect as provided in Accounting Standard (AS-20) - Earning Per Share prescribed by the Companies (Accounting Standard) Rules 2006.

Note 28 : In the opinion of the Board the Current Assets, Loans & Advances are realisable in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of amount reasonably necessary.

Note 29 : Contingent Liabilities

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|--|--------------------------------|--------------------------------|
| Gaurantee given by bank on behalf of the Company | 12.50 | 12.50 |
| Estimated amount of contracts remaining to be executed on Capital Account (Net of Advance) | - | 43.98 |
| Total | 12.50 | 56.48 |

Veto Switchgears and Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March, 2014

(Rs. in Lacs)

Note 30 : Disclosure pursuant to Accounting Standard – 15 'Employee Benefits

Actuarial assumption:

| Services Rendered | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|-------------------|--------------------------------|--------------------------------|
| Salary Growth * | 7% | 6% |
| Discount Rate | 8% | 9% |
| Withdrawal Rate | 5% | 5% |

* The estimates of future salary increases, considered in a actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(i) Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|--|--------------------------------|--------------------------------|
| Present value of obligation as at the beginning of the year: | 20.84 | 24.48 |
| Interest cost | 1.96 | 1.96 |
| Current service cost | 8.96 | 8.96 |
| Benefits paid | - | - |
| Actuarial (gain) / loss on obligation | (19.71) | (14.56) |
| Closing Present value of obligation | 12.05 | 20.84 |

(ii) The amounts recognised in the Balance Sheet are as follows:

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|---|--------------------------------|--------------------------------|
| Present value of obligation as at the beginning of the year | 12.05 | 20.84 |
| Fair Value of plan assets as at the end of the year | 38.34 | 35.26 |
| Unrecognised Actuarial (Gain) / Loss | - | - |
| Net (assets) / liability recognised in balance sheet | (26.29) | (14.42) |

(iii) The amounts recognised in the Statement of Profit and Loss are as follows

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|--|--------------------------------|--------------------------------|
| Current service cost | 8.96 | 8.96 |
| Past service cost | - | 24.48 |
| Interest cost | 1.96 | 1.96 |
| Expected return on plan assets | (3.08) | (1.81) |
| Net actuarial (gain) / loss recognized in the year | (19.71) | (14.56) |
| Expenses recognised in the statement of profit and loss* | (11.87) | 19.03 |

Veto Switchgears and Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March, 2014

(Rs. in Lacs)

Note 31 : Segmental Reporting :

The Company is mainly engaged in the business of manufacturing and trading of Wires, Cables & Electrical Accessories and there is no other reportable business segment as per Accounting Standard (AS-17) .

Note 32 : Related Party Disclosure:-

As required under Accounting Standard 18 "Related Party Disclosure" (AS-18), following are the details of transactions during the year with the related parties of the Company as defined in AS 18 :

a. List of related parties

Name of the Party

i) Directors

Vishnu Kumar Gurnani
Dinesh Gurnani

ii) Relative of Directors

Ragini Gurnani
Kishore Kumar Gurnani
Pushpa Gurnani
Jyoti Gurnani

iii) Holding Company

Veto Electropower (India) Private Limited

iv) Subsidiary Companies

Veto Electricals Private Limited

v) Enterprises owned or significantly influenced by Key Management Personnel and / or their Relatives

Poonam Industries
Veto Powers
Anjali Packaging
Jai Enterprises
Vimal Power Cables Private Limited
Pinkcity Buildhome Private Limited
Gurnani Industries
Yashodevi Raichand Gurnani Trust
Gurnani Infra Developer Private Limited
Veto Electric Components Private Limited
Pink Square Infra Developers Private Limited
Vankon Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March, 2014

(Rs. in Lacs)

b. Transactions with Related Parties :

| Name of Party | Nature of Transaction | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--|--------------------------|------------------------------|------------------------------|
| Vishnu Kumar Gurnani | Remuneration | 14.40 | 12.00 |
| | Directors sitting fees | 0.23 | - |
| | Advance received back | 8.44 | - |
| | Repayment of Loans Taken | - | 0.79 |
| Dinesh Gurnani | Remuneration | 6.96 | 4.25 |
| | Directors sitting fees | 0.23 | - |
| Pushpa Gurnani | Salary | - | 2.00 |
| | Advance received back | 4.93 | - |
| Jyoti Gurnani | Salary | - | 2.00 |
| | Advance received back | 4.93 | - |
| Poonam Industries | Purchases | - | 8.28 |
| Anjali Packaging | Purchases | - | 5.66 |
| | Sales | 0.07 | - |
| Jai Enterprises | Purchases | - | 10.72 |
| | Sales | - | - |
| Vimal Power Cables Private Limited | Purchases | 151.83 | 86.27 |
| | Loan Granted | 110.00 | - |
| | Loan Received back | 110.00 | - |
| Pinkcity Buildhome Private Limited | Sales | 3.74 | 5.87 |
| | Service Taken | 7.31 | - |
| Gurnani Industries | Loan Taken by Co | - | 5.07 |
| | Repayment of Loans Taken | - | 5.07 |
| | Loan Granted | 0.02 | - |
| | Loan Received back | 0.02 | - |
| | Job Work | - | 4.20 |
| Gurnani Infra Developer Private Limited | Rent | 3.64 | 2.76 |
| | Sales | 0.05 | - |
| | Loan Granted | 443.00 | - |
| | Loan Received back | 443.00 | - |
| | Advance granted | 0.42 | - |
| | Deposit | 1,000.00 | 250.00 |
| Veto Electropower (India) Private Limited | Sales | 0.84 | 0.04 |
| | Loan Taken | 40.93 | 41.07 |
| | Repayment of Loans Taken | 40.93 | 45.66 |
| Veto Electric Components Private Limited | Loan Granted | 27.93 | - |
| | Loan Received back | 27.93 | - |
| Pink Squire Infra Developers Private Limited | Loan Granted | 0.55 | - |
| | Loan Received back | 0.55 | - |
| Yashodevi Raichand Gurnani Trust | Loan Received back | 5.00 | - |

Veto Switchgears and Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March, 2014

(Rs. in Lacs)

c. Balance Outstanding of Related Parties :

| Name of Party | Receivable / Payable | Year ended March 31, 2014 | Year ended March 31, 2013 |
|---|-------------------------------------|------------------------------|------------------------------|
| Vishnu Kumar Gurnani | Remuneration Payable | 0.89 | 5.28 |
| | Advance recoverable in cash or kind | - | 8.44 |
| Dinesh Gurnani | Remuneration Payable | - | 1.65 |
| | Advance recoverable in cash or kind | - | 1.28 |
| | Other Payables | 0.03 | 1.28 |
| Ragini Gurnani | Trade Payables | - | 0.40 |
| Kishore Kumar Gurnani | Loan Granted | 4.81 | 4.81 |
| Pushpa Gurnani | Advance recoverable in cash or kind | - | 4.93 |
| Jyoti Gurnani | Advance recoverable in cash or kind | - | 4.93 |
| Veto Powers | Trade Payables | 2.27 | 2.27 |
| Anjali Packaging | Trade Payables | 2.33 | 1.74 |
| Vimal Power Cables Private Limited | Advance recoverable in cash or kind | 18.28 | 24.86 |
| Pinkcity Buildhome Private Limited | Trade Receivables | 0.54 | 1.00 |
| | Advance recoverable in cash or kind | 1.59 | - |
| Gurnani Industries | Advance to Creditor | - | 13.45 |
| Yashodevi Raichand Gurnani Trust | Loan Receivable | - | 5.00 |
| | Trade Payables | - | 2.48 |
| Gurnani Infra Developer Private Limited | Advance recoverable in cash or kind | 0.42 | - |
| | Deposit | 1,250.00 | 250.00 |
| Veto Electricals Private Limited | Loan Receivable | 170.10 | 170.10 |
| Vankon Switchgears and Cables Private Limited | Advance recoverable in cash or kind | 1.25 | 1.25 |

Note 33 : Operating Lease

Future minimum lease payment under non-cancellable operating leases is as follows

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|---|--------------------------------|--------------------------------|
| Not later than one year | 2.68 | 7.15 |
| Later than one year and not later than five years | 0.90 | 8.36 |
| Later than five | - | - |
| TOTAL | 3.58 | 15.51 |

Note 34 : Information pursuant to para 5(viii) of the General Instructions to the Statement of Profit and Loss

a) Value of Imported and Indigenous Raw Materials consumed during the year

| Particulars | 2013-14 | | 2012-13 | |
|--------------|---------------|-----------------|---------------|-----------------|
| | In % | (Rs in lacs) | In % | (Rs in lacs) |
| Imported | 2.78 | 105.07 | - | - |
| Indigenous | 97.73 | 4,527.64 | 100.00 | 3,774.14 |
| Total | 100.52 | 4,632.71 | 100.00 | 3,774.14 |

b) Value of Imported and Indigenous Consumables & Stores consumed during the year

| Particulars | 2013-14 | | 2012-13 | |
|--------------|---------|--------------|---------------|--------------|
| | In % | (Rs in lacs) | In % | (Rs in lacs) |
| Imported | - | - | - | - |
| Indigenous | 100.00 | 4.42 | 100.00 | 6.42 |
| Total | | | 100.00 | 6.42 |

Veto Switchgears and Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March, 2014

(Rs. in Lacs)

c) C.I.F. Value of Imports , Earning and Expenditure in Foreign Exchange

| Particulars | 2013-14 | 2012-13 |
|------------------------|--------------|--------------|
| | (Rs in lacs) | (Rs in lacs) |
| C.I.F. Value of | | |
| Raw Materials | 105.07 | - |
| Stock in Trade | 205.49 | 20.01 |
| | | |
| Earnings in | | |
| F.O.B. Value of | 436.32 | 164.41 |

Note 35 :

The Company has raised an amount of Rs. 2500.50 Lacs through a public issue of equity shares in the previous year. Out of the said proceeds and in terms of the offer document an amount of Rs 2305.85 lacs has been deployed partly in modernisation of existing production facilities, working capital requirements brand building and meeting IPO expenses. The balance of Rs 194.65 lacs have been temporarily invested in deposits with banks.

Note 36 : Post Balance Sheet Event

There was a major fire at one of the Warehouse of the Company located in Jaipur on May 19, 2014 causing extensive damage to Stock and Building. These assets were fully insured and claim has been duly lodged by the Company. The estimated loss by the Company is approximately Rs. 2200.00 lacs.


Note 37 :

Previous year's figures have been re-grouped, re-arranged & re-classified, wherever considered necessary, to confirm the current period figures.

Note 38 :

Figures less than Rs. 500/- have been shown at actuals wherever statutory required to be disclosed since figures have been rounded off to the nearest thousands.

For S G C O & Co.
Chartered Accountants


Suresh Murarka
Partner
Mem. No. 44739

Place: Mumbai
Date : 30th May 2014

For and on behalf of the board

 
Director Director

Place: Jaipur
Date : 30th May 2014

INDEPENDENT AUDITOR'S REPORT

To,

The Members,

Veto Switchgears and Cables Limited

Report on the Consolidated Financial Statements

We have audited the accompanying financial statements of **Veto Switchgears and Cables Limited**, ("the Company"), which comprise the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating and appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the report of the other auditor on the financial statement of the subsidiary as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) In the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of the subsidiary viz., Veto Electricals Private Limited, whose financial statements reflect total net assets of Rs. 179.54 lakhs as at 31st March, 2014, total revenue of Rs. Nil and net cash outflows amounting to Rs. 0.18 lakhs for the year ended on that date. The financial statement of this subsidiary has been audited by another auditor whose report has been furnished to us and our opinion is based solely on the report of the other auditors. Our opinion is not qualified in this matter.

For S G C O & Co.
Chartered Accountants
Firm Reg. No. 112081W



Suresh Murarka

Partner

Place : Mumbai

Date : 30th May, 2014.

Mem. No. 44739

Note 1 : Significant Accounting

Policies:

A Basis of Accounting:

The Financial Statements have been prepared under the historical cost convention, on an accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India and comply with the Accounting Standards prescribed by the Companies (Accounting Standard) Rules 2006 to the extent applicable and in accordance with the relevant provisions of the Companies Act, 1956.

B Use of Estimates:

"The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the periods in which the results are known/ materialize."

C Revenue Recognition

- i) Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection
- ii) Revenue in respect of export sales is recognised on shipment of products.
- iii) Interest is recognised on a time proportion basis taking in to account the amount outstanding and the rate applicable.
- iv) Dividend income is recognised when right to receive the payment is established.
- v) Claims for insurance are accounted on receipts/ on acceptance of claim by insurer.

D Fixed Assets:

- i) Fixed Assets are stated at actual cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- ii) Costs relating to acquisition of trademarks are capitalised as "Intangible Assets"

E Depreciation:

- i) Depreciation on all Fixed Assets is provided on Written Down Value Method as per the rates and in the manner specified in Scheduled XIV of the Companies Act, 1956.
- ii) Fixed assets acquired on lease basis are amortised over the period of the respective lease terms.
- iii) Goodwill & Trade marks has been amortized over a period of five years.

E Depreciation:

- i) Depreciation on all Fixed Assets is provided on Written Down Value Method as per the rates and in the manner specified in Scheduled XIV of the Companies Act, 1956.
- ii) Fixed assets acquired on lease basis are amortised over the period of the respective lease terms.
- iii) Goodwill & Trade marks has been amortized over a period of five years.

F Impairment of Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

G Investments:

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investment and are carried at cost less any provision for permanent diminution in value. Investments other than long term investments being current investments are valued at cost or fair value whichever is lower.

H Inventories:

Inventories are valued as follows:

- i) Finished Goods are valued at lower of cost or net realisable value*.
- ii) Raw Material are valued at lower of cost or net realisable value**.
- iii) Packing Materials are valued at cost or net realizable value**.
- iv) Stock in Trade is valued at lower of cost or net realisable value**.

* Cost is arrived at on retail method.

** Cost is arrived at on weighted average cost method.

I Employee Benefits :

- i) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Profit & Loss Account for the year.
- ii) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance Sheet.

J Provisions and Contingent Liabilities:

- i) Provisions are recognized in terms of Accounting Standard 29- "Provisions, Contingent Liabilities and Contingent Assets Accounting Standards prescribed by the Companies (Accounting Standard) Rules 2006, when there is a present legal or statutory obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.
- ii) Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or where reliable estimate of the obligation cannot be made. Obligations are assessed on an on going basis and only those having a largely probable outflow of resources are provided for.

K Foreign Currency Transactions :

- i) The transactions in foreign currencies are stated at the rate of exchange prevailing on the date of transactions.
- ii) The difference on account of fluctuation in

the rate of exchange prevailing on the date of transaction and the date of realization is charged to the Statement of Profit and Loss Account.

- iii) Differences on translations of Current Assets and Current Liabilities remaining unsettled at the year-end are recognized in the Statement of Profit and Loss.
- iv) The premium in respect of forward exchange contract is amortised over the life of the contract. The net gain or loss on account of any exchange difference, cancellation or renewal of such forward exchange contracts is recognised in the Statement of Profit and Loss.

L Borrowing Cost

Borrowing costs are recognised as an expense in the period in which they are incurred except the borrowing cost attributable to be acquisitions / constructions of a qualifying assets which are capitalised as a part of the cost of the fixed assets, up to the date, the assets are ready for its intended use.

M Accounting for Taxes of Income:- Current Taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions

Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

Veto Switchgears and Cables Limited
Consolidated Balance Sheet as at 31st March 2014

(Rs. in Lacs)

| Particulars | Notes | As at | As at |
|--------------------------------|-------|------------------|-----------------|
| | | 31st March 2014 | 31st March 2013 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share capital | 2 | 1,832.71 | 1,666.10 |
| Reserves & surplus | 3 | 4,720.08 | 4,277.85 |
| | | 6,552.79 | 5,943.95 |
| Minority Interest | | 0.90 | 0.93 |
| Non-current liabilities | | | |
| Long-term borrowings | 4 | 634.94 | 63.46 |
| Deferred tax liabilities (Net) | 5 | 11.87 | 16.66 |
| Long-term provisions | 6 | 4.83 | 1.94 |
| | | 651.64 | 82.06 |
| Current liabilities | | | |
| Short-term borrowings | 7 | 2,909.94 | 362.79 |
| Trade payables | 8 | 720.37 | 748.47 |
| Other current liabilities | 9 | 367.28 | 201.91 |
| | | 3,997.59 | 1,313.17 |
| Total | | 11,202.92 | 7,340.11 |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 10 | 2,148.70 | 976.15 |
| Intangible assets | 10 | 0.77 | 0.79 |
| Non-current investments | 11 | 1.49 | 1.49 |
| Long-term loans and advances | 12 | 1,640.61 | 428.31 |
| Other non-current assets | 13 | 0.27 | - |
| | | 3,791.84 | 1,406.74 |
| Current assets | | | |
| Current investments | 14 | 93.44 | 0.35 |
| Inventories | 15 | 2,582.16 | 2,434.48 |
| Trade receivables | 16 | 3,028.62 | 2,014.48 |
| Cash and bank balances | 17 | 1,285.50 | 913.40 |
| Short-term loans and advances | 18 | 421.37 | 570.66 |
| | | 7,411.08 | 5,933.37 |
| Total | | 11,202.92 | 7,340.11 |


See Accompanying notes to the financial statements

1 to 37

As per our report of even date attached

For S G C O & Co.

Chartered Accountants


Suresh Murarka


Partner

Mem. No. 44739


Place: Mumbai

Date : 30th May, 2014

For and on behalf of the Board


Director


Director


Company Secretary

Place: Jaipur

Date : 30th May, 2014

Veto Switchgears and Cables Limited

Consolidated Statement of Profit and Loss for the year ended 31st March 2014

| Particulars | Notes | Year ended | Year ended |
|---|-------|-----------------|-----------------|
| | | 31st March 2014 | 31st March 2013 |
| INCOME | | | |
| Revenue from operations | 19 | 9,447.72 | 7,413.99 |
| Other income | 20 | 87.46 | 27.80 |
| Total Revenue | | 9,535.18 | 7,441.79 |
| EXPENSES | | | |
| Cost of materials consumed | 21 | 4,632.71 | 3,774.14 |
| Purchases of Stock - in - Trade | 22 | 2,284.52 | 1,900.47 |
| Changes in inventories of finished goods and Stock in Trade | 23 | (69.32) | (562.94) |
| Employee benefits expense | 24 | 525.65 | 468.00 |
| Finance costs | 25 | 204.73 | 245.16 |
| Depreciation and amortisation expenses | | 120.12 | 106.48 |
| Other expenses | 26 | 993.30 | 724.37 |
| Total Expenses | | 8,691.71 | 6,655.68 |
| Profit before prior period items and tax | | 843.48 | 786.11 |
| - Prior Period Items | | - | 24.48 |
| Profit before tax | | 843.48 | 761.63 |
| Less : Tax expense | | | |
| - Current tax | | 172.68 | 152.40 |
| - MAT Credit (Entitlement)/Utilised | | 66.77 | 23.71 |
| - Deferred tax | | (4.79) | (2.02) |
| | | 234.66 | 174.09 |
| Profit for the year before minority interest | | 608.82 | 587.54 |
| Minority interest | | (0.02) | (0.01) |
| Profit for the year | | 608.84 | 587.55 |
| Earnings per equity share | 27 | | |
| Nominal value of share Rs.10 | | | |
| - Basic | | 3.32 | 3.57 |
| - Diluted | | 3.32 | 3.57 |

See Accompanying notes to the financial statements

1 to 37

As per our report of even date attached

For and on behalf of the Board

For S G C O & Co.

Chartered Accountants



Suresh Murarka

Partner

Mem. No. 44739


Director


Director


Company Secretary

Place: Mumbai

Date : 30th May, 2014

Place: Jaipur

Date : 30th May, 2014

Veto Switchgears and Cables Limited

Consolidated Cash Flow Statement For the year ended 31st March 2014

(Rs. in Lacs)

| Particulars | Year ended 31.03.2014 | Year ended 31.03.2013 |
|--|--------------------------|--------------------------|
| A. Cash flow from operating activities | | |
| Net profit before taxation | 843.48 | 786.11 |
| Adjustments for: | | |
| Depreciation / Amortisation | 120.12 | 106.48 |
| Finance costs | 204.73 | 245.17 |
| Provision for doubtful debts | 19.07 | - |
| Profit on sale of fixed assets | (1.11) | (0.29) |
| Interest income | (70.89) | (20.35) |
| Operating profit before working capital changes | 1,115.40 | 1,117.12 |
| Adjustments for: | | |
| (Increase) / Decrease in inventories | (147.68) | (647.23) |
| (Increase) / Decrease in Long term Provision | 2.89 | 1.94 |
| (Increase) / Decrease in trade receivables | (1,033.21) | 25.11 |
| (Increase) / Decrease in short term loans and advances | 140.56 | (290.45) |
| Increase / (Decrease) in trade payables | (28.10) | 199.64 |
| Increase / (Decrease) in other current liabilities | 165.37 | (202.75) |
| Cash generated from / (used in) operations | 215.24 | 203.38 |
| Direct taxes paid | (177.60) | (173.13) |
| Cash inflow before Prior Period Adjustment | 37.64 | 30.25 |
| Prior Period adjustments | - | (24.48) |
| Net cash flow from / (used in) operating activities | 37.64 | 5.77 |
| B. Cash flow from investing activities | | |
| Purchase of fixed assets | (1,293.32) | (137.54) |
| Sale proceeds from fixed assets | 1.75 | 4.51 |
| Loans & advances received back / (given) | (1,265.41) | (75.11) |
| Investing in bank deposits (having maturity of more than 3 months) | 11.13 | (744.42) |
| Purchase of current investments | (93.09) | - |
| Interest received | 70.89 | 20.35 |
| Net cash flow from / (used in) investment activities | (2,568.06) | (932.21) |
| C. Cash Flow from Financing Activities | | |
| Proceeds from issue of shares | - | 544.89 |
| Proceeds from issue of shares to minority interest | - | (1.81) |
| Proceeds from securities premium | - | 2,348.77 |
| Share issue expenses | - | (9.81) |
| Expenses relating to Initial Public Offer (IPO) | - | (236.97) |
| Proceeds / (Repayment) of borrowings | 3,118.64 | (1,514.13) |
| Finance Cost | (204.73) | (245.17) |
| Net cash flow from / (used in) financing activities | 2,913.92 | 885.77 |
| Net increase / (decrease) in cash and cash equivalents | 383.50 | (40.68) |
| Cash and cash equivalents at the beginning of the year | 141.47 | 182.15 |
| Cash and cash equivalents at the end of the year | 524.97 | 141.47 |

Notes :

1 Cash and Cash Equivalents at the end of the year consists of cash in hand and balances with banks are as follows :

(Rs. in Lacs)

| Particulars | As at | As at |
|---------------------------------------|---------------|---------------|
| | 31.03.2014 | 31.03.2013 |
| Cash on hand | 36.70 | 14.32 |
| Balances with bank on current account | 488.27 | 127.15 |
| | 524.97 | 141.47 |

2 The previous year's figures have been regrouped / rearranged wherever necessary in order to conform to current year's presentation.

As per our report of even date attached

For S G C O & Co.

Chartered Accountants



Suresh Murarka

Partner

Mem. No. 44739

Place: Mumbai

Date : 30th May, 2014

For and on behalf of the Board


Director
Director
Company Secretary

Place: Jaipur

Date : 30th May, 2014

Veto Switchgears and Cables Limited
Notes to consolidated financial statements for the year ended 31st March 2014

(Rs. in Lacs)

Note 2 : Share capital

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Authorised | | |
| 200.00 Lacs Equity shares of Rs.10/- each | 2,000.00 | 2,000.00 |
| | 2,000.00 | 2,000.00 |
| Issued, Subscribed and Fully Paid Up | | |
| 183.27 Lacs (PY 166.61 Lacs) Equity shares of Rs. 10/- each fully paid up | 1,832.71 | 1,666.10 |
| | 1,832.71 | 1,666.10 |

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

i) Equity Shares of Rs. 10/- each fully paid up

| Particulars | As at 31st March, 2014 | | As at 31st March, 2013 | |
|---|------------------------|-----------------|------------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Equity Shares | | | | |
| At the beginning of the year | 166.61 | 1,666.10 | 58.30 | 538.21 |
| Call Money Received on Partly Paid Shares | - | - | - | 44.79 |
| Issued during the year | 16.661 | 166.61 | 108.31 | 1,083.10 |
| Outstanding at the end of the year | 183.27 | 1,832.71 | 166.61 | 1,666.10 |

ii) Shares allotted for a consideration other than Cash

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|----------------------|---------------------------|---------------------------|
| | No. of Shares | No. of Shares |
| Equity Shares | | |
| Bonus Shares | 16.66 | 58.30 |

The Company has allotted 16.66 lacs (PY 58.30 lacs) fully paid equity shares as bonus to the existing equity shareholders in the ratio of 1:10 (PY 1:1) by capitalisation of Reserves and Surplus.

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

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

c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates

Holding Company

| Particulars | As at 31st March, 2014 | | As at 31st March, 2013 | |
|--|------------------------|----------|------------------------|--------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Veto Electropowers (India) Private Limited | 103.16 | 1,031.60 | 93.78 | 937.81 |

d) Details of Shareholders holding more than 5% shares in the company:

| Particulars | As at 31st March, 2014 | | As at 31st March, 2013 | |
|--|------------------------|-----------|------------------------|-----------|
| | No. of Shares | % holding | No. of Shares | % holding |
| Veto Electropowers (India) Private Limited | 103.16 | 56.29% | 93.78 | 56.29% |
| Maverick Share Brokers Limited | 15.44 | 8.43% | 14.04 | 8.43% |
| Akshay Gurnani | 10.95 | 5.97% | 9.95 | 5.97% |

Veto Switchgears and Cables Limited
Notes to consolidated financial statements for the year ended 31st March 2014

(Rs. in Lacs)

Note 3 : Reserves & surplus

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Securities Premium Account | | |
| Balance at the beginning of the year | 1,761.33 | 65.85 |
| Add: On further issue of shares | - | 2,348.77 |
| Less: Utilised for issue of Bonus Shares [Refer Note No. 2(a) (ii)] | 166.61 | 406.51 |
| Less: Expenses for increase in Authorised Share Capital | - | 9.81 |
| Less: Expenses relating to Initial Public Offer (IPO) | - | 236.97 |
| Closing Balance | 1,594.72 | 1,761.33 |
| Surplus / (Deficit) in the Statement of Profit and Loss | | |
| Balance at the beginning of the year | 2,516.52 | 2,105.27 |
| Add: Profit for the year | 608.84 | 587.55 |
| Add: Adjustment on account of cessation of subsidiaries | - | 0.19 |
| Less: Partly Utilised during the year for issue of Bonus Shares [Refer Note No. 2(a) (i)] | - | 176.49 |
| Closing Balance | 3,125.36 | 2,516.52 |
| | 4,720.08 | 4,277.85 |

Note 4 : Long-term borrowings

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Secured | | |
| Term loans from bank | 618.76 | 23.79 |
| Less: Interest accrued but not due on borrowings | 4.22 | 0.25 |
| Less: Current maturities of long term debt | 9.00 | 9.00 |
| | 605.54 | 14.54 |
| Hire purchase loans from banks | 47.95 | 65.02 |
| Less: Current maturities of long term debt | 18.55 | 17.00 |
| | 29.40 | 48.02 |
| | 634.94 | 63.46 |

Additional information pursuant to long term borrowings :

- a) Rs. 14.70 lacs (PY Rs. 23.79 lacs) term loan from Indian Overseas Bank carries interest @ Base rate + 2.50% p.a. The loan is repayable in 60 Monthly instalments along with interest starting from January, 2011. The loan is secured by way of equitable mortgage of factory building and hypothecation of plant & machinery and personal guarantee of four directors.
- b) Rs. 604.06 lacs (PY Rs. Nil) term loan from Indian Overseas Bank carries interest @ Base rate + 2.75% p.a. The loan is repayable in 20 Quarterly instalments along with interest starting from June, 2015. The loan is secured by way of equitable mortgage of land and building and personal guarantee of four directors.
- c) Rs 47.95 lacs (PY Rs. 65.92 lacs) hire purchase loans carries interest @ between 9% to 11% p.a. The loans are repayable in 36 to 60 equal monthly instalments starting from the respective date of finance. The loan are secured by hypothecation of vehicles financed.

Veto Switchgears and Cables Limited

Notes to consolidated financial statements for the year ended 31st March 2014

(Rs. in Lacs)

Note 5 : Deferred tax liabilities (Net)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Deferred Tax Liabilities | | |
| Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting | 18.06 | 16.66 |
| Deferred tax : (assets) | | |
| Provision for Doubtful Advances | (6.19) | - |
| Deferred Tax Liabilities (Net) | 11.87 | 16.66 |

Note 6 : Long-term provisions

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|------------------------|---------------------------|---------------------------|
| Provision for Warranty | 4.83 | 1.94 |
| | 4.83 | 1.94 |

In pursuance of Accounting Standard- 29 (AS 29) 'Provisions, Contingent Liabilities and Assets', the provision required have been incorporated in the books of accounts in the following manner

A provision is recognised for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will have been incurred within two years after the reporting date. Assumptions used to calculate the provisions for warranties were based on current sales levels and current information available about returns based warranty period for all products sold. The table below gives information about movement in warranty provisions.

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|------------------------------|---------------------------|---------------------------|
| At the beginning of the year | 1.94 | - |
| Arising during the year | 2.89 | 1.94 |
| Utilised during the year | - | - |
| Unused amount reversed | - | - |
| At the end of the year | 4.83 | 1.94 |

Note 7 : Short-term borrowings

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--------------------------------|---------------------------|---------------------------|
| Working Capital Loan (Secured) | | |
| From Bank | 2,909.94 | 362.79 |
| | 2,909.94 | 362.79 |

Additional information pursuant to secured short term borrowing :

Rs. 2,909.94 lacs (PY Rs. 362.79 lacs) working capital loan from Indian Overseas Bank carries interest @ 12% p.a. The loan is secured by way of hypothecation of stocks of raw materials, work in process, finished goods, book debts and personal guarantee of four directors and corporate guarantee by the holding company.

Veto Switchgears and Cables Limited
Notes to consolidated financial statements for the year ended 31st March 2014

(Rs. in Lacs)

Note 8 : Trade payables

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Due to Micro, Small & Medium Enterprises | - | - |
| Due to Others | 720.37 | 748.47 |
| | 720.37 | 748.47 |

The name of the Micro, Small and Medium Enterprises suppliers defined under "The Micro Small and Medium Enterprises Development Act 2006" could not be identified, as the necessary evidence is not in the possession of the Company.

Note 9 : Other current liabilities

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Current maturities of long term debt | 27.55 | 26.00 |
| Interest accrued but not due on borrowings | 4.22 | 0.25 |
| Trade deposits | 45.78 | 45.70 |
| Salary & Wages payable | 29.16 | 30.40 |
| Book overdraft | 58.93 | - |
| Duties & taxes payable | 114.38 | 58.02 |
| Provision for expenses | 67.33 | 26.52 |
| Advance from debtors | 19.93 | 15.01 |
| | 367.28 | 201.91 |

Note 11 : Non - current investments

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Trade, Unquoted (At cost, unless stated otherwise) | | |
| Investment in Equity Instruments | | |
| Veto Lightings Private Limited | 0.51 | 0.51 |
| 5,100 Equity Shares of Rs.10/- each fully paid up | | |
| Vankon Switchgears and Cables Private Limited | 0.98 | 0.98 |
| 9,800 Equity Shares of Rs.10/- each fully paid up | | |
| | 1.49 | 1.49 |

| Particulars | As at Mar 31, 2014 | As at March 31, 2013 |
|--|-----------------------|-------------------------|
| Aggregate market value of quoted investments | - | - |
| Aggregate book value of quoted investments | - | - |
| Aggregate value of unquoted investments | 1.49 | 1.49 |

Veto Switchgears and Cables Limited

Notes to consolidated financial statements for the year ended 31st March 2014

(Rs. in Lacs)

Note 12 : Long - term loans and advances
(Unsecured, Considered Good)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Capital Advances | 100.30 | 44.30 |
| Security Deposits | | |
| - To related parties | 1,250.00 | 50.00 |
| - To others | 34.47 | 25.07 |
| MAT credit entitlement | 242.17 | 308.94 |
| Advance Tax (Net of Provision) | 13.67 | - |
| | 1,640.61 | 428.31 |
| Security Deposits includes : | | |
| - Enterprises under significant influence of key management persone | 1,250.00 | 50.00 |

Note 13 : Other non - current assets
(Unsecured, considered goods)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Fixed Deposits (Maturity period of more than 12 Months) - Held as Margin Money | 0.27 | - |
| | 0.27 | - |

Note 14 : Current investments

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Non - trade, Quoted (At lower of cost and fair value, unless stated otherwise) | | |
| Investment in Equity Instruments | | |
| Jubilant Life Sciences Limited | 93.44 | - |
| 81,000 (PY Nil) Equity Shares of Rs.1 each fully paid up | | |
| Non - trade, Unquoted | | |
| Investment in National Saving Certificates | - | 0.35 |
| | 93.44 | 0.35 |

| Particulars | As at 31st March, 2014 | As at March 31, 2013 |
|--|---------------------------|-------------------------|
| Aggregate market value of quoted investments | 96.93 | - |
| Aggregate book value of quoted investments | 93.44 | - |
| Aggregate value of unquoted investments | - | - |

Veto Switchgears and Cables Limited
Notes to consolidated financial statements for the year ended 31st March 2014

Note 15 : Inventories

(Rs. in Lacs)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|-------------------|---------------------------|---------------------------|
| Finished goods | 915.27 | 1,022.14 |
| Stock in trade | 881.66 | 705.49 |
| Raw materials | 707.93 | 651.85 |
| Packing materials | 77.28 | 55.00 |
| | 2,582.16 | 2,434.48 |

Note 16 : Trade receivables
(Unsecured, considered good)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Unsecured | | |
| Due for a period exceeding six months from the date they are due for payment | 175.94 | 227.33 |
| Considered Good | 19.07 | - |
| Considered Doubtful | 195.01 | 227.33 |
| Less : Provision for Doubtful Debts | 19.07 | - |
| | 175.94 | 227.33 |
| Other debts | 2,852.68 | 1,787.15 |
| | 3,028.62 | 2,014.48 |
| Trade receivables includes due from related parties : | | |
| - Enterprises under significant influence of key management persone | 0.54 | 1.00 |
| | 0.54 | 1.00 |

Note 17 : Cash and bank balances

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Cash and cash equivalents | | |
| Balances with banks: | | |
| In current accounts | 488.27 | 127.15 |
| Cash in hand | 36.70 | 14.32 |
| Other bank balances | | |
| Balance with banks to the extent held as margin money* | 780.80 | 771.93 |
| Less : Deposits with maturity for more than 12 months | 0.27 | - |
| | 780.53 | 771.93 |
| | 1,285.50 | 913.40 |

* Includes

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Held as margin money or security against borrowings, other commitments (as applicable) | 4.08 | 5.69 |

Veto Switchgears and Cables Limited
Notes to consolidated financial statements for the year ended 31st March 2014

Note 18 : Short - term loans and advances
(Unsecured Considered Good)

(Rs. in Lacs)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Loans & advances | | |
| - To related parties | 4.81 | 9.81 |
| - To others | 17.00 | 45.37 |
| Security Deposits | | |
| - To related parties | - | 200.00 |
| - To others | 16.82 | 16.11 |
| Advance recoverable in cash or kind | | |
| - To related parties | 21.54 | 34.28 |
| - To others | 361.20 | 265.08 |
| | 421.37 | 570.66 |
| Loans and advances to related parties includes : | | |
| Relative of Key Management Personnel | 4.81 | 4.81 |
| Enterprises under significant influence of key management persone | - | 5.00 |
| Security Deposits includes: | | |
| Enterprises under significant influence of key management persone | - | 200.00 |
| Advance recoverable in cash or kind includes : | | |
| Key Management Personnel | - | 9.72 |
| Relative of key management personnel | - | 9.86 |
| Enterprises under significant influence of key management persone | 21.54 | 14.70 |
| | 26.35 | 244.09 |

Note 19 : Revenue from operations

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|---|--------------------------------|--------------------------------|
| Revenue from operations (gross) | | |
| Sale of Products * | 9,434.71 | 7,411.92 |
| Other Operating Revenue | | |
| Gain on Foreign Exchange Fluctuations (Net) | 4.00 | 0.29 |
| Scrap Sales | 1.54 | 1.78 |
| Export benefits & incentives | 7.47 | - |
| | 9,447.72 | 7,413.99 |

* Sales are reported net of discounts, rebates and returns

Veto Switchgears and Cables Limited
Notes to consolidated financial statements for the year ended 31st March 2014

Details of Products Sold

(Rs. in Lacs)

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|----------------|--------------------------------|--------------------------------|
| Finished Goods | | |
| Accessories | 2,888.65 | 2,208.02 |
| Wires | 3,801.49 | 3,289.61 |
| | 6,690.14 | 5,497.63 |
| Traded Goods | | |
| Accessories | 2,593.35 | 1,477.07 |
| Wires | 151.21 | 437.22 |
| | 2,744.56 | 1,914.29 |
| | 9,434.70 | 7,411.92 |

Note 20 : Other Income

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|---|--------------------------------|--------------------------------|
| Interest Income | 70.89 | 20.35 |
| Profit / (loss) on sale of fixed assets | 1.11 | 0.29 |
| Miscellaneous Income | 15.46 | 7.16 |
| | 87.46 | 27.80 |

Note 21 : Cost of materials consumed

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|---------------------|--------------------------------|--------------------------------|
| Opening stock | 651.85 | 570.88 |
| Add: Purchases | 4,688.79 | 3,855.11 |
| Less: Closing stock | 707.93 | 651.85 |
| | 4,632.71 | 3,774.14 |

Purchases are stated net of discounts and rate difference.

Details of Material Consumed

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|--------------|--------------------------------|--------------------------------|
| Copper | 2,520.70 | 2,245.17 |
| Aluminium | 93.53 | 86.36 |
| PVC Compound | 348.49 | 327.76 |
| Others | 1,669.99 | 1,104.86 |
| | 4,632.71 | 3,774.15 |

Veto Switchgears and Cables Limited
Notes to consolidated financial statements for the year ended 31st March 2014

Details of Inventory

(Rs. in Lacs)

| Particulars | Year ended 31.03.2014 | Year ended 31.03.2013 |
|--------------|--------------------------|--------------------------|
| Copper | 5.24 | 198.69 |
| Aluminium | 7.91 | 3.41 |
| PVC Compound | 8.78 | 21.44 |
| Others | 686.00 | 428.31 |
| | 707.93 | 651.85 |

Purchases are stated net of discounts and rate difference.

Note 22 : Purchases of Stock - in - Trade

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|----------------------------|--------------------------------|--------------------------------|
| Purchase of stock in trade | 2,284.52 | 1,900.47 |
| | 2,284.52 | 1,900.47 |

Details of Purchases of stock - in - trade

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|-------------|--------------------------------|--------------------------------|
| Accessories | 1,751.43 | 1,470.87 |
| Wires | 533.09 | 429.60 |
| | 2,284.52 | 1,900.47 |

Note 23 : Changes in inventories of finished goods and Stock in Trade

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|--|--------------------------------|--------------------------------|
| Finished goods | | |
| Opening stock | 382.71 | 412.83 |
| - Accessories | 659.43 | 195.96 |
| - Wires | 1,022.14 | 608.78 |
| Closing stock | (681.58) | 362.71 |
| - Accessories | (233.69) | 659.43 |
| - Wires | (915.27) | (1,022.14) |
| Changes in inventories of finished goods (A) | 106.87 | (413.35) |
| Stock in trade | | |
| Opening stock | 553.18 | 417.02 |
| - Accessories | 152.32 | 138.89 |
| - Wires | 705.50 | 555.91 |
| Closing stock | (667.57) | (553.18) |
| - Accessories | (214.11) | (152.32) |
| - Wires | (881.66) | (705.49) |
| Changes in inventories of stock in trade (B) | (176.19) | (149.59) |
| Total (A+B) | (69.32) | (562.94) |

Veto Switchgears and Cables Limited
Notes to consolidated financial statements for the year ended 31st March 2014

Note 24 : Employee benefits expense

(Rs. in Lacs)

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|--|--------------------------------|--------------------------------|
| Salary, wages and other allowances | 449.45 | 406.20 |
| Contribution to provident fund and other funds | 37.21 | 29.58 |
| Staff welfare expenses | 17.63 | 15.97 |
| Director's remuneration | 21.36 | 16.25 |
| | 525.65 | 468.00 |

Note 25 : Finance costs

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|--------------------|--------------------------------|--------------------------------|
| Interest expense : | | |
| On bank borrowings | 167.88 | 226.26 |
| Others | 16.20 | 7.55 |
| Bank Charges | 20.65 | 11.35 |
| | 204.73 | 245.16 |

Note 26 : Other expenses

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|--|--------------------------------|--------------------------------|
| Manufacturing expenses | | |
| Consumption of : | | |
| Consumables & Stores consumed | 4.42 | 6.42 |
| Power & Fuel | 69.37 | 58.76 |
| Job Charges | 101.89 | 36.51 |
| Repairs & Maintenance | | |
| - Plant & Machinery | 22.85 | 25.25 |
| - Factory Building | - | 0.02 |
| Freight & Transportation | 29.75 | 18.27 |
| Factory Insurance Premium | 2.30 | 4.17 |
| Other Factory Expenses | 14.17 | 10.15 |
| | 244.75 | 159.55 |
| Administration, Selling and Distribution expenses | | |
| Rent | 14.78 | 17.15 |
| Rates & Taxes | 14.18 | 7.62 |
| Repairs & Maintenance | | |
| - Building | 3.27 | 5.37 |
| - Others | 14.96 | 9.67 |
| Travelling & Conveyance | 51.79 | 59.14 |
| Communication Costs | 18.70 | 17.73 |
| Printing & Stationery | 7.48 | 7.90 |
| Water & Electricity Charges | 15.42 | 13.17 |
| Legal and Professional Fees | 42.55 | 26.47 |
| Auditor's Remuneration | 3.41 | 2.80 |
| Packing Materials Consumed | 217.06 | 145.08 |
| Commission | 25.30 | 12.01 |
| Provision for Doubtful Debts | 19.07 | - |
| Advertising & Sales Promotion Expenses | 148.79 | 118.10 |
| Transportation, Freight & Handling Charges | 100.93 | 74.34 |
| Miscellaneous Expenses | 49.91 | 50.27 |
| | 993.38 | 724.37 |

Veto Switchgears and Cables Limited

Notes to consolidated financial statements for the year ended 31st March 2014

Note 27 : Earnings per equity share

In accordance with Accounting Standard 20- Earning Per Share, the computation of

(Rs. in lakhs)

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|--|--------------------------------|--------------------------------|
| Weighted average number of Equity Shares of Rs. 10/- each | | |
| Number of shares at the end of the year | 183.27 | 166.61 |
| Weighted average number of Equity Shares outstanding during the year | 183.27 | 164.64 |
| Weighted average number of Potential Equity Shares outstanding during the year | - | - |
| Total number of Equity share for calculating Diluted Earning Per Share | 183.27 | 164.64 |
| Net Profit after Tax available for Equity shareholders | 608.84 | 587.55 |
| Basic Earning Per Share (in Rs.) (B/A (i)) | 3.32 | 3.57 |
| Diluted Earning Per Share (in Rs.) (B/A (iv)) | 3.32 | 3.57 |

* Earning per share (EPS) is calculated after adjusting for 16.68 lacs bonus shares issued, with retrospective effect as provided

in Accounting Standard (AS-20) - Earning Per Share prescribed by the Companies (Accounting Standard) Rules 2006.

Note 28 : Companies considered in the consolidated financial statement are:

Subsidiaries

| Name of Company | Date of Becoming Subsidiary | Country of Incorporation | % Voting Power held As on 31.03.2014 | % Voting Power held As on 31.03.2013 |
|----------------------------------|-----------------------------------|-----------------------------|--|--|
| Veto Electricals Private Limited | 22-Feb-10 | India | 90.00 | 90.00 |

Note 30 : Disclosure pursuant to Accounting Standard - 15 'Employee Benefits'

Actuarial assumption:

| Services Rendered | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|-------------------|--------------------------------|--------------------------------|
| Salary Growth * | 7% | 6% |
| Discount Rate | 8% | 9% |
| Withdrawal Rate | 5% | 5% |

* The estimates of future salary increases, considered in a actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(i) Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|--|--------------------------------|--------------------------------|
| Present value of obligation as at the beginning of the year: | 20.84 | 24.48 |
| Interest cost | 1.96 | 1.96 |
| Current service cost | 8.96 | 8.96 |
| Benefits paid | - | - |
| Actuarial (gain) / loss on obligation | (19.71) | (14.56) |
| Closing Present value of obligation | 12.05 | 20.84 |

Veto Switchgears and Cables Limited

Notes to consolidated financial statements for the year ended 31st March 2014

(ii) The amounts recognised in the Balance Sheet are as follows:

(Rs. in lakhs)

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|---|--------------------------------|--------------------------------|
| Present value of obligation as at the beginning of the year | 12.05 | 20.84 |
| Fair Value of plan assets as at the end of the year | 38.34 | 35.26 |
| Unrecognised Actuarial (Gain) / Loss | - | - |
| Net (assets) / liability recognised in balance sheet | (26.29) | (14.42) |

(iii) The amounts recognised in the Statement of Profit and Loss are as follows:

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|--|--------------------------------|--------------------------------|
| Current service cost | 8.96 | 8.96 |
| Past service cost | - | 24.48 |
| Interest cost | 1.96 | 1.96 |
| Expected return on plan assets | (3.08) | (1.81) |
| Net actuarial (gain) / loss recognized in the year | (19.71) | (14.56) |
| Expenses recognised in the statement of profit and loss* | (11.87) | 19.03 |

Note 31 : Segmental Reporting :

The Group is mainly engaged in the business of manufacturing and trading of Wires, Cables & Electrical Accessories and there is no other reportable business segment as per Accounting Standard (AS-17) issued by The Institute of Chartered Accountants of India.

Note 32 : Related Party Disclosure:-

As required under Accounting Standard 18 'Related Party Disclosure' (AS-18), following are the details of transactions during the year with the related parties of the Company as defined in AS 18 :

a. List of related parties

Name of the Party

i) Director

Vishnu Kumar Gurnani
Dinesh Gurnani

ii) Relative of Directors

Ragini Gurnani
Kishore Kumar Gurnani
Pushpa Gurnani
Jyoti Gurnani

iii) Holding Company

Veto Electropower (India) Private Limited

Veto Switchgears and Cables Limited

Notes to consolidated financial statements for the year ended 31st March 2014

iv) Enterprises owned or significantly influenced by Key Management Personnel and / or their Relatives

Poonam Industries
Veto Powers
Anjali Packaging
Jai Enterprises
Vimal Power Cables Private Limited
Pinkcity Buildhome Private Limited
Gurnani Industries
Yashodevi Raichand Gurnani Trust
Gurnani Infra Developer Private Limited
Veto Electric Components Private Limited
Pink Square Infra Developers Private Limited
Vankon Switchgears and Cables Limited

b. Transactions with Related Parties :

(Rs. in lakhs)

| Name of Party | Nature of Transaction | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--|--------------------------|------------------------------|------------------------------|
| Vishnu Kumar Gurnani | Remuneration | 14.40 | 12.00 |
| | Director Sitting Fees | 0.23 | - |
| | Advance received back | 8.44 | - |
| Dinesh Gurnani | Repayment of Loans Taken | - | 0.79 |
| | Remuneration | 6.96 | 4.25 |
| | Director Sitting Fees | 0.23 | - |
| Pushpa Gurnani | Salary | - | 2.00 |
| | Advance received back | 4.93 | - |
| Jyoti Gurnani | Salary | 0 | 2.00 |
| | Advance received back | 4.93 | - |
| Poonam Industries | Purchases | - | 8.28 |
| | Purchases | - | 5.66 |
| Anjali Packaging | Sales | 0.07 | - |
| | Purchases | - | 10.72 |
| Jai Enterprises | Sales | - | - |
| | Purchases | 151.83 | 86.27 |
| Vimal Power Cables Private Limited | Loan Granted | 110.00 | - |
| | Loan Received back | 110.00 | - |
| Pinkcity Buildhome Private Limited | Sales | 3.74 | 5.87 |
| | Service Taken | 7.31 | - |
| Gurnani Industries | Loan Taken by Co | - | 5.07 |
| | Repayment of Loans Taken | - | 5.07 |
| Gurnani Infra Developer Private Limited | Loan Granted | 0.02 | - |
| | Loan Received back | 0.02 | - |
| Veto Electropower (India) Private Limited | Job Work | - | 4.20 |
| | Rent | 3.64 | 2.76 |
| Gurnani Infra Developer Private Limited | Sales | 0.05 | - |
| | Loan Granted | 443.00 | - |
| Veto Electric Components Private Limited | Loan Received back | 443.00 | - |
| | Advance granted | 0.42 | - |
| Pink Square Infra Developers Private Limited | Deposit | 1,000.00 | 250.00 |
| | Sales | 0.84 | 0.04 |
| Yashodevi Raichand Gurnani Trust | Loan Taken | 40.93 | 41.07 |
| | Repayment of Loans Taken | 40.93 | 45.66 |
| Veto Electric Components Private Limited | Loan Granted | 27.93 | - |
| | Loan Received back | 27.93 | - |
| Vankon Switchgears and Cables Limited | Loan Granted | 0.55 | - |
| | Loan Received back | 0.55 | - |
| Veto Electropower (India) Private Limited | Loan Granted | 5.00 | - |
| | Loan Received back | 5.00 | - |

Veto Switchgears and Cables Limited

Notes to consolidated financial statements for the year ended 31st March 2014

Note : Fixed assets

(Amount in Rs.)

| Description | Gross Block | | | | Depreciation / Amortisation | | | | Net Block | |
|--------------------------|---------------------|------------------------------|-------------------------------|---------------------|-----------------------------|--------------------------|-------------|--------------------|---------------------|---------------------|
| | As at 01.04.2013 | Additions during the year | Deductions during the year | As at 31.03.2014 | Upto 31.03.2013 | Provided for the year | Adjustments | Upto 31.03.2014 | As at 31.03.2014 | As at 31.03.2013 |
| Tangible assets | | | | | | | | | | |
| Freehold Land | 178.92 | - | - | 178.92 | - | - | - | - | 178.92 | 178.92 |
| Leasehold Land | 117.47 | 1,023.41 | - | 1,140.88 | 6.35 | 0.99 | - | 7.34 | 1,133.54 | 111.12 |
| Factory Building | 314.64 | 56.67 | - | 371.32 | 122.51 | 20.66 | - | 143.17 | 228.15 | 192.14 |
| Leasehold Improvement | - | 79.92 | - | 79.92 | - | 5.62 | - | 5.62 | 74.30 | - |
| Plant & Machinery | 598.93 | 84.75 | - | 683.69 | 254.30 | 54.78 | - | 309.08 | 374.60 | 344.63 |
| Office Equipments | 10.03 | 10.04 | - | 20.07 | 3.72 | 1.37 | - | 5.09 | 14.98 | 6.31 |
| Furniture & Fixtures | 60.36 | 24.32 | - | 84.68 | 29.29 | 6.13 | - | 35.42 | 49.27 | 31.08 |
| Computers | 11.88 | 2.14 | - | 14.02 | 9.01 | 1.29 | - | 10.30 | 3.72 | 2.87 |
| Vehicles | 179.74 | 11.92 | 3.66 | 188.00 | 70.66 | 29.14 | 3.02 | 96.78 | 91.22 | 109.10 |
| Total | 1,471.98 | 1,293.18 | 3.66 | 2,761.50 | 495.83 | 119.98 | 3.02 | 612.79 | 2,148.71 | 976.15 |
| Previous Year | 1,343.84 | 137.10 | 8.96 | 1,471.98 | 394.21 | 106.35 | 4.74 | 495.83 | 976.15 | 949.64 |
| Intangible assets | | | | | | | | | | |
| Trade Marks | 0.98 | 0.14 | - | 1.12 | 0.19 | 0.16 | - | 0.35 | 0.77 | 0.79 |
| Goodwill | 5.40 | - | - | 5.40 | 5.40 | - | - | 5.40 | - | - |
| Total | 6.38 | 0.14 | - | 6.52 | 5.59 | 0.16 | - | 5.75 | 0.77 | 0.79 |
| Previous Year | 5.94 | 0.44 | - | 6.38 | 5.48 | 0.11 | - | 5.59 | 0.79 | 0.46 |
| Grand Total | 1,478.36 | 1,293.32 | 3.66 | 2,768.02 | 501.42 | 120.14 | 3.02 | 618.54 | 2,149.48 | 976.94 |
| Previous Year | 1,349.78 | 137.54 | 8.96 | 1,478.36 | 399.68 | 106.48 | 4.74 | 501.42 | 976.94 | 950.11 |

Veto Switchgears and Cables Limited

Notes to consolidated financial statements for the year ended 31st March 2014

c. Balance Outstanding of Related Parties :

(Rs. In lakhs)

| Name of Party | Receivable / Payable | Year ended March 31, 2014 | Year ended March 31, 2013 |
|---|-------------------------------------|------------------------------|------------------------------|
| Vishnu Kumar Gurnani | Remuneration Payable | 0.89 | 5.28 |
| | Advance recoverable in cash or kind | - | 8.44 |
| | Remuneration Payable | - | 1.65 |
| Dinesh Gurnani | Advance recoverable in cash or kind | - | 1.28 |
| | Other Payables | 0.03 | 1.28 |
| | Trade Payables | - | 0.40 |
| Ragini Gurnani | Loan Granted | 4.81 | 4.81 |
| Kishore Kumar Gurnani | Advance recoverable in cash or kind | - | 4.93 |
| Pushpa Gurnani | Advance recoverable in cash or kind | - | 4.93 |
| Jyoti Gurnani | Trade Payables | 2.27 | 2.27 |
| Veto Powers | Trade Payables | 2.33 | 1.74 |
| Anjali Packaging | Advance recoverable in cash or kind | 18.28 | 24.86 |
| Vimal Power Cables Private Limited | Trade Receivables | 0.54 | 1.00 |
| Pinkcity Buldhorne Private Limited | Advance recoverable in cash or kind | 1.59 | - |
| Gurnani Industries | Advance to Creditor | - | 13.45 |
| Mathodevi Raichand Gurnani Trust | Loan Receivable | - | 5.00 |
| | Trade Payables | - | 2.48 |
| Gurnani Infra Developer Private Limited | Advance recoverable in cash or kind | 0.42 | - |
| | Deposit | 1,250.00 | 250.00 |
| Veto Switchgears and Cables Private Limited | Advance recoverable in cash or kind | 1.25 | 1.25 |

Note 32 : Operating Lease

Future minimum lease payment under non-cancellable operating leases is as follows:

| Particulars | Year Ended 31st March, 2014 | Year Ended 31st March, 2013 |
|---|--------------------------------|--------------------------------|
| Not later than one year | 2.68 | 7.15 |
| Later than one year and not later than five years | 0.90 | 8.36 |
| Later than five years | - | - |
| TOTAL | 3.58 | 15.51 |

Note 34 : The Company has raised an amount of Rs. 2500.50 Lacs through a public issue of equity shares in the previous year. Out of the said proceeds and in terms of the offer document an amount of Rs 2305.85 lacs has been deployed partly in modernisation of existing production facilities, working capital requirements, brand building and meeting IPO expenses. The balance of Rs 194.65 lacs have been temporarily invested in fixed deposits with banks.

Note 35 : Post Balance Sheet Event

There was a major fire at one of the Warehouse of the Company located in Jaipur on May 19, 2014 causing extensive damage to Stock and Building. These assets were fully insured and claim has been duly lodged by the Company. The estimated loss by the Company is approximately Rs. 2200.00 lacs.

Note 36 : Previous year's figures have been re-grouped, re-arranged & re-classified, wherever considered necessary, to confirm the current period figures.

Note 37 : Figures less than Rs. 500/- have been shown at actuals wherever statutory required to be disclosed since figures have been rounded off to the nearest thousands.

As per our Report of even date attached

For S G C O & Co.
Chartered Accountants

Suresh Murarka
Partner
Mem No. 44739

For and on behalf of the board

Director Director

Company Secretary

Place: Mumbai
Date : 30th May, 2014

Place: Jaipur
Date : 30th May, 2014



ICRA Limited
An Associate of Moody's Investors Service

Ref: D/RAT/ DEL/2013-14/V-79
May 22, 2014

Mr. P. V. Sharma,
Group CFO,
Veto Switchgears and Cables Limited,
230, Sindhi Colony, Raja Park,
Jaipur 302004,
Rajasthan.

Dear Sir,

Re: ICRA-assigns Credit Rating for Rs. 20.00 crore Line of Credit of Veto Switchgears and Cables Limited (instrument details in Annexure)

Please refer to your Rating Requisition dated March 01, 2014 and the subsequent Rating Agreement of March 12, 2014 for carrying out the rating of Rs. 20.00 Cr. Line of Credit (LOC). The Rating Committee of ICRA, after due consideration, has assigned a long-term rating of [ICRA]BBB+ (pronounced ICRA triple B plus) with a stable outlook to the captioned LOC¹. The aforesaid rating is valid till April 30, 2015.

The ratings are specific to the terms and conditions of the LOC as indicated to us by you, and any change in the terms or size of the same would require a review of the ratings by us. In case there is any change in the terms and conditions or the size of the rated LOC, the same must be brought to our notice before the facility is used by you. In the event such changes occur after the ratings have been assigned by us and their use has been confirmed by you, the ratings would be subject to our review, following which there could be a change in the ratings previously assigned.

ICRA reserves the right to suspend, withdraw, or revise the above ratings at any time on the basis of new information becoming available, or the required information not being available, or other circumstances that ICRA believes could have an impact on the ratings assigned.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the Debt instruments issued by you. If the programme rated as above, is not drawn by you within a period of two months from the date of the letter communicating the rating, the same would stand withdrawn unless revalidated before expiry of the two months.

You are required to furnish a periodic statement (in the format enclosed) confirming the timeliness of payment of all obligations against the rated debt programme [interest and principal obligations for fund based as well as obligations under LOC/BG for non-fund based facility].

You are also required to inform us forthwith of any default or delay in the payment of interest and/or principal against the rated debt programme, or any other debt instruments and/or borrowings of your company. Further, you are requested to keep us informed of any other developments that could have a direct or indirect impact on the debt servicing capability of your company, with such developments including, but not limited to, any proposal for re-schedulement or postponement of repayment against any dues and/or debts of your company with any lender(s) and/or investor(s).

¹ For complete rating definition please refer to ICRA Website www.icra.in or any of the ICRA Rating Publications

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RATING • RESEARCH • INFORMATION



We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification.

With regards,

Yours sincerely,
for ICRA Limited

Sabyasachi Majumdar
Senior Vice President

Pravesh Khanna
Senior Analyst



NSIC-CRISIL Performance and Credit Rating for Small Scale Industries

Veto Switchgears And Cables Private Limited, Rajasthan
has been awarded an NSIC-CRISIL Rating of

NSIC - CRISIL
SE 1A

on December 27, 2011.

This rating indicates 'Highest Performance Capability and High Financial Strength'.

This rating is valid till December 26, 2012.

Roopa Kudva

Roopa Kudva
Managing Director and Chief Executive Officer



NATIONAL ORGANISATION FOR COMMERCE AND INDUSTRY

Mumbai - 400 014

RASHTRIYA UDYOG RATNA AWARD

PRESENTED TO

MR. VISHNU KUMAR GURNANI

*For "Excellence in their respective field" on the occasion of 2nd National Seminar on
"NATIONAL ECONOMIC GROWTH THROUGH INDIVIDUAL CONTRIBUTION"*

28th March 2013, at Mumbai.



Date : 28th March 2013

G.S. Rahane
G.S. Rahane
President



Certificate of Registration

This is to certify that compliance of Quality Management System of
VETO SWITCHGEARS & CABLES PVT. LTD.

Corporate Office : 230, Sadhvi Colony, Bero Park, Jaipur - 302 004 (Rajasthan) India.
Regd. Office : D-2, First Floor, Kanchipada, Kanchipada Lane Extension, Malad (W), Mumbai - 44, India.
Factory : Plot No. 65/67, 74/77, Sector-05, III, SIDCUL, Ranpur, Hoshiarpur - 249 403 (UK) India.

Has been assessed and found to conform the requirements of

ISO 9001 : 2008

for the scope of activities :

**Manufacturer & Exporter of all kind of Electrical
Accessories and all kind of PVC Cables**

Certificate No : RQ9102498
DAC Accreditation No : CB - 015
Issue Date : 20.07.2010
Certificate Valid Up to : 19.07.2013



For use on behalf of Quest Certification (P) Ltd

Hand of Certification

Surveillance Audit : 2nd Year : 19.07.2011

3rd Year : 19.07.2012

This certificate is valid only if the annual surveillance audit is passed

The validity of this Certificate can be verified from www.questcertification.com

This Registration does not assure the quality of goods under the firm's production.

Quest Certification (P) Ltd

Regd. Office: First North, Bero Park, 68 Cross Street, NCT Colony, Kanchipada Lane Extension, Malad (W), Mumbai - 44, India.
Accredited by : Indian Accreditation Programme, 210 Bar, 45, Panch, (P) Ltd.

Selected 2013-15



Quality Brands India 2013-15

awarded to

VETO SWITCH GEARS & CABLES LTD.

Rajasthan

For Excellence in their respective field
as selected by the

Executive Member of
Advisory Board.

G. S. Rahane

Editor Quality Brand Times Quality Brands
(RNI) (Govt. of India) Regd. No. - MAM/1631/2009/11169

28th March 2013

Registration No. : RQ91-91/321
Registered Date : 01.02.2013
Reassessment Date : 27.12.2014
Issue Date : 28.03.2013
Expire Date : 27.03.2015



August 2, 2014 Veto Switch gears & Cables Limited was Awarded Top 100 SME' Award among 68000 SME's. Mr. Mohan Das Gurnani, Chairman of the Company on behalf of the company received this Award by Hon'ble speaker Smt. Sumitra Mahajan and Hon'ble Minister of SME Mr. Kalraj Mishra.

NOTICE

Notice is hereby given that the 7th Annual General Meeting of Veto Switchgears And Cables Limited will be held on Wednesday, August 27, 2014 at China 1, G-05, Morya Landmark, Plot B-25, off New link Road, Andheri West, Mumbai at 12:00 PM to transact following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2014 and Profit & Loss Account for the year ended on that date along with the Reports of Auditors and Director's thereon.
2. To retire Mr. Mohan das Gurnani as director who retires by rotation and does not offers himself for re-appointment.
3. To re-appoint Mr. Dinesh Kumar Gurnani as whole-time director who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Auditor and to fix their remuneration.

SPECIAL BUSINESS

1. To shift registered office of the Company outside the limits of the city but within the limits of state and concerned registrar of Companies, to Gala No.2 Sanskruti Building, Sagar Signature Complex, Waliv Phata, Waliv, Vasai (East).Thane (Maharashtra), subject to approval of shareholders.
2. To appoint Mr. Akshay Kumar Gurnani as Managing Director of the Company in place of Mr. Vishnu Kumar Gurnani, subject to approval of shareholders on a monthly remuneration of Rs. 100, 000/- (Rupees One Lakh only).
"RESOLVED THAT pursuant to provisions of Section 196 and any other applicable provision of Companies Act, 2013 and rules thereunder and the Articles of Association of the Company, Mr. Akshay Kumar Gurnani, whose appointment has been approved by the Board of Directors in their meeting held on May 30, 2014 be and is hereby appointed as a Managing Director of the Company, liable to retire by rotation."
3. To appoint Ms. Jyoti Gurnani as Director of the Company pursuant to provisions of Section 149 of the Companies Act, 2013.
"RESOLVED THAT pursuant to provisions of Section 149 of the Companies Act, 2013 regarding appointment of at least one woman director in the Board of a listed Company. The Company upon its General Meeting appointed Ms. Jyoti Gurnani as Director of the Company, being eligible to retire by rotation."
4. To re-appoint Mr. Govind Ram Thawani, independent director of the Company for a period of five years in pursuance of Section 149(10) of The Companies Act, 2013.
"RESOLVED THAT pursuant to sub-section 10 of Section 149 of the Companies Act, 2013 and rules thereunder, the Independent Directors of the Company, Mr. Govind Ram Thawani is being re-appointed as Independent Director for a term of five years, being eligible to retire by rotation."
5. To re-appoint Mr. Mohan Sukhani, independent director of the Company for a period of five years in pursuance of Section 149(10) of The Companies Act, 2013.
"RESOLVED THAT pursuant to sub-section 10 of Section 149 of the Companies Act, 2013 and rules thereunder, the Independent Directors of the Company, Mr. Mohan Sukhani is being re-appointed as Independent Director for a term of five years, being eligible to retire by rotation."



6. To re-appoint Mr. Murali Dhar Kaurani, independent director of the Company for a period of five years in pursuance of Section 149(10) of The Companies Act, 2013.

"RESOLVED THAT pursuant to sub-section 10 of Section 149 of the Companies Act, 2013 and rules thereunder, the Independent Directors of the Company, Mr. Murali Dhar Kaurani is being re-appointed as Independent Director for a term of five years, being eligible to retire by rotation."

Regd. Office:

D-2, First Floor, Malad Industrial Estate,
Ramchandra Lane Extn. Kanchpada,
Malad (West), Mumbai 400064.

By order of the Board

for VETO SWITCHGEARS AND CABLES LIMITED

Date: 04/08/2014


(MOAHN DAS GURNANI)
DIRECTOR
01831741


(DINESH GURNANI)
WHOLE TIME DIRECTOR
00218635

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED TO BE A MEMBER OF THE COMPANY. A BLANK FORM IS ENCLOSED HERewith AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF THE 7TH ANNUAL GENERAL MEETING.
2. The Share Transfer Books and Register of Members of the Company will remain closed on June 13, 2014.
3. Members holding shares in dematerialized form are requested to notify to their Depositor Participants:
 - Their email id.
 - All changes with respect to their address, email id, ECS mandate and bank details.
4. The Shareholder's /Proxies are requested to produce at the registration counter(s) the attached attendance slip, duly completed and signed, for admission to the meeting hall
5. In case you have any query related to the enclosed Annual Accounts you are requested to send the same to the Company Secretary at the registered office of the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
6. Being part of Go Green Initiative, copies of Annual Report will be sent to the email id of the members, registered with the RTA. Members desirous of having the annual report in physical copy may obtain the same by making a request to the Company Secretary of the Company.
7. All documents referred to in the accompanying notice and Register of Directors Shareholding are open for inspection at the registered office of the Company on all working days between 11:00 AM to 1:00 PM upto the date of Annual General Meeting. Register of Directors Shareholding shall also be open for inspection upto 3 days after Annual General Meeting.
8. The Register of Directors shareholding will be available for inspection at the meeting.
9. The Draft of Managing Director's Agreement will be kept for inspection along with Notice and Director's Report on the date of Annual General Meeting.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

ITEM NO. 1 SHIFTING OF REGISTERED OFFICE

Owing to administrative reasons, registered office of the Company has to be shifted from D-2 First Floor, Malad Industrial estate, Ramchandra Lane extension, Kachpada, Malad (West), Mumbai-400 064 to Gala No.2 Sanskruti Building, Sagar Signature Complex, Waliv Phata, Waliv, Vasai (East).Thane (Maharashtra). The proposed new address is outside the local limits of the city where the current registered office is situated and is in another district but within the state of Maharashtra. However the shifting of the office does not amount to change in the jurisdiction of the Registrar of Companies. Accordingly the permission of Shareholders is sought by way of special resolution. The said change would be effective from the date of Annual General Meeting and none of the Directors/KMP/relatives are interested.

PROFILE OF DIRECTORS BEING APPOINTED/REAPPOINTED

ITEM NO. 2 Mr. Akshay Kumar Gurnani

| | |
|-------------------------|---|
| Designation | Managing Director |
| Age | 21 Years |
| Qualification | 1. B.com, Rajasthan University 2. International Hotel Management, Les roches, Switzerland 3. MBA & M.Com (Pursuing) |
| Other Directorships | - |
| Membership of Committee | - |

ITEM NO. 3 Ms. Jyoti Gurnani

| | |
|-------------------------|-----------------------------|
| Designation | Director |
| Age | 24 Years |
| Qualification | B.com, Rajasthan University |
| Other Directorships | - |
| Membership of Committee | - |

ITEM NO. 4 Mr. Govind Ram Thawani

Mr. Govind Ram Thawani is Non- Executive Independent Director of our Company. He is an Arts Graduate and is a managerial level retired government employee. He is over 36 years of experience in the field of marketing and finance.

ITEM NO. 5 Mr. Mohan Sukhani

Mr. Mohan Sukhani is Non- Executive Independent Director of our Company. He is a Science Graduate and has over 31 years of experience in the field of textile and hotel business.

ITEM NO. 6 Mr. Murlidhar Kaurani

Mr. Murlidhar Kaurani is Non- Executive Independent Director of our Company. He is a retired IAS officer and has over 36 years of experience and has been an active bureaucrat in Government of India. Being an active officer of the Indian Administrative Services, he has a good administrative power and his experience thus can act as a guiding role for growth of our organization.


Regd. Office:

D-2, First Floor, Malad Industrial Estate,
Ramchandra Lane Extn. Kanchpada,
Malad (West), Mumbai 400064.

By order of the Board

for VETO SWITCHGEARS AND CABLES LIMITED


(MOAHN DAS GURNANI)
DIRECTOR
01831741


(DINESH GURNANI)
WHOLE TIME DIRECTOR
00218635

VETO SWITCHGEARS AND CABLES LIMITED

D-2, 1ST FLOOR, MALAD IND. ESTATE, RAMCHANDRA LANE EXTENSION, KACHPADA, MALAD (WEST), MUMBAI

ATTENDANCE SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

DPID Id : _____

Client Id : _____

No. of Shares : _____

Name(s) and address of the shareholder in full

I/we hereby record my/our presence at the seventh annual general meeting of the Company being held on Wednesday, August 27, 2014 at 12:00 PM at **China 1**, G-05, Morya Landmark 1, Plot B-25, Off New Link Road, Andheri West, Mumbai.

Please (9) in the box

☐ Member ☐ Proxy

Signature of Shareholder/Proxy



VETO SWITCHGEARS AND CABLES LIMITEDD-2, 1ST FLOOR, MALAD IND. ESTATE, RAMCHANDRA LANE EXTENSION, KACHPADA, MALAD (WEST), MUMBAI**PROXY FORM**Affix a 1
Rupee
Revenue
Stamp

DPID Id : _____

Client Id : _____

No. of Shares : _____

I/We [Name(s) and address of the shareholder in full]

being shareholder of Veto Switchgears And Cables Limited, hereby appoint _____ of _____ in the district of _____ or failing him/her _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the seventh annual general meeting of the Company scheduled to be held on Wednesday August 27, 2014 at 12:00 PM at China 1, G-05, Morya Landmark 1, Plot B-25, Off New Link Road, Andheri West, Mumbai or/and at any adjournment thereof.

I/we direct my/our Proxy to vote on the resolution(s) in the manner as indicated below:

| Resolutions | For | Against |
|--|-----|---------|
| Adoption of Annual Accounts and reports | | |
| Reappointment of Mr. Mohan Das Gurnani | | |
| Reappointment of Mr. Dinesh Gurnani | | |
| Reappointment of Auditors | | |
| Shifting of Registered Office | | |
| Appointment of Akshay Kumar Gurnani | | |
| Appointment of Ms. Jyoti Gurnani | | |
| Reappointment of Mr. Govind Ram Thawani | | |
| Reappointment of Mr. Mohan Sukhani | | |
| Reappointment of Mr. Murali Dhar Kaurani | | |

Dated: _____

Signature of the Shareholder

Note: The Proxy form duly completed and signed should be deposited at the corporate Office of the Company situated at 230 Sindhi Colony, Raja Park, Jaipur-302004, Rajasthan not later than 48 hours before the commencement of the Annual General Meeting.



AN ISO 9001-2008 CERTIFIED COMPANY

Veto®

SINCE 1967

ELECTRICAL ACCESSORIES

**INNOVATION
SUCCESS
EVALUATION
DEVELOPMENT
GROWTH
SOLUTION
PROGRESS
MARKETING**

VETO SWITCHGEARS AND CABLES LTD.

Regd. Office: D-2, First Floor, Malad Industrial Estate, Ramchandra Lane extn. Kanchpada, Malad (west) Mumbai-400064
 Corp. Office: 230, SINDHI COLONY, RAJA PARK, JAIPUR-302004
 Branch Office: (Delhi) FF-CS 09 First Floor, Ansal Plaza, Opp. Dabur, Vaishali, Ghaziabad (U.P.)
 (Gujrat) A-7, Shree Kuber Ji, Textile Park, Opp. Liner Bus Stand Behind Belgium Tower, Ring Road, Surat - 395002
 Plot no. 65-67, 74-77, Sector-5, IIE, SIDCUL, Ranupur, Haridwar-249403 (Uttarakhand)
 Factory: Gala No.2 Sanskruti Building, Sagar Signature Complex, Waliv Phata, Waliv, Vasai (East), Thane Maharashtra.
 Email: Info@vetoswitchgears.com
 Website: www.switchgears.com/www.vetoswitchgears.in