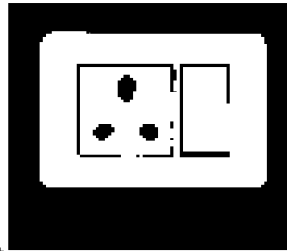


AN ISO 9001-2008 CERTIFIED COMPANY

**V Veto**®

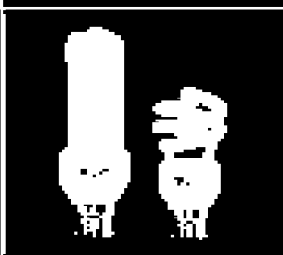
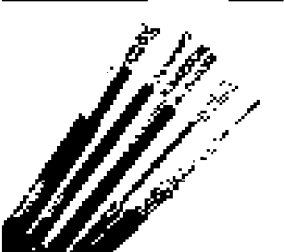
SINCE 1967  
ELECTRICAL ACCESSORIES

# VETO SWITCHGEARS AND CABLES LTD.



**ANNUAL REPORT**

**2012-13**



**ELECTRICAL ACCESSORIES**

**WIRES AND CABLES**

**CFL**

**FANS**





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## Corporate Information



**MOHAN DAS GURNANI**  
Chairman



**VISHNU KUMAR GURNANI**  
Managing Director & CEO



**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**

**VANDANA RAVI**  
(B.Com, CS, LLB)

**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](http://www.vetoswitchgears.com)**





# CHAIRMAN'S MESSAGE

Dear Shareowners,

Greetings from VETO!

I am delighted to once again be a bearer of good news and report another year of good performance at your company. Your Company has come up with an IPO on December 13, 2012. The Issue has been graded by CRISIL and has assigned CRISIL SME fundamental grade of 'SME 4/5' (pronounced SME four on five), which indicates 'Highest Performance Capability and High Financial Strength'.

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- Any increase in Indian interest 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 Exchange(s);
- Changes in India's tax, trade, fiscal or monetary policies;
- Prevailing regional or global economic conditions, including in India's principal export markets; and



MOHAN DAS GURNANI  
Chairman

- Other significant regulatory or economic developments in or affecting India or the industries in which we operate.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business and financial performance and the price of the Equity Shares. Despite of such uncontrollable problems we have been awarded by Quality Brand India 2013-15 and Rashtriya Udyog Ratna Award by National Organisation for Commerce and Industry. On April 18, 2013 India SME Forum felicitated our Organisation at India SME 100 Awards

which was presented by THE BANK OF INDIA & supported by the Union Ministry of the Small and Medium Enterprises.





Our people strategy has always been to recruit and retain people with leadership qualities. We invest in our people and believe they are one of the major reasons for our success. We believe that growth of our people precedes the growth of the company. We promote leadership within our ranks by offering people greater responsibility with the freedom to perform to their best. Our people policy has always been fair and we operate in an atmosphere where talent is respected and achievement rewarded. We look at the future with optimism. On reflection, the one thing that is clear is that the wondrous rise and the outstanding achievements would not have been possible without your understanding, encouragement and continuing support. It has given your company stability, sense of direction and shared vision of the future. We believe in building

relationships through trust and faith in a manner which is totally transparent. Our ethics and code of behavior are not negotiable; we respect the rights and dignity of the human being and believe in every individual's limitless ability to excel. These are values which have endured since the company was founded. I would like to thank our people, across the world, who have helped us grow in a virtuous fashion. My sincere thanks to the Board, whose sagacious advice has kept us on the path of progress, and lastly, our trade associates, who have made everything possible by their dedication and commitment.

Thanking you,

Yours truly  
Mohan Das Gurnani  
Chairman





# DIRECTOR'S REPORT

**Dear Shareowners,**

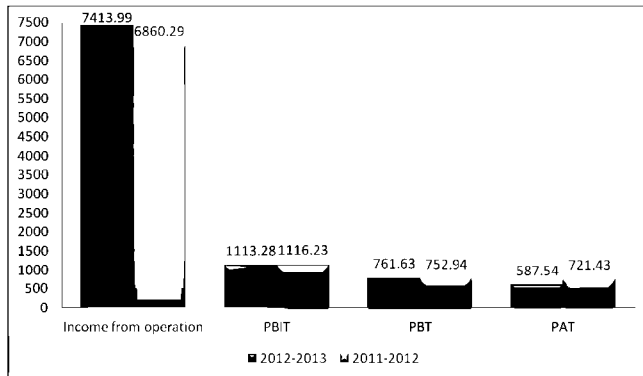
Your Director's have great pleasure in presenting you the 6<sup>th</sup> Annual Report of the Company together with the Audited Accounts for the financial period from April 1, 2012 to March 31, 2013.

## 1. Financial Results

(Rs. in Lacs)

Particulars	Consolidated		Standalone	
	2012-2013	2011 - 12	2012-2013	2011 - 12
<b>Income from operation</b>	<b>7413.99</b>	<b>6860.29</b>	<b>7413.99</b>	<b>6860.29</b>
Profit before Interest/ Depreciation/ Tax (PBDIT)	1113.28	1116.23	1113.37	1117.21
Less: Interest & Financial Charges	245.17	257.64	245.17	257.64
Less: Depreciation	106.48	105.65	106.48	105.65
<b>Profit Before Tax (PBT)</b>	<b>761.63</b>	<b>752.94</b>	<b>761.72</b>	<b>753.92</b>
Less: Provision for Taxation	174.09	31.52	174.09	31.52
-Current	-	-	-	-
-Deferred	-	-	-	-
<b>Profit after Taxation (PAT)</b>	<b>587.54</b>	<b>721.43</b>	<b>587.64</b>	<b>722.41</b>
<b>Balance Carried Forward</b>	<b>587.55</b>	<b>721.59</b>	<b>587.64</b>	<b>722.41</b>

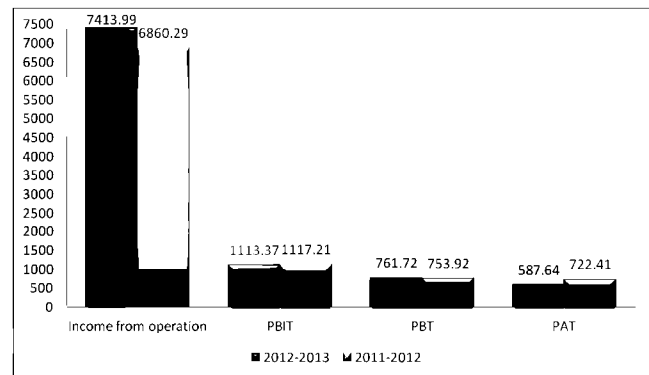
### Consolidated Financial Results for the year ending 2012 and 2013 :-



During the year under review on consolidated basis our Company earned an income of Rs. 761.63 Lacs against Rs. 752.94 Lacs in the previous year. The Company earned profit after tax of Rs.587.54 Lacs as compare to Rs. 721.43 Lacs in the previous year. PAT reduced due to increase in the tax liability after the completion of first 5 years in which the Company was enjoying 100% tax benefits, now it is 30%. The Company had Income from operation of Rs. 7413.99 Lacs as compared to Rs. 6860.29 Lacs in previous year. The Profit before Interest/Depreciation/Tax

(PBIT) was Rs. 1113.28 Lacs as compared to Rs. 1116.23 Lacs in previous year.

### Standalone Financial Results for the year ending 2012 and 2013:-



During the year under review on standalone basis our Company earned an income of Rs. 761.72 Lacs against Rs. 753.92 Lacs in the previous year. The Company earned profit after tax of Rs.587.64 Lacs as compare to Rs. 722.41 Lacs in the previous year. PAT reduced due to the increase of the tax liability after the completion of first 5 years in which the Company was enjoying 100% tax benefits, now it is 30%. The Company had Income from operation of Rs. 7413.99 Lacs as compared to Rs. 6860.29 Lacs in previous year. The Profit before Interest/ Depreciation/Tax (PBIT) was Rs. 1113.37 Lacs as compared to Rs. 1117.21 Lacs in previous year.

## 2. Dividend

The Board of Directors has decided not to recommend any dividend for the year ended on 31<sup>st</sup> March, 2013.

## 3. Business Operations

Your 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 and other electrical accessories. Your 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**

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

Product category	Existing	Proposed
Copper	451.57 MT	525 MT
PVC Resin	553.61 MT	600 MT
Polycarbonate Powder	24 MT	30 MT

**ii. Infrastructure facilities**

➤ **Power**

Presently, we have 400 KVA of power supply sanctioned by Uttarakhand Power Corporation Limited, of which we utilize approximately 300 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 1,000 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 5,000 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 2,000 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	56
Office staff	50
Skilled workers	52
Unskilled workers	318
<b>Total</b>	<b>482</b>

We propose to add approximately 25 Skilled and 75 Unskilled workers after our proposed modernization at our Haridwar facility.

➤ **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 2012-13	FY 2013-14	FY 2012-13
<b>Wires &amp; Cables</b>			
Installed Capacity	14.08 lacs bundles	14.08 lacs bundles	14.08 lacs bundles
Capacity Utilization (in %)	39.06	42.61	40.48
Production	5.50 lacs bundles	6.00 lacs bundles	5.70 lacs bundles
<b>Electrical Accessories</b>			
Installed Capacity	380 lacs pieces	380 lacs pieces	380 lacs pieces
Capacity Utilization (in %)	25.26	36.84	31.47
Production	96.00 lacs pieces	140.00 lacs pieces	119.60 lacs 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

Your 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
	<b>Total</b>	<b>2550.00</b>

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 in **Annexure I** of this report.

#### 5. Depository System

Your 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

Your Company has been awarded for Quality Brands India 2013-15, on 28.03.2013. Further, Mr. Vishnu Kumar Gurnani, Managing Director of the Company has been awarded with Rashtriya Udyog Ratna Award on 28.03.2013.



On April 18, 2013 India SME Forum felicitated our Organisation at India SME 100 Awards which was presented by Hon'ble CMD of THE BANK OF INDIA & supported by the Union Ministry of the Small and Medium Enterprises. Your Organisation have passed all the stringent evaluation processes & criteria laid down by the Jury Board of the India SME 100 Awards and has emerged WINNER as one of the top 100 SME's of INDIA amongst an overwhelming 42,623 nominations being filed by SMEs for the honor of being one of the top 100 SMEs in India.



#### 7. Change in directorship during the year

During the financial year 2012-13, Mr. Narayan Das Gurnani was ceased to be director of the Company on and from August 4, 2012. Apart from that there were certain appointments in capacity of directors as managing director, whole-time director and independent director. The detail has been given below:





Sr. No.	Name Of Director	Designation	Date of Appointment	Date of Cessation
1	Mr. Narayan Das Gurnani	Director	20/06/2007	04/08/2012
2	Mr. Mohan Das Gurnani	Chairman Non-Executive Director	22/08/2012	NA
3	Mr. Vishnu Kumar Gurnani	Executive Managing Director	01/05/2012	NA
4	Mr. Dinesh Gurnani	Executive Whole-time Director	22/08/2012	NA
5	Mr. Murali dhar Kaurani	Non-executive Independent Director	31/08/2012	NA
6	Mr. Mohan Sukhani	Non-executive Independent Director	31/08/2012	NA
7	Mr. Govind Ram Thavani	Non-executive Independent Director	31/08/2012	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 2013-14.

The Company has received a letter from Statutory Auditors to the effect that their re-appointment, if made would have been within the prescribed limits under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

Our comments on financial statements referred to in the Auditor's Reports under Section 217(3) of the Companies Act, 1956 are given below:

- 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.
- 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 Companies Act, 1956, the cost accounts of the Company were audited by Rajesh & Company, Cost Accountants for conducting cost audit for the financial year 2013-14.

## 10. Subsidiary Company

During the year under review, Veto Electricals Private Limited, Veto Lightings Private Limited and Vankon Switchgears And Cables Private Limited were the subsidiaries of the Company. On October 20, 2012 there was change in shareholding of Vankon Switchgears and Cables Private Limited and Veto Lightings Private Limited due to further allotment of shares. This has reduced the shareholding of Veto Switchgears and Cables Limited in these two Companies. The details with respect to subsidiary Company as on March 31, 2013 has been discussed in **Annexure II.**

## 11. Deposits

The Company has not accepted any deposits from the public.

## 12. Investments

Your Company has total fixed deposit of Rs. 7.72 Crores with Indian Overseas Bank, M.I. road branch, Jaipur.

## 13. 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.





Your 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. Your 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.

Your 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. Your 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 308618.62 and imported electrical accessories amounting USD 27145.14. Hence net foreign exchange inflow is USD 281473.48.

## **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 a 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.





#### **14. 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:

- i. In the preparation of annual accounts, the applicable accounting standards have been followed.
- ii. The Director's 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 on 31<sup>st</sup> March, 2013.
- iii. The Directors have 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 and other irregularities.
- iv. The Directors have prepared the annual accounts on a going concern basis.

#### **15. Credit Rating**

Your Company has been awarded NSIC-CRISIL SE 1A rating by CRISIL. This rating indicates 'Highest Performance Capability and High Financial Strength'.

#### **16. IPO Grading**

CRISIL has been appointed for grading of the Issue. CRISIL has assigned a CRISIL SME fundamental grade of "SME 4/5" (SME Four on Five) to the proposed IPO of our Company. The grade indicates that the fundamentals of the Company are superior compared to other SMEs in India.

The grading takes into account experienced promoter and management team, company's long and good operational track record, established and long standing relation with dealers spread across Rajasthan, stable income growth, relatively stable margins and good

return on net worth.

The grading assigned is constrained by scale of operations, limited product offerings as compare to big players in the industry and working capital intensive nature of operation owing to high inventory days.

#### **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 Clause 52 (VI) of SME Equity Listing Agreement. The report on Corporate Governance as stipulated under Clause 52 of the SME Equity Listing Agreement has been included in **Annexure III** 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.

## **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 9.2% in fiscal 2008, 6.8% in fiscal 2009, an estimated 8.0% in fiscal 2010 and an estimated 8.5% in fiscal 2011.

According to the CIA Factbook, India's economy was the third fastest growing economy, among

the largest fifty economies in the world in terms of GDP on a purchasing power parity basis, after China and Argentina in Calendar 2011. In its Third Quarter Review of Monetary Policy 2011-12, the RBI expects baseline GDP growth of around 7.0% for fiscal 2012, revised downwards from 8.0% as of the forecast for the previous quarter.

### **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 are as under:

` in Lacs

Particulars	As of March 31, 2013	As of March 31, 2012
Guarantee given by banks on behalf of the Company	17.00	4.50
Estimated amount of contracts remaining to be executed on capital account	-	5.25
<b>Total</b>	<b>17.00</b>	<b>9.75</b>

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.

### 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, 2013, 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, 2013 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 and other irregularities; and
- iv. the Directors had prepared the annual accounts for financial year ended March 31, 2013 on a 'going concern' basis.

**Date: 29.5.2013 For and on behalf of the Board**

**Place: Jaipur**

**Managing Director**

**Director**

## General Shareholders Information

### 1. Annual General Meeting

Date	Day	Time	Venue
28/08/2013	Wednesday	1:30 P.M.	China 1 G-05, Morya Landmark 1, Plot B-25, Off New Link Road, Andheri West, Mumbai, MH 022 4272 3333, 022 4272 3301, 9324022462

### 2. Book Closure

The Book Closure date will be August 6, 2013 for the purpose of Annual General Meeting.

### 3. Financial calendar for the year 2013-2014

Financial reporting for the half year ending (tentative calendar)

Half Yearly	Time Period
April 1, 2013 – September 30, 2013	October 30, 2013
October 1, 2013 – March 31, 2014	May 15, 2014

### 4. Registered Office

The Registered Office of the Company is situated at:

#### Veto Switchgears And Cables Limited

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

Tel: +91 22 2880 7704;

Fax: +91 22 2888 4104

### 5. Listing on Stock Exchange and Stock Code

Name	Symbol
The National Stock Exchange of India Limited	VETO

ISIN Demat number	INE918N01018
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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

## 7. Stock Market Data

Month	High (Rs.)	Low (Rs.)	Volume Traded (Quantity)	Sensex (closing)
December, 2012	58.00	50.10	3153000	50.15
January, 2013	52.50	50.15	837000	50.25
February, 2013	51.10	50.25	351000	51.00
March, 2013	51.50	50.25	354000	50.30

Source: NSE, Sensex

## 8. Distribution of Shareholding as on March 31, 2013 :

Sr. No.	Category of Shareholder	Total Holders	% of Total Holders	No. of shares	% of shareholding
1	Promoter and Promoter Group	9	3.45	1166000	69.98
	Individuals	8	-	2281882	13.70
	Bodies Corporate	1	-	9378118	56.28
2	Public	252	96.55	5001000	30.02
	Total	261	100	16661000	100

## 9. Share Holding pattern

S.NO.	Name	Shares	Percentage of shareholding
<b>I</b>	<b>Promoter Group</b>		
<b>A</b>	<b>Individual</b>	<b>2281882</b>	<b>13.69</b>
1	Mukesh Gurnani	6000	0.04
2	Pushpa Devi Gurnani & Akshay Gurnani	2000	0.01
3	Narayan Das Gurnani	12000	0.07
4	Kishore Kumar Gurnani	399922	2.40
5	Rohit Gurnani	99980	0.60
6	Kanishka Gurnani	99980	0.60
7	Harish Kumar Gurnani	666666	4.00
8	Akshay Gurnani	995334	5.97
<b>B</b>	<b>Body Corporate</b>	<b>9378118</b>	<b>56.29</b>
1	Veto Electropowers (India) Private Limited	9378118	56.29
<b>II</b>	<b>Public</b>	<b>5001000</b>	<b>30.02</b>
	<b>TOTAL</b>	<b>16661000</b>	<b>100.00</b>

No Shares were allotted to non-executive Directors of the Company.

## 10. Dematerialization of Shares

As on 31<sup>st</sup> March 2013, 16661000 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 CORESSPONDENCE:

- Any query on Annual Report or Investors' Grievance Redressal:

E-mail: [cfo@vetoswitchgears.com](mailto:cfo@vetoswitchgears.com),

[cs.vandana@vetoswitchgears.com](mailto:cs.vandana@vetoswitchgears.com)

Phone: 0141-4100407, 4100403

- 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: 29.5.2013 For and on behalf of the Board

Place: Jaipur

Managing Director

Director





# Annexure I

## 1. Deployment of IPO funds

Your Company has deployed an amount of Rs. 111.11 Lacs out of Rs. 470 Lacs as for modernization of existing facility. The amount was spent on plant & machinery, dies and other service utilities, other miscellaneous fixed assets and Contingency @ approx. 4.50%. Total amount incurred on fulfilling working capital requirements is Rs. 1580 Lacs. Rs. 200 Lacs were planned to be utilize for enhancement of

Company's brand through advertising and other Brand Building activities, out of which 25.57 Lacs were utilized till date and remaining amount of Rs. 174.43 will be utilized in future. For general corporate purposes Rs. 100 Lacs were to be incurred, which has the same amount in its account as there were no expenses incurred in this project. Rs. 200 Lacs were to be utilized to meet issue expenses, which has been fully utilized till date.

Sl. No.	Particulars	Amount (in Lacs)	Amount (in Lacs) Used till 31/03/2013	Amount (in Lacs) to be used in future
A	<b>Modernisation of existing facility at Haridwar</b>			
	Building & other civil work	100.00	-	100.00
	Plant & Machinery, Dies and other service utilities	300.00	111.11	188.89
	Other miscellaneous fixed assests	50.00	-	50.00
	Contingency @ approx. 4.50%	20.00	-	20.00
	<b>Total of A</b>	<b>470.00</b>	<b>111.11</b>	<b>386.03</b>
B	<b>Working capital requirement</b>	<b>1580.00</b>	<b>1580.00*</b>	-
C	<b>Brand through advertising and other Brand Building activities</b>	<b>200.00</b>	<b>25.57</b>	<b>174.43</b>
D	<b>General Corporate purposes</b>	<b>100.00</b>	-	<b>100.00</b>
E	<b>To meet the issue expenses</b>	<b>200.00</b>	<b>200.00</b>	-
	<b>Grand Total</b>	<b>2550.00</b>	<b>1889.54</b>	<b>660.46</b>

\*Working Capital limit amounting Rs. 1580.00 Lac reduced.

\*Unutilised amount of Rs. **660.46** Lacs parked in FDR with Indian Overseas Bank, M.I. road branch, Jaipur.

Based on market researches your Company has launched new range of products in last year which includes CFL and fans amongst others and

the Company is hopeful of increasing the revenue and consequently the earning for the shareholders, thereon.

## 2. Explanation under Clause 45 (c)

Your Company had estimated IPO Proceeds of Rs. 2500.50 Lacs. The Company was intended to utilize the proceeds as under:





Sl. No.	Particulars	Amount (in Lacs)	Amount (in Lacs) Used till date .	Amount (in Lacs) to be used in future
A	<b>Modernisation of existiu g facility at Haridwar</b>			
	Building & other civil work	100.00	-	100.00
	Plant & Machinery, Dies and other service utilities	300.00	111.11	188.89
	Other miscellaneous fixed assests	50.00	-	50.00
	Contingency @ approx. 4.50%	20.00	-	20.00
	<b>Total of A</b>	<b>470.00</b>	<b>83.97</b>	<b>386.03</b>
B	<b>Working capital requirement</b>	<b>1580.00</b>	<b>1580.00*</b>	-
C	<b>Brand through advertising and other Brand Building activities</b>	<b>200.00</b>	<b>25.57</b>	<b>174.43</b>
D	<b>General Corporate purposes</b>	<b>51.50</b>	-	<b>51.50</b>
E	<b>To meet the issue expenses</b>	<b>200.00</b>	<b>200.00</b>	-
	<b>Grand Total</b>	<b>2500.50</b>	<b>1889.54</b>	<b>610.96</b>

\*Working Capital limit amounting Rs. 1580.00 Lac reduced.

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 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.





# Annexure II

## 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 Ltd. is of 90% i.e., 90,000 equity.]

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

For the year ended March 31, 2013.

(Rs. in Lacs)

Particulars	As on March 31, 2013	As on March 31, 2012
Capital	10.00	10,00,000
Reserves	0	0
Total Assets	180.13	180.15
Total Liabilities	170.13	170.15
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 III

## 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 Listing Agreement including Clause 52 of the SME Listing Agreement and other requirements under the SME 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 6 Directors of which 3 are independent Directors (as defined under Clause 52), which constitutes 50% of the Board of Directors. This is in compliance with the requirements of Clause 52. Ms. Vandana Ravi, Comp. office & CS of Co. 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 six Directors on the Board.

The following table sets forth details regarding the Board of Directors as on the March 31, 2013:

#### 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	Number of other Committees in which directorship held.
1.	Mohan Das Gurnani	Non-Executive Chairman (Promoter Director)	05	1	-	17





2.	Vishnu Kumar Gurnani	Managing Director (Promoter Director)	23	1	-	22
3.	Dinesh Gurnani	Whole - Time Director	23	1	-	17
4.	Murali dhar Kaurani	Non-Executive Independent Director	04	1	-	00
5.	Mohan Sukhani	Non-Executive Independent Director	02	2	-	13
6.	Govind Ram Thawani	Non-Executive Independent Director	08	3	03	01

**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. Mohan Das Gurnani	Chairman	22/08/2012	NA
2	Mr. Vishnu Kumar Gurnani	Executive Managing Director	01/05/2012	NA
3	Mr. Dinesh Gurnani	Executive Whole-time Director	22/08/2012	NA
4	Mr. Murali dhar Kaurani	Non-Executive Director	31/08/2012	NA
5	Mr. Mohan Sukhani	Non-Executive Director	31/08/2012	NA
6	Mr. Govind Ram Thavani	Non-Executive Director	31/08/2012	NA

**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 2, 2012
2	April 19, 2012
3	April 23, 2012
4	April 30, 2012
5	May 11, 2012
6	June 4, 2012
7	June 15, 2012
8	July 25, 2012
9	July 27, 2012
10	July 30, 2012

11	August 4, 2012
12	August 21, 2012
13	August 22, 2012
14	September 2, 2012
15	September 11, 2012
16	October 15, 2012
17	October 17, 2012
18	November 20, 2012
19	December 6, 2012
20	December 7, 2012
21	December 11, 2012
22	February 6, 2013
23	March 30, 2013





## 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
August 21, 2012	02
September 26, 2012	02
March 28, 2013	02

### 3. Remuneration Committee

The Remuneration 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. Murlidhar Kaurani
3. Mr. Mohan Sukhani

The role of the 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% increment including 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	NIL	NIL
2	Vishnu Kumar Gurnani	12	NIL
3	Dinesh Gurnani	4.2	NIL
4	Murali dhar Kaurani	NIL	0.05
5	Mohan Sukhani	NIL	0.05
6	Govind Ram Thawani	NIL	0.10

### 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. Vishnu Kumar Gurnani
3. Mr. Mohan Das Gurnani

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

Date	No. of members present
March 28, 2013	02

### 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	04	Time taken to resolve shareholder's complaint is 20-25 days from the date of receipt.
Complaints not solved to the satisfaction of shareholders	0	
Complaints pending	0	

## 5. 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 31, 2012	Mumbai, 11 A.M.	NA	NA	NA
2	September 29, 2011	Mumbai, 10 A.M.	NA	NA	NA
3	September 30, 2010	Mumbai, 10 A.M.	NA	NA	NA

## 6. Disclosure:

### a. Relationship between Directors:

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

## 7. Name and Address of Designated Stock Exchange:

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

## 8. 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](http://www.vetoswitchgears.com) and also at the website of The National Stock Exchange of India Limited.

## 9. 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.

## 10. 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 if forming part of the Corporate Governance Report.





## Affirmation by CEO

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 Vishnu Kumar Gurnani, Managing Director 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 31<sup>st</sup> March, 2013.

**Vishnu Kumar Gurnani**  
Managing Director

Place : Mumbai  
Date : March 31, 2013

---

**NISHA AGARWAL**  
Company Secretary

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

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### **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, 2013 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 20, 2013, Jaipur





## INDEPENDENT AUDITOR'S REPORT

To,

The Members,

Veto Switchgears and Cables Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Veto Switchgears and Cables Limited, ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013 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 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"). 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 31<sup>st</sup> March, 2013;
- (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") 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 31<sup>st</sup> March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956;

For Singrodia Goyal & Co.  
Chartered Accountants  
Firm Reg No: 112081W

  
Suresh Murarka

Place : Mumbai

Partner

Date : 29<sup>th</sup> May, 2013

Mem. No. 44739





## 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, 2013.

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 two 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.175.10 lakhs and the year-end balance was Rs.175.10 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 three parties covered in the register maintained





- under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs.46.93 lakhs and the year-end balance was Rs.Nil.
- (vii) The Company does not have a formal internal audit system. However, according to the information and explanations given to us, operating control systems are commensurate with the size of the Company and nature of its business.
- e) The above loans are interest free other terms and conditions on which the loans have been taken are prima facie, not prejudicial to the interest of the Company. (viii) As per explanation & information given to us, the Company has maintained the cost record 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.
- 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 connect major weakness in internal control system during the year. (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, 2013 for a period more than six months from the date they became payable.
- (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) There are no amount in respect of any disputed sales tax, income tax, wealth tax, service tax, custom duty, excise duty and cess.
- 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. (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
- (vi) The Company has not accepted any deposits from the public.





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 not obtained any term loans during the year under report.
- (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 investments.
- (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 end use of money raised by public issue during the year has been disclosed in the notes to its financial statements and the same is 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 Singrodia Goyal & Co.  
Chartered Accountants  
Firm Reg No: 112081W

  
Suresh Murarka

Place : Mumbai

Partner

Date : 29th May, 2013

Mem. No. 44739





## Veto Switchgears & Cables Limited

### Balance Sheet as at 31st March 2013

Particulars	Notes	(Rs. in Lacs)	
		As at 31st March 2013	As at 31st March 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	1,666.10	538.21
Reserves & surplus	3	4,278.56	2,171.94
		5,944.66	2,710.15
<b>Non-current liabilities</b>			
Long-term borrowings	4	63.46	70.61
Deferred tax liabilities (Net)	5	16.66	18.68
Long-term provisions	6	1.94	-
		82.06	89.29
<b>Current liabilities</b>			
Short-term borrowings	7	362.79	1,869.67
Trade payables	8	748.48	548.78
Other current liabilities	9	201.88	404.57
Short-term provisions	10	-	12.00
		1,313.15	2,835.02
<b>Total</b>		7,339.87	5,634.46
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
<b>Tangible assets</b>			
Tangible assets	11	797.23	770.72
Intangible assets		0.79	0.46
Non-current Investments	12	10.49	10.49
Long-term loans and advances	13	289.48	247.75
Other non-current assets	14	306.94	335.08
		1,406.93	1,364.50
<b>Current assets</b>			
Current Investments	15	0.35	0.35
Inventories	16	2,434.48	1,787.24
Trade receivables	17	2,014.48	2,039.59
Cash and bank balances	18	912.97	204.68
Short-term loans and advances	19	570.66	238.10
		5,932.94	4,269.96
<b>Total</b>		7,339.87	5,634.46

See Accompanying notes to the financial statements 1 to 41

As per our report of even date attached

For Singrodia Goyal & Co.  
Chartered Accountants

  
**Suresh Murarka**  
Partner  
Mem. No. 44739

Place: Mumbai  
Date : 29th May 2013

For and on behalf of the Board

 Director  
 Director  
 Company Secretary

Place: Jaipur  
Date : 29th May 2013

### Statement of Profit and Loss for the year ending 31<sup>st</sup> March, 2013 (Rs. in Lacs)

Particulars	Notes	(Rs. in Lacs)	
		Year ended 31st March 2013	Year ended 31st March 2012
<b>INCOME</b>			
Revenue from operations	20	7,413.99	6,860.29
Other income	21	27.80	9.53
<b>Total Revenue</b>		7,441.79	6,869.82
<b>EXPENSES</b>			
Cost of materials consumed	22	3,774.14	3,524.73
Purchases of Stock - in - Trade	23	1,900.47	1,434.44
Changes in inventories of finished goods and Stock in Trade	24	(562.94)	(211.28)
Employee benefits expense	25	468.00	424.45
Finance costs	26	245.17	257.64
Depreciation and amortisation expenses		106.48	105.65
Other expenses	27	724.27	580.27
<b>Total Expenses</b>		6,655.59	6,115.90
<b>Profit before exceptional items and tax</b>		786.20	753.92
- Prior Period Items		24.48	-
<b>Profit before tax</b>		761.72	753.92
<b>Less : Tax expense</b>			
- Current tax		152.40	155.42
- MAT Credit (Entitlement)/Utilised		23.71	(122.68)
- Deferred tax (asset)/liabilities		(2.02)	(1.22)
<b>Profit for the year</b>		587.64	722.41
<b>Earnings per equity share</b>	28		
(Nominal value of share Rs.10 (PY Rs.10))			
- Basic		4.47	6.47
- Diluted		4.47	6.47

See Accompanying notes to the financial statements 1 to 41

As per our report of even date attached

For Singrodia Goyal & Co.  
Chartered Accountants

  
**Suresh Murarka**  
Partner  
Mem. No. 44739

Place: Mumbai  
Date : 29th May 2013

For and on behalf of the Board

 Director  
 Director  
 Company Secretary

Place: Jaipur  
Date : 29th May 2013







## Veto Switchgears & Cables Limited

### Cash Flow Statement for the year ended 31<sup>st</sup> March, 2013

(Rs. in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
<b>A. Cash flow from operating activities</b>		
Profit before exceptional items	786.20	753.92
<u>Adjustments for:</u>		
Depreciation on fixed assets	106.48	105.65
Finance costs	245.17	257.64
Profit on sale of fixed assets	(0.29)	(1.64)
Interest income	(20.35)	(7.58)
<b>Operating profit before working capital changes</b>	<b>1,117.21</b>	<b>1,107.99</b>
<u>Adjustments for:</u>		
(Increase) / Decrease in inventories	(647.23)	(370.05)
(Increase) / Decrease in Provision	1.94	-
(Increase) / Decrease in trade receivables	25.11	(451.46)
(Increase) / Decrease in other assets	(290.45)	(54.11)
Increase / (Decrease) in trade payable	199.70	174.12
Increase / (Decrease) in other current liabilities	(202.69)	113.28
<b>Cash generated from operations</b>	<b>203.59</b>	<b>519.77</b>
Direct taxes paid	(173.13)	(158.73)
<b>Cash inflow before Prior Period Adjustment</b>	<b>30.45</b>	<b>361.04</b>
Prior Period adjustments	(24.48)	-
<b>Net cash flow from operating activities</b>	<b>5.97</b>	<b>361.04</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(137.54)	(182.98)
Sale proceeds from fixed assets	4.51	9.45
Loans & advances received back / (given)	(75.12)	10.79
Investing in bank deposits (having maturity of more than 3 months)	(744.52)	(14.62)
Purchase of non current investments	-	(0.98)
Interest received	20.35	7.58
<b>Net cash flow used in investment activities</b>	<b>(932.32)</b>	<b>(170.76)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of shares	544.89	4.98
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	(1,514.02)	34.49
Interest paid	(245.17)	(257.64)
<b>Net cash flow from / (used in) financing activities</b>	<b>887.69</b>	<b>(218.17)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(38.66)</b>	<b>(27.89)</b>
Cash and cash equivalents at the beginning of the year	179.70	207.60
<b>Cash and cash equivalents at the end of the year</b>	<b>141.04</b>	<b>179.70</b>

**Notes :**


1 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 2013	As at 31st March 2012
Cash on hand	14.29	42.39
Balances with bank on current account	126.75	137.32
	<b>141.04</b>	<b>179.70</b>

2 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 Singrodia Goyal & Co.**  
Chartered Accountants

  
**Suresh Murarka**  
Partner  
Mem. No. 44739

Place: Mumbai  
Date : 29th May 2013

**For and on behalf of the Board**

 Director       Director  
 Company Secretary

Place: Jaipur  
Date : 29th May 2013





# Veto Switchgears & Cables Limited

Accompanying notes to the financial statements for the year ended 31st March 2013

## 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.

#### **N Change in accounting policy :**

- i) During the year, in order to comply with Accounting Standard (AS) 15 (Revised 2005) "Employee Benefits" as notified by the Companies (Accounting Standard) Rule 2006, the method of accounting of Gratuity has been changed from cash basis to accrual basis of accounting.
- ii) During the year, in order to comply with Accounting Standard (AS) 29 " Provisions, Contingent Liabilities and Contingent Assets" as notified by the Companies (Accounting Standard) Rule 2006, the method of accounting of Warranty has been changed from cash basis to accrual basis of accounting.





Veto Switchgears & Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March 2013

(Rs. in Lacs)

Note 2 : Share capital

Particulars	As at 31st	As at
	March, 2013	31st March, 2012
<b>Authorised</b>		
200.00 Lacs (PY 60.00 Lacs) Equity shares of Rs.10/- each	2,000.00	600.00
	<b>2,000.00</b>	<b>600.00</b>
<b>Issued, Subscribed and Fully Paid Up</b>		
116.60 Lacs (PY 53.32 Lacs) Equity shares of Rs. 10/- each fully paid up	1,666.10	533.23
Nil (PY 4.98 Lacs) Equity Shares of Rs. 10/- each Rs. 1/- Paid up	-	4.98
	<b>1,666.10</b>	<b>538.21</b>

During the year, the Authorized Share Capital has been increased from Rs. 600.00 divided into 60.00 lacs equity shares of Rs.10/- each to Rs. 1,700.00 lacs divided into 170.00 lacs equity share of Rs. 10/- each and further to Rs. 2,000.00 lacs divided into 200.00 lacs equity share of Rs. 10/- each vide resolutions passed at the Extra Ordinary General Meeting held on 11th May 2012 and 9th November 2012 respectively .

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

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

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares</b>				
At the beginning of the year	58.30	538.21	53.32	533.23
Issued during the year - Re. 1 Paid up	-	-	4.98	4.98
Call Money Received on Partly Paid Shares	-	44.79	-	-
Issued during the year	108.31	1,083.10	-	-
<b>Outstanding at the end of the year</b>	<b>166.61</b>	<b>1,666.10</b>	<b>58.30</b>	<b>538.21</b>

Shares allotted for a consideration other than Cash

Particulars	As at 31st March,
	2013
	No. of Shares
<b>Equity Shares</b>	
Bonus Shares	58.30

During the period the Company has allotted 58.30 lacs fully paid equity shares as bonus shares to the existing equity shareholders in the ratio of 1:1, vide resolution passed in the meeting of board of directors held on 11th May, 2012.

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.

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

Holding Company

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	Amount	No. of Shares	Amount
Veto Electropowers (India) Private Limited	93.78	937.81	46.89	468.91





Veto Switchgears & Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March 2013

(Rs. in Lacs)

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

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% holding	No. of Shares	% holding
Veto Electropowers (India) Private Limited	93.78	56.29%	46.89	80.43%
Akshay Gurnani	9.95	5.97%	4.98	8.54%
Maverick Share Brokers Limited	14.04	8.43%	-	0.00%
Harish Kumar Gurnani	6.67	4.00%	3.33	5.72%

Note 3 : Reserves & surplus

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Securities Premium Account</b>		
Balance at the beginning of the year	65.85	65.85
Add: On further issue of shares	2,348.77	-
Less : Partly Utilised for Issue of Bonus Shares [Refer Note No. 2(a)(ii)]	406.51	-
Less: Expenses to Increase Authorised Share Capital	9.81	-
Less: Expenses relating to Initial Public Offer (IPO)	236.97	-
Closing Balance	<b>1,761.33</b>	<b>65.85</b>
<b>Surplus / (deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	2,106.08	1,383.68
Add : Profit for the year	587.64	722.41
Less: Partly Utilised during the year for Issue of Bonus Shares [Refer Note No. 2(a)(ii)]	176.49	-
Closing Balance	<b>2,517.23</b>	<b>2,106.08</b>
	<b>4,278.56</b>	<b>2,171.94</b>

Note 4 : Long-term borrowings

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Secured</b>		
<b>Term loans from banks</b>		
Term loans from banks	23.79	107.19
Less: Interest accrued but not due on borrowings	0.25	6.19
Less: Current maturities of long term debt	9.00	77.75
	14.54	23.25
<b>Hire purchase loans from banks</b>		
Hire purchase loans from banks	65.92	66.21
Less: Current maturities of long term debt	17.00	18.84
	48.92	47.36
	<b>63.46</b>	<b>70.61</b>





**Veto Switchgears & Cables Limited**

**Accompanying notes to the financial statement for the year ended on 31st March 2013**

**(Rs. in Lacs)**

**Additional information pursuant to long term borrowings :**

a) Rs. 23.79 lacs (PY Rs. 32.92 lacs) term loan from Indian Overseas Bank carries interest @ BPLR - 12.25% 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. Nil (PY Rs. 74.27 Lacs) term loan from Indian Overseas Bank carries interest @ BPLR - 12.25% p.a.. The loan is repayable in 60 Monthly instalments along with interest starting from May, 2008. The loan is secured by way of equitable mortgage of factory building and hypothecation of plant & machinery and personal guarantee of four directors. This loan has been fully repaid during the year.

c) Hire Purchase Loans are secured by hypothecation of vehicles financed. The loans carry interest @ 9% to 11% p.a. The loans are repayable in 36 to 60 equal monthly instalments starting from the respective dates of finance.

**Note 5 : Deferred tax liabilities (Net)**

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Deferred tax liabilities / (assets)</b>		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	16.66	18.68
<b>Deferred Tax Liabilities (Net)</b>	<b>16.66</b>	<b>18.68</b>

**Note 6 : Long-Term Provisions**

Particulars	As at 31st March, 2013	As at 31st March, 2012
Provision for Warranty	1.94	-
	<b>1.94</b>	<b>-</b>

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 years, 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, 2013	As at 31st March, 2012
At the beginning of the year	-	-
Arising during the year	1.94	-
Utilised during the year	-	-
Unused amount reversed	-	-
<b>At the end of the year</b>	<b>1.94</b>	<b>-</b>





Veto Switchgears & Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March 2013

(Rs. in Lacs)

**Note 7 : Short-term borrowings**

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Working Capital Loan (Secured)</b>		
From Bank	362.79	1,865.09
Interest free loans from related parties (Unsecured)	-	4.58
	<b>362.79</b>	<b>1,869.67</b>
<b>Interest free loans from related parties represents :</b>		
Holding Company	-	4.58
	-	<b>4.58</b>

**Additional information pursuant to secured short term borrowing :**

Rs. 362.79 Lacs (PY Rs. 1865.09 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.

**Note 8 : Trade payables**

Particulars	As at 31st March, 2013	As at 31st March, 2012
Due to Micro, Small & Medium Enterprises	-	-
Due to Others	748.48	548.78
	<b>748.48</b>	<b>548.78</b>

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, 13	As at 31st March, 2012
Current maturities of long term debt	26.00	96.59
Interest accrued but not due on borrowings	0.25	6.19
Trade deposits	45.70	30.40
Salary & Wages payable	30.40	18.40
Duties & taxes payable	58.02	74.10
Provision for expenses	26.49	1.90
Advance from debtors	15.02	176.99
	<b>201.88</b>	<b>404.57</b>

**Note 10 : Short -term provisions**

Particulars	As at 31st March, 2013	As at 31st March, 2012
Provision for taxation (Net of advance tax & TDS)	-	12.00
	-	<b>12.00</b>







## Veto Switchgears & Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March 2013

Note 11 : Fixed assets

(Rs. in Lacs)

Description	Gross Block				Depreciation				Net Block	
	As at 01.04.2012	Additions during the year	Deductions during the year	As at 31.03.2013	Upto 31.03.2012	Provided for the year	Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>Tangible Assets</b>										
Leasehold Land	117.47	-	-	117.47	5.04	1.31	-	6.35	111.12	112.43
Factory Building	313.71	0.93	-	314.64	101.12	21.39	-	122.51	192.13	212.59
Plant & Machinery	500.96	97.97	-	598.93	209.45	44.86	-	254.31	344.62	291.51
Office Equipments	7.77	2.27	-	10.04	2.92	0.80	-	3.72	6.32	4.85
Furniture & Fixtures	58.59	1.78	-	60.37	22.60	6.68	-	29.28	31.09	35.99
Computers	10.48	1.40	-	11.88	7.68	1.34	-	9.02	2.86	2.81
Vehicles	155.93	32.77	8.96	179.74	45.41	29.98	4.74	70.65	109.09	110.52
<b>Sub Total</b>	<b>1,164.91</b>	<b>137.12</b>	<b>8.96</b>	<b>1,293.07</b>	<b>394.22</b>	<b>106.36</b>	<b>4.74</b>	<b>495.84</b>	<b>797.23</b>	<b>770.72</b>
Previous Year	999.35	184.19	18.59	1,164.91	300.48	104.51	10.79	394.22	770.72	
<b>Intangible Assets</b>										
Goodwill	5.40	-	-	5.40	5.40	-	-	5.40	-	-
Trade Marks	0.54	0.44	-	0.98	0.08	0.11	-	0.19	0.79	0.46
<b>Sub Total</b>	<b>5.94</b>	<b>0.44</b>	<b>-</b>	<b>6.38</b>	<b>5.48</b>	<b>0.11</b>	<b>-</b>	<b>5.59</b>	<b>0.79</b>	<b>0.46</b>
Previous Year	5.51	0.43	-	5.94	4.34	1.14	-	5.48	0.46	
<b>Grand Total</b>	<b>1,170.85</b>	<b>137.56</b>	<b>8.96</b>	<b>1,299.45</b>	<b>399.69</b>	<b>106.48</b>	<b>4.74</b>	<b>501.43</b>	<b>798.02</b>	<b>771.19</b>
Previous Year	1,004.86	184.61	18.59	1,170.85	304.82	105.65	10.79	399.69	771.19	-

### Note 12 : Non - current investments

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Trade, Unquoted (At cost, unless stated otherwise)</b>		
<b>Investment in Equity Instruments</b>		
<b>Investment in Subsidiaries</b>		
Veto Electricals Private Limited 90,000 Equity Shares of Rs.10 each fully paid up	9.00	9.00
Veto Lightings Private Limited 5,100 Equity Shares of Rs.10 each fully paid up	-	0.51
Vankon Switchgears and Cables Private Limited 9,800 Equity Shares of Rs.10 each fully paid up	-	0.98
<b>Others</b>		
Veto Lightings Private Limited 5,100 Equity Shares of Rs.10 each fully paid up	0.51	-
Vankon Switchgears and Cables Private Limited 9,800 Equity Shares of Rs.10 each fully paid up	0.98	-
	<b>10.49</b>	<b>10.49</b>





Veto Switchgears & Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March 2013

(Rs. in Lacs)

**Note 13 : Long - term loans and advances**  
(Unsecured, Considered Good)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Capital Advances	44.30	49.25
Security Deposits		
- To related parties	50.00	-
- To others	25.08	16.31
Loans & Advances to related parties	170.10	182.19
	<b>289.48</b>	<b>247.75</b>
<b>Security Deposits includes :</b>		
Enterprises under significant influence of key management personnel	50.00	-
<b>Loans and advances to related parties includes :</b>		
Relative of key management personnel	-	7.09
Subsidiary company	170.10	170.10
Enterprises under significant influence of key management personnel	-	5.00
	<b>220.10</b>	<b>182.19</b>

**Note 14 : Other non - current assets**  
(Unsecured, Considered Good)

Particulars	As at 31st March, 2013	As at 31st March, 2012
MAT credit entitlement	308.94	332.65
Fixed Deposits (Maturity period of more than 12 Months) - Held as Margin Money	-	2.33
Accrued Interest		0.11
	<b>308.94</b>	<b>335.08</b>

**Note 15 : Current investments**

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Non - trade, Unquoted</b>		
Investment in National Saving Certificates	0.35	0.35
	<b>0.35</b>	<b>0.35</b>

**Note 16 : Inventories**  
(As taken valued & certified by the management)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Finished goods	1,022.14	608.78
Stock in trade	705.49	555.91
Raw materials	651.85	570.88
Packing materials	55.00	51.67
	<b>2,434.48</b>	<b>1,787.24</b>

**Note 17 : Trade receivables**  
(Unsecured, considered good)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Due for a period exceeding six months from the date they are due for payment	227.33	214.06
Other debts	1,787.15	1,825.53
	<b>2,014.48</b>	<b>2,039.59</b>
<b>Trade receivables includes due from related parties :</b>		
Relative of key management personnel	-	1.14
Enterprises under significant influence of key management personnel	1.00	22.96
	<b>1.00</b>	<b>24.10</b>





Veto Switchgears & Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March 2013

(Rs. in Lacs)

**Note 18 : Cash and cash balances**

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Cash and cash equivalents</b>		
<b>Balances with banks:</b>		
In current accounts	126.75	137.32
Cash in hand	14.29	42.39
<b>Other bank balances</b>		
Balance with banks to the extent held as margin money*	771.93	27.31
Less : Deposits with maturity for more than 12 months	-	2.33
	771.93	24.98
	<b>912.97</b>	<b>204.68</b>

\* Includes

Particulars	As at 31st March, 2013	As at 31st March, 2012
Held as margin money or security against borrowings, other commitments (as applicable)	5.69	24.98

**Note 19 : Short - term loans and advances**

(Unsecured Considered Good)

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Loans &amp; advances</b>		
- To related parties	9.81	4.81
- To others	45.37	17.00
<b>Security Deposits</b>		
- To related parties	200.00	-
- To others	16.11	-
<b>Advance recoverable in cash or kind</b>		
- To related parties	34.28	24.13
- To others	265.08	192.16
	<b>570.66</b>	<b>238.10</b>
<b>Loans and advances to related parties includes :</b>		
Key Management Personnel	4.81	4.81
Enterprises under significant influence of key management personnel	5.00	-
<b>Security Deposits includes:</b>		
Enterprises under significant influence of key management personnel	200.00	-
<b>Advance recoverable in cash or kind includes :</b>		
Key Management Personnel	9.72	-
Relative of key management personnel	9.86	-
Enterprises under significant influence of key management personnel	14.70	24.13
	<b>244.09</b>	<b>28.94</b>





Veto Switchgears & Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March 2013

(Rs. in Lacs)

**Note 20 : Revenue from operations**

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
<b>Revenue from operations (Gross)</b>		
Sale of Products *	7,411.92	6,858.95
Gain on Foreign Exchange Fluctuations (Net)	0.29	0.59
<b>Other Operating Revenue</b>		
Scrap Sales	1.78	0.74
	<b>7,413.99</b>	<b>6,860.29</b>

\* Sales are reported net of discounts, rebates and returns.

**Details of Products Sold**

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
<b>Finished Goods</b>		
Accessories	2,208.02	2,054.12
Wire	3,289.61	3,277.76
	<b>5,497.62</b>	<b>5,331.88</b>
<b>Traded Goods</b>		
Accessories	1,477.07	1,088.46
Wire	437.22	438.62
	<b>1,914.29</b>	<b>1,527.08</b>
	<b>7,411.92</b>	<b>6,858.95</b>

**Note 21 : Other income**

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Interest Income	20.35	7.58
Profit / (loss) on sale of fixed assets	0.29	1.64
Miscellaneous Income	7.16	0.32
	<b>27.80</b>	<b>9.53</b>

**Note 22 : Cost of materials consumed**

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Opening stock	570.88	430.35
Add: Purchases	3,855.11	3,665.26
Less: Closing stocks	651.85	570.88
	<b>3,774.14</b>	<b>3,524.73</b>

Purchases are stated net of discounts and rate difference.





Veto Switchgears & Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March 2013

(Rs. in Lacs)

**Details of Material Consumed**

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Copper	2,245.17	2,233.83
Aluminium	96.36	60.80
PVC Compound	327.76	312.27
Others	1,104.86	917.83
	<b>3,774.14</b>	<b>3,524.73</b>

**Details of Inventory**

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Copper	198.69	181.29
Aluminium	3.41	-
PVC Compound	21.44	17.75
Others	428.31	371.84
	<b>651.85</b>	<b>570.88</b>

**Note 23 : Purchases of stock - in - trade**

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Purchase of stock in trade	1,900.47	1,434.44
	<b>1,900.47</b>	<b>1,434.44</b>

**Details of Purchases of stock - in - trade**

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Accessories	1,470.87	1,031.01
Wires	429.60	403.43
	<b>1,900.47</b>	<b>1,434.44</b>





Veto Switchgears & Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March 2013

(Rs. in Lacs)

**Note 24 : Changes in inventories of finished goods and stock in trade**

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
<b>Stock in trade</b>		
Opening stock		
- Accessories	417.02	304.10
- Wires	138.89	114.63
	555.91	418.72
Closing stock		
- Accessories	553.18	417.02
- Wires	152.32	138.89
	705.49	555.91
<b>Changes in inventories of stock in trade (B)</b>	<b>(149.59)</b>	<b>(137.18)</b>
<b>Total (A+B)</b>	<b>(562.94)</b>	<b>(211.28)</b>

**Note 25 : Employee benefits expense**

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Salary, wages and other allowances	406.20	387.23
Directors Remuneration	16.25	-
Contribution to provident fund and other funds	29.58	21.22
Staff welfare expenses	15.97	16.00
	<b>468.00</b>	<b>424.45</b>

**Note 26 : Finance costs**

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
<b>Interest expense :</b>		
On bank borrowings	226.26	227.83
Others	7.55	14.90
Bank Charges	11.35	14.91
	<b>245.17</b>	<b>257.64</b>





Veto Switchgears & Cables Limited

Accompanying notes to the financial statement for the year ended on 31st March 2013

(Rs. in Lacs)

**Note 27 : Other expenses**

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
<b>Manufacturing expenses</b>		
<b>Consumption of :</b>		
Consumable & Stores	6.42	6.64
Power & Fuel	58.76	49.87
Job Charges	36.51	42.29
Repairs & Maintenance :		
- Plant & Machinery	25.25	13.34
- Factory Building	0.02	0.10
Freight & Transportation	18.27	17.64
Factory Insurance Premium	4.17	1.93
Other Factory Expenses	10.15	9.23
	<b>159.54</b>	<b>141.04</b>
<b>Administration, Selling and Distribution expenses</b>		
Rent	17.15	18.47
Rates & Taxes	7.62	4.73
Repairs & Maintenance		
- Building	5.37	2.42
- Others	9.67	6.91
Travelling & Conveyance	59.14	71.76
Communication Costs	17.73	15.71
Printing & Stationery	7.90	5.73
Water & Electricity Charges	13.17	10.43
Legal and Professional Fees	26.47	8.20
Auditor's Remuneration	2.80	2.40
Packing Materials Consumed	145.08	140.61
Commission	12.01	22.52
Advertising & Sales Promotion Expenses	116.10	43.63
Transportation, Freight & Handling Charges	74.34	59.11
Miscellaneous Expenses	50.18	26.61
	<b>724.27</b>	<b>580.27</b>

**Payment to Auditor**

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Audit fees	1.94	1.21
Tax Matters	0.11	0.55
Other services	0.74	0.63
	<b>2.80</b>	<b>2.40</b>

Note : IPO expenses include Rs.5.05 lacs paid to auditors





**Veto Switchgears & Cables Limited**

**Accompanying notes to the financial statement for the year ended on 31st March 2013**

**(Rs. in Lacs)**

**Note 28 : Earnings per equity share**

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

<b>Particulars</b>	<b>Year Ended 31st March, 2013</b>	<b>Year Ended 31st March, 2012</b>
Weighted average number of Equity Shares of Rs. 10/- each		
Number of shares at the end of the year	166.61	53.82
Weighted average number of Equity Shares outstanding during the year *	131.32	111.63
Weighted average number of Potential Equity Shares outstanding during the year	-	-
Total number of Equity share for calculating Diluted Earning Per Share	131.32	111.63
Net Profit after Tax available for Equity shareholders	587.63	722.40
Basic Earning Per Share (in Rs.)	4.47	6.47
Diluted Earning Per Share (in Rs.)	4.47	6.47

\* Earning per share (EPS) is calculated as provided in Accounting Standard (AS-20) - Earning Per Share, issued by the Institute of Chartered Accountants of India.

**Note 29 :** In the opinion of the Board the Current Assets, Loans & Advances are realisable in the ordinary course of business at least 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 30 :** Some of the Trade Receivables, Trade Payables, Loans and advances and other current and non current are subject to confirmation and reconciliation. Consequential adjustment thereof, if any, will be given effect into the books of accounts in the year of such adjustment.

**Note 31 : Contingent Liabilities**

<b>Particulars</b>	<b>Year Ended 31st March, 2013</b>	<b>Year Ended 31st March, 2012</b>
Guarantee given by bank on behalf of the Company	12.50	4.50
Estimated amount of contracts remaining to be executed on Capital Account (Net of Advance)	39.23	5.25
<b>Total</b>	<b>51.73</b>	<b>9.75</b>

**Note 32 : Disclosure pursuant to Accounting Standard – 15 'Employee Benefits'**

**Actuarial assumption:**

<b>Services Rendered</b>	<b>Year Ended 31st March, 2013</b>	<b>Year Ended 31st March, 2012</b>
Salary Growth *	6%	-
Discount Rate	8.5%	-
Withdrawal Rate	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.







**Veto Switchgears & Cables Limited**

**Accompanying notes to the financial statement for the year ended on 31st March 2013**

**(Rs. in Lacs)**

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

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Present value of obligation as at the beginning of the year:	24.48	-
Interest cost	1.96	-
Current service cost	8.96	-
Benefits paid	-	-
Actuarial (gain) / loss on obligation	(14.56)	-
Closing Present value of obligation	20.84	-

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

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Present value of obligation as at the beginning of the year	20.84	-
Fair Value of plan assets as at the end of the year	35.26	-
Unrecognised Actuarial (Gain) / Loss	-	-
Net (assets) / liability recognised in balance sheet	(14.42)	-

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

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Current service cost	8.96	-
Past service cost	24.48	-
Interest cost	1.96	-
Expected return on plan assets	(1.81)	-
Net actuarial (gain) / loss recognized in the year	(14.56)	-
Expenses recognised in the statement of profit and loss*	19.03	-

**Note 33 : 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) issued by The Institute of Chartered Accountants of India.

**Note 34 : 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

Mohan Das Gurnani (from 22/08/2012)

Narayan Das Gurnani (upto 04/08/2012)

**ii) Relative of Directors**

Babulal Guranani

Ragini Gurnani

Kishore Kumar Gurnani

Pushpa Gurnani

Jyoti Gurnani





**Veto Switchgears & Cables Limited**

**Accompanying notes to the financial statement for the year ended on 31st March 2013**

**(Rs. in Lacs)**

**iii) Holding Company**

Veto Electropower (India) Private Limited

**iv) Subsidiary Companies**

Veto Electricals Private Limited

Vankon Switchgears and Cables Private Limited (upto 19.10.2012)

Veto Lightings Private Limited (upto 19.10.2012)

**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

Veto Lightings Private Limited (from

Pinkcity Buildhome Private Limited

Gurnani Industries

Yashodevi Raichand Gurnani Trust

Gurnani Infra Developer Private Limited

**b. Transactions with Related Parties :**

<b>Name of Party</b>	<b>Nature of Transaction</b>	<b>Year ended March 31, 2013</b>	<b>Year ended March 31, 2012</b>
Vishnu Kumar Gurnani	Remuneration	12.00	-
	Loan Taken	-	75.66
	Repayment of Loans Taken	0.79	75.66
Dinesh Gurnani	Remuneration	4.25	-
	Loan Granted	-	0.35
	Loan Received back	-	0.54
Narayan Das Gurnani	Repayment of Loans Taken	-	1.35
Babulal Gurnani	Sales	-	1.32
Ragini Gurnani	Salary	-	0.40
Kishore Kumar Gurnani	Loan Granted	-	0.70
	Loan Received back	-	0.70
Pushpa Gurnani	Salary	2.00	6.00
Jyoti Gurnani	Salary	2.00	6.00
Veto Electropower (India) Private Limited	Sales	0.04	-
	Loan Taken	41.07	460.47
	Repayment of Loans Taken	45.66	1,197.56
Poonam Industries	Purchases	8.28	31.89
Anjali Packaging	Purchases	5.66	6.92
Jai Enterprises	Purchases	10.72	9.85
	Sales	-	0.12
Vimal Power Cables Private Limited	Purchases	86.27	154.08
	Sales	-	0.26
	Loan Granted	-	10.00
	Loan Received back	-	10.00
Pinkcity Buildhome Private Limited	Sales	5.87	-
Gurnani Industries	Loan Taken	5.07	-
	Repayment of Loans Taken	5.07	-
	Job Work	4.20	-
Gurnani Infra Developer Private Limited	Rent	2.76	2.76
	Deposit	250.00	-





**Veto Switchgears & Cables Limited**

Accompanying notes to the financial statement for the year ended on 31st March 2013

(Rs. in Lacs)

**c. Balance Outstanding of Related Parties :**

Name of Party	Receivable / Payable	Year ended March 31, 2013	Year ended March 31, 2012
Vishnu Kumar Gurnani	Remuneration Payable	5.28	-
	Advance recoverable in cash or kind	8.44	-
Dinesh Gurnani	Remuneration Payable	1.65	-
	Advance recoverable in cash or kind	1.28	-
Ragini Gurnani	Trade Payables	0.40	0.40
Kishore Kumar Gurnani	Advance recoverable in cash or kind	4.81	4.81
Pushpa Gurnani	Advance recoverable in cash or kind	4.93	0.32
Jyoti Gurnani	Advance recoverable in cash or kind	4.93	1.82
Veto Electropower (India) Private Limited	Loan Payable	-	4.58
Veto Electricals Private Limited	Loan Receivable	170.10	170.10
Vankon Switchgears and Cables Private Limited	Advance to Creditor	1.25	1.25
Veto Powers	Trade Payables	2.27	-
Anjali Packaging	Trade Payables	1.74	-
	Trade Payables	-	13.12
Pinkcity Buildhome Private Limited	Trade Receivables	1.00	22.96
Gurnani Industries	Advance to Creditor	13.45	22.88
Yashodevi Raichand Gurnani Trust	Loan Receivable	5.00	5.00
Gurnani Infra Developer Private Limited	Trade Payables	2.48	-
	Deposit	250.00	-

**Note 35 : Operating Lease**

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

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Not later than one year	7.15	5.58
Later than one year and not later than five years	8.36	-
Later than five years	-	-
<b>TOTAL</b>	<b>15.51</b>	<b>5.58</b>

**Note 36 : 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	2012-13		2011-12	
	In %	(Rs in lacs)	In %	(Rs in lacs)
Imported	-	-	0.44	15.53
Indigenous	100.00	3,774.14	99.56	3,509.20
<b>Total</b>	<b>100.00</b>	<b>3,774.14</b>	<b>100.00</b>	<b>3,524.73</b>





**Veto Switchgears & Cables Limited**

**Accompanying notes to the financial statement for the year ended on 31st March 2013**

**(Rs. in Lacs)**

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

Particulars	2012-13	2011-12
	(Rs in lacs)	(Rs in lacs)
<b>C.I.F. Value of Imports</b>		
Raw Materials	-	15.50
Stock in Trade	20.01	-
<b>Earnings in Foreign Exchange</b>		
F.O.B. Value of Exports	164.40	119.49

**Note 37 :**

i) During the year, in order to comply with the Accounting Standard (AS) 15 (Revised 2005) "Employee Benefits" as notified by the Companies (Accounting Standard) Rules 2006, the method of accounting of Gratuity has been changed from cash basis to accrual basis of accounting. Gratuity has been provided on the basis of actuarial valuation. Due to change in this accounting policy, the profit before tax for the year is lower by Rs. 19.90 lacs having consequential effect on the Reserves and Surplus and Current Assets. As per the Guidance on Implementing Accounting Standard (AS) 15, Employee Benefits (Revised 2005), issued by the Accounting Standard Board of the Institute of Chartered Accountants of India, the liability upto the previous year i.e. 31st March, 2012 amounting to Rs. 24.48 lacs has been reflected as a Prior Period Items.

ii) The Company has also changed the method of accounting for provision of warranty from cash basis to accrual basis of accounting in order to comply with Accounting Standard (AS) 29 " Provisions, Contingent Liabilities and Contingent Assets" as notified by the Companies (Accounting Standard) Rule 2006. Due to change in this accounting policy, the profit before tax for the period is lower by Rs. 1.94 lacs having consequential effect on the Reserves and Surplus and Long term provisions.

**Note 38 :**

The Company has been converted into a Public Limited Company and accordingly the name of the Company has been changed to Veto Switchgears & Cables Limited from Veto Switchgears & Cables Private Limited and fresh certificate of incorporation dated 3rd August, 2012 has been received from Registrar of Company, Maharashtra.

**Note 39 :** The Company has raised an amount of Rs. 2500.50 Lacs through an IPO of equity shares during the year by way of 50.01 lacs Equity Shares of Rs 10/- at a premium of Rs 40/- per share. Out of the said proceeds and in terms of the offer document an amount of Rs 1889.54 lacs has been deployed partly in modernisation of existing production facilities , working capital requirements, brand building and meeting IPO expenses. The balance of Rs 610.96 lacs have been temporarily invested in fixed deposits with banks.

**Note 40 :** Previous year's figure's have been re-grouped, re-arranged & re-classified, wherever considered necessary, to confirm the current period figures.

**Note 41 :** 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 Singrodia Goyai & Co.**  
Chartered Accountants

  
**Suresh Murarka**  
Partner  
Mem. No. 44739

Place: Mumbai  
Date : 29th May 2013

  
Company Secretary

**For and on behalf of the board**

  
Director

  
Director

Place: Jaipur  
Date : 29th May 2013





# INDEPENDENT AUDITOR'S REPORT

To  
The Board of Directors of  
Veto Switchgears and Cables Limited,  
Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Veto Switchgears and Cables Limited, ("the Company") and its subsidiaries (hereinafter collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2013 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 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 reports of the other auditors on the financial statements of the subsidiaries and associates 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 31<sup>st</sup> March, 2013;
- (b) In the case of the Consolidated Statement of Profit and Loss, of the loss 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. 9.22 lakhs as at 31<sup>st</sup> March, 2013, total

revenue of Rs. Nil and net cash outflows amounting to Rs.0.11 lakhs for the year ended on that date. The financial statements 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.

For Singrodia Goyal & Co.  
Chartered Accountants  
Firm Reg. No. 112081W

  
Suresh Murarka

Partner

Place : Mumbai

Date : 29<sup>th</sup> May, 2013.

Mem. No. 44739





## Veto Switchgears and Cables Limited

Consolidated Balance Sheet as at 31st March 2013

(Rs. in Lacs)

Particulars	Notes	As at 31st March 2013	As at 31st March 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	1,666.10	538.21
Reserves & surplus	3	4,277.85	2,171.12
		<b>5,943.95</b>	<b>2,709.33</b>
<b>Minority Interest</b>		0.92	1.34
<b>Non-current liabilities</b>			
Long-term borrowings	4	63.46	70.61
Deferred tax liabilities (Net)	5	16.66	18.68
Long-term provisions	6	1.94	-
		<b>82.06</b>	<b>89.29</b>
<b>Current liabilities</b>			
Short-term borrowings	7	362.79	1,869.76
Trade payables	8	748.48	548.84
Other current liabilities	9	201.91	404.66
Short-term provisions	10	-	12.00
		<b>1,313.18</b>	<b>2,835.26</b>
<b>Total</b>		<b>7,340.11</b>	<b>5,635.23</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	11	976.15	949.64
Intangible assets		0.79	0.46
Non-current investments	12	1.49	-
Long-term loans and advances	13	119.37	77.63
Other non-current assets	14	308.94	335.08
		<b>1,406.74</b>	<b>1,362.81</b>
<b>Current assets</b>			
Current Investments	15	0.35	0.35
Inventories	16	2,434.48	1,787.25
Trade receivables	17	2,014.48	2,039.59
Cash and bank balances	18	913.40	207.13
Short-term loans and advances	19	570.66	238.10
		<b>5,933.37</b>	<b>4,272.42</b>
<b>Total</b>		<b>7,340.11</b>	<b>5,635.23</b>

See Accompanying notes to the 1 to 37

As per our report of even date attached

For Singrodia Goyal & Co. For and on behalf of the Board  
Chartered Accountants

  
**Suresh Murarka**  
Partner  
Mem. No. 44739

  
**Director**

  
**Company Secretary**

  
**Director**

Place: Mumbai  
Date : 29th May 2013

Place: Jaipur  
Date : 29th May 2013

## Veto Switchgears & Cables Private Limited

Consolidated Statement of Profit and Loss for the year ended 31st March 2013

Particulars	Notes	Year ended 31st March 2013	Year ended 31st March 2012
<b>INCOME</b>			
Revenue from operations	20	7,413.99	6,860.29
Other income	21	27.80	9.53
<b>Total Revenue</b>		<b>7,441.79</b>	<b>6,869.82</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	3,774.14	3,524.73
Purchases of Stock - in - Trade	23	1,900.47	1,434.44
Changes in Inventories of	24	(562.94)	(211.28)
Employee benefits expense	25	468.00	424.45
Finance costs	26	245.17	257.64
Depreciation and amortisation expenses		106.48	105.65
Other expenses	27	724.36	581.24
<b>Total Expenses</b>		<b>6,655.68</b>	<b>6,116.87</b>
<b>Profit before exceptional items and tax</b>		<b>786.11</b>	<b>752.94</b>
- Prior Period Items		24.48	-
<b>Profit before tax</b>		<b>761.63</b>	<b>752.94</b>
<b>Less : Tax expense</b>			
- Current tax		152.40	155.42
- MAT Credit (Entitlement)/Utilised		23.71	(122.68)
- Deferred tax (asset) / liabilities		(2.02)	(1.22)
		<b>174.09</b>	<b>31.52</b>
<b>Profit for the year before minority interest</b>		<b>587.54</b>	<b>721.43</b>
<b>Minority interest</b>		(0.01)	(0.17)
<b>Profit for the year</b>		<b>587.55</b>	<b>721.59</b>
<b>Earnings per equity share</b>	28		
Nominal value of share Rs.10			
- Basic		4.47	6.46
- Diluted		4.47	6.46


See Accompanying notes to the 1 to 37

As per our report of even date attached For and on behalf of the Board

For Singrodia Goyal & Co.  
Chartered Accountants

  
**Suresh Murarka**  
Partner  
Mem. No. 44739

  
**Director**

  
**Director**

  
**Company Secretary**

Place: Mumbai  
Date : 29th May 2013

Place: Jaipur  
Date : 29th May 2013





# Veto Switchgears and Cables Limited

Consolidated Cash Flow Statement For the year ended 31st March 2013

(Rs. in Lacs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
<b>A. Cash flow from operating activities</b>		
Net profit before taxation	786.11	752.94
<u>Adjustments for:</u>		
Depreciation / Amortisation	106.48	105.65
Finance costs	245.17	257.64
Profit on sale of fixed assets	(0.29)	(1.64)
Interest income	(20.35)	(7.58)
<b>Operating profit before working capital changes</b>	<b>1,117.12</b>	<b>1,107.01</b>
<u>Adjustments for :</u>		
(Increase) / Decrease in inventories	(647.23)	(370.05)
(Increase) / Decrease in Provision	1.94	-
(Increase) / Decrease in trade receivables	25.11	(451.46)
(Increase) / Decrease in other assets	(290.45)	(54.47)
Increase / (Decrease) in trade payables	199.64	174.12
Increase / (Decrease) in other current liabilities	(202.75)	113.28
<b>Cash generated from / (used in) operations</b>	<b>203.38</b>	<b>518.44</b>
Direct taxes paid	(173.13)	(158.73)
<b>Cash inflow before Prior Period Adjustment</b>	<b>30.25</b>	<b>359.71</b>
Prior Period adjustments	(24.48)	-
<b>Net cash flow from / (used in) operating activities</b>	<b>5.77</b>	<b>359.71</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(137.54)	(182.98)
Sale proceeds from fixed assets	4.51	9.45
Loans & advances received back / (given)	(75.11)	10.79
Investing in bank deposits (having maturity of more than 3 months)	(744.42)	(13.44)
Interest received	20.35	7.58
<b>Net cash flow from / (used in) investment activities</b>	<b>(932.21)</b>	<b>(168.60)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of shares	544.89	4.98
Proceeds from issue of shares to minority interest	(1.81)	0.02
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	(1,514.13)	34.52
Finance Cost	(245.17)	(257.64)
<b>Net cash flow from / (used in) financing activities</b>	<b>885.77</b>	<b>(218.12)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(40.68)</b>	<b>(27.01)</b>
Cash and cash equivalents at the beginning of the year	182.15	209.16
<b>Cash and cash equivalents at the end of the year</b>	<b>141.47</b>	<b>182.14</b>

**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 31.03.2013	As at 31.03.2012
Cash on hand	14.32	44.32
Balances with bank on current account	127.15	137.83
	<b>141.47</b>	<b>182.15</b>

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 Singrodia Goyal & Co.**  
Chartered Accountants

  
**Suresh Murarka**  
Partner  
Mem. No. 44739

Place: Mumbai  
Date : 29th May 2013

For and on behalf of the Board

  
Director

  
Director

  
Company Secretary

Place: Jaipur  
Date : 29th May 2013







# Veto Switchgears and Cables Limited

## Notes to consolidated financial statements for the year ended 31st March, 2013

### Note 1: Significant Accounting Policies

#### 1. 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.

#### 2. Principles Of Consolidation:

The Consolidated Financials Results comprise of the financial statements of Veto Switchgears & Cables Limited and its subsidiaries, which are consolidated in accordance with Accounting Standard 21 on Consolidated Financial Statements notified pursuant to the Companies (Accounting Standards) Rules, 2006.

The Consolidated Financial Statements relate to Veto Switchgears & Cables Limited ('The Company') and its Subsidiaries have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the balances of like items of assets, liabilities, income and expenditure after fully eliminating the intra-group balances and intra-group transactions resulting in unrealized profit or loss.
- ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible,

in the same manner as the Company's separate financial statements.

- iii) The excess of cost to the Company of its investments in the subsidiaries over its portion of equity of subsidiaries at the dates they become subsidiaries is recognized in the financial statements as goodwill.
- iv) The excess of Company's portion of equity of the subsidiaries over the cost to the Company of its investments at the dates they become subsidiaries is recognized in the financial statements as capital reserve.

#### 3. 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.

#### 4. Revenue Recognition:

- i) Revenue is recognized when it is earned and no significant uncertainty exists as to its realization 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.

### 5. 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".

### 6. 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 their respective lease terms.
- iii. Goodwill & Trade marks has been amortized over a period of five years.

### 7. 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.

### 8. 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.

### 9. Valuation of Inventories

- i) Finished goods are valued at lower of cost or net realisable value.\*
- ii) Raw Materials are valued at lower of cost or net realizable 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.

### 10. 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.

### 11. 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.

## **12. 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 amortized 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.

## **13. Borrowing Costs**

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 capitalized as a part of the cost of the fixed assets, up to the date, the assets are ready for its intended use.

## **14. Accounting for Taxes on 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.

## **15. Change in accounting policy**

- i) During the year, in order to comply with Accounting Standard (AS) 15 (Revised 2005) "Employee Benefits" as notified by the Companies (Accounting Standard) Rule 2006, the method of accounting of Gratuity has been changed from cash basis to accrual basis of accounting.
- ii) During the year, in order to comply with Accounting Standard (AS) 29 " Provisions, Contingent Liabilities and Contingent Assets" as notified by the Companies (Accounting Standard) Rule 2006, the method of accounting of Warranty has been changed from cash basis to accrual basis of accounting.





**Veto Switchgears and Cables Limited**  
**Notes to consolidated financial statements for the year ended 31st March, 2013**

(Rs. in Lacs)

**Note 2 : Share capital**

Particulars	As at	As at
	31st March, 2013	31st March, 2012
<b>Authorised</b>		
200.00 Lacs (PY 60.00 Lacs) Equity shares of Rs.10/- each	2,000.00	600.00
	<b>2,000.00</b>	<b>600.00</b>
<b>Issued, Subscribed and Fully Paid Up</b>		
116.60 Lacs (PY 53.32 Lacs) Equity shares of Rs. 10/- each fully paid up	1,666.10	533.23
Nii (PY 4.98 Lacs) Equity Shares of Rs. 10/- each Rs. 1/- Paid up	-	4.98
	<b>1,666.10</b>	<b>538.21</b>

During the year, the Authorized Share Capital has been increased from Rs. 600.00 divided into 60.00 lacs equity shares of Rs.10/- each to Rs. 1,700.00 lacs divided into 170.00 lacs equity share of Rs. 10/ - each and further to Rs. 2,000.00 lacs divided into 200.00 lacs equity share of Rs. 10/ - each vide resolutions passed at the Extra Ordinary General Meeting held on 11th May 2012 and 9th November 2012 respectively .

**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, 2013		As at 31st March, 2012	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares</b>				
At the beginning of the year	58.30	0.01	53.32	533.23
Issued during the year - Re. 1 Paid up	-	-	4.98	0.00
Call Money Received on Partly Paid Shares	-	44.79	-	-
Issued during the year	108.31	0.01		
<b>Outstanding at the end of the year</b>	<b>166.61</b>	<b>44.81</b>	<b>58.30</b>	<b>533.23</b>

**ii) Shares allotted for a consideration other than Cash**

Particulars	As at 31st March, 2013
	No. of Shares
<b>Equity Shares</b>	
Bonus Shares	58.30

During the period the Company has allotted 58.30 lacs fully paid equity shares as bonus shares to the existing equity shareholders in the ratio of 1:1, vide resolution passed in the meeting of board of directors held on 11th May, 2012.

**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, 2013		As at 31st March, 2012	
	No. of Shares	Amount	No. of Shares	Amount
Veto Electropowers (India) Private Limited	93.78	937.81	46.89	468.91

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

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% holding	No. of Shares	% holding
Veto Electropowers (India) Private Limited	93.78	0.56	46.89	0.80
Akshay Gurnani	9.95	0.06	4.98	0.09
Maverick Share Brokers Limited	14.04	0.08	-	-
Harish Kumar Gurnani	6.67	0.04	3.33	0.06





# Veto Switchgears and Cables Limited

## Notes to consolidated financial statements for the year ended 31st March 2013

### Note 3 : Reserves & surplus

Particulars	(Rs. In Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
<b>Securities Premium Account</b>		
Balance at the beginning of the year	65.85	65.85
Add: On further issue of shares	2,348.77	-
Less: Partly Utilised for Issue of Bonus Shares [Refer Note No. 2(a) (ii)]	406.51	-
Less: Expenses to Increase Authorised Share Capital	9.81	-
Less: Expenses relating to Initial Public Offer (IPO)	236.97	-
Closing Balance	<b>1,761.33</b>	<b>65.85</b>
<b>Surplus / (deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	2,105.27	1,383.88
Add : Profit for the year	587.55	721.59
Add : Adjustment on account of cessation of subsidiaries	0.18	-
Less: Partly Utilised during the year for Issue of Bonus Shares [Refer Note No. 2(a) (ii)]	176.49	-
Closing Balance	<b>2,516.52</b>	<b>2,105.27</b>
	<b>4,277.85</b>	<b>2,171.12</b>

### Note 4 : Long-term borrowings

Particulars	(Rs. In Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
<b>Secured</b>		
<b>Term loans from bank</b>		
23.79	23.79	107.19
Less: Interest accrued but not due on borrowings	0.25	6.19
Less: Current maturities of long term debt	9.00	77.75
	14.54	23.25
<b>Hire purchase loans from banks</b>		
65.82	65.82	66.21
Less: Current maturities of long term debt	17.00	18.84
	48.82	47.36
	<b>63.46</b>	<b>70.61</b>

#### Additional Information pursuant to long term borrowings :

a) Rs. 23.79 lacs (PY Rs. 32.92 lacs) term loan from Indian Overseas Bank carries interest @ BPLR - 12.25% 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. Nil (PY Rs. 74.27 Lacs) term loan from Indian Overseas Bank carries interest @ BPLR - 12.25% p.a.. The loan is repayable in 60 Monthly instalments along with interest starting from May, 2008. The loan is secured by way of equitable mortgage of factory building and hypothecation of plant & machinery and personal guarantee of four directors. This loan has been fully repaid during the year.

c) Hire Purchase Loans are secured by hypothecation of vehicles financed. The loans carry interest @ 9% to 11% p.a. The loans are repayable in 36 to 60 equal monthly instalments starting from the respective dates of finance.

### Note 5 : Deferred tax liabilities (Net)

Particulars	(Rs. In Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
<b>Deferred Tax Liabilities / (Assets)</b>		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	16.66	16.68
<b>Deferred Tax Liabilities (Net)</b>	<b>16.66</b>	<b>16.68</b>

### Note 6 : Long-term provisions

Particulars	(Rs. In Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Provision for Warranty	1.94	-
	<b>1.94</b>	<b>-</b>

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 years, 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.

### Note 11 : Fixed assets

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01.04.2012	Additions during the year	Deductions during the year	As at 31.03.2013	Upto 31.03.2012	Provided for the year	Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>Tangible assets</b>										
Freehold Land	178.92	-	-	178.92	-	-	-	-	178.92	178.92
Leasehold Land	117.47	-	-	117.47	5.04	1.31	6.35	111.12	112.43	112.43
Factory Building	313.71	0.93	-	314.64	101.12	21.39	122.51	192.14	212.69	212.69
Plant & Machinery	500.96	97.97	-	598.93	209.45	44.86	254.30	344.63	291.51	291.51
Office Equipments	7.77	2.28	-	10.03	2.92	0.81	3.72	6.31	4.85	4.85
Furniture & Fixtures	58.59	1.77	-	60.36	22.60	6.68	29.29	31.08	36.99	36.99
Computers	10.48	1.40	-	11.88	7.68	1.34	9.01	2.87	2.81	2.81
Vehicles	155.93	32.77	8.96	179.74	45.41	29.99	4.74	70.66	109.08	110.54
<b>Total</b>	<b>1,343.84</b>	<b>137.10</b>	<b>8.96</b>	<b>1,471.98</b>	<b>394.21</b>	<b>106.36</b>	<b>4.74</b>	<b>495.83</b>	<b>976.15</b>	<b>949.64</b>
Previous Year	1,178.26	184.18	18.59	0.01	300.48	104.51	10.79	394.21	949.63	877.78
<b>Intangible assets</b>										
Trade Marks	0.54	0.44	-	0.98	0.08	0.11	-	0.19	0.79	0.46
Goodwill	5.40	-	-	5.40	5.40	-	-	5.40	-	-
<b>Total</b>	<b>5.94</b>	<b>0.44</b>	<b>-</b>	<b>6.38</b>	<b>5.48</b>	<b>0.11</b>	<b>-</b>	<b>5.59</b>	<b>0.79</b>	<b>0.46</b>
Previous Year	5.51	0.43	-	5.94	4.34	1.13	-	5.48	0.46	1.17
<b>Grand Total</b>	<b>1,349.78</b>	<b>137.54</b>	<b>8.96</b>	<b>1,478.36</b>	<b>399.68</b>	<b>106.48</b>	<b>4.74</b>	<b>501.42</b>	<b>976.94</b>	<b>950.11</b>
Previous Year	1,183.77	184.61	18.59	1,349.78	304.82	105.65	10.79	399.68	950.10	878.95

(Amount In Rs.)

Particulars	(Rs. In Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
At the beginning of the year	-	-
Arising during the year	1.94	-
Utilised during the year	-	-
Unused amount reversed	-	-
<b>At the end of the year</b>	<b>1.94</b>	<b>-</b>

### Note 7 : Short-term borrowings

Particulars	(Rs. In Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
<b>Working Capital Loan (Secured)</b>		
From Bank	362.79	1,865.08
Interest free loans from related parties (Unsecured)	-	4.68
	<b>362.79</b>	<b>1,869.76</b>
<b>Interest free loans from related parties represents :</b>		
Holding Company	-	4.68
Veto Electropower (India) Private Limited	-	4.68

#### Additional Information pursuant to secured short term borrowing :

Rs. 362.79 Lacs (PY Rs. 1865.08 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.

### Note 8 : Trade payables

Particulars	(Rs. In Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Due to Micro, Small & Medium Enterprises	-	-
Due to Others	748.48	548.84
	<b>748.48</b>	<b>548.84</b>

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	(Rs. In Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Current maturities of long term debt	26.00	96.59
Interest accrued but not due on borrowings	0.25	6.19
Trade deposits	45.70	30.40
Salary & Wages payable	30.40	18.40
Duties & taxes payable	58.02	74.10
Provision for expenses	26.52	1.99
Advance from debtors	15.01	176.99
	<b>201.91</b>	<b>404.66</b>

### Note 10 : Short-term provisions

Particulars	(Rs. In Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Provision for taxation (Net of advance tax & TDS)	-	12.00
	<b>-</b>	<b>12.00</b>





# Veto Switchgears and Cables Limited

## Notes to consolidated financial statements for the year ended 31st March 2013

**Note 12 : Non - current investments**

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Trade, Unquoted (At cost, unless stated otherwise)</b>		
<b>Investment In Equity Instruments</b>		
Veto Lightings Private Limited 5,100 Equity Shares of Rs.10/- each fully paid up	0.51	-
Vankon Switchgears and Cables Private Limited 9,800 Equity Shares of Rs.10/- each fully paid up	0.98	-
	<b>1.49</b>	<b>-</b>

**Note 13 : Long - term loans and advances  
(Unsecured, Considered Good)**

(Rs. In Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Capital Advances	44.30	49.25
Security Deposits		
- To related parties	50.00	-
- To others	25.07	18.29
Loans & Advances to related parties	-	12.09
	<b>119.37</b>	<b>77.63</b>
<b>Security Deposits Includes :</b>		
- Enterprises under significant influence of key management personnel	50.00	-
<b>Loans and advances to related parties includes :</b>		
- Relative of key management personnel	-	7.09
- Enterprises under significant influence of key management personnel	-	5.00

**Note 14 : Other non - current assets  
(Unsecured, considered goods)**

Particulars	As at 31st March, 2013	As at 31st March, 2012
MAT credit entitlement	308.94	332.65
Fixed Deposits (Maturity period of more than 12 Months) - Held as Margin Money	-	2.33
Accrued Interest	-	0.11
	<b>308.94</b>	<b>335.08</b>

**Note 15 : Current investments**

Particulars	As at 31st March, 2013	As at 31st March, 2012
Non - trade, Unquoted Investment In National Saving Certificates	0.35	0.35
	<b>0.35</b>	<b>0.35</b>

**Note 16 : Inventories  
(as taken valued & certified by the management)**

Particulars	As at 31st March, 2013	As at 31st March, 2012
Finished goods	1,022.14	606.78
Stock in trade	705.49	555.91
Raw materials	651.85	570.88
Packing materials	54.99	51.68
	<b>2,434.48</b>	<b>1,787.25</b>

**Note 17 : Trade receivables  
(Unsecured, considered good)**

(Rs. in Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Due for a period exceeding six months from the date they are due for payment	227.33	214.06
Other debts	1,787.15	1,825.53
	<b>2,014.48</b>	<b>2,039.59</b>
<b>Trade receivables Includes due from related parties :</b>		
- Relative of key management personnel	-	1.14
- Enterprises under significant influence of key management personnel	1.00	22.96
	<b>1.00</b>	<b>24.10</b>

**Note 18 : Cash and bank balances**

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Cash and cash equivalents</b>		
<b>Balances with banks:</b>		
In current accounts	127.15	137.83
Cash in hand	14.32	44.32
<b>Other bank balances</b>		
Balance with banks to the extent held as margin money*	771.93	27.31
Less : Deposits with maturity for more than 12 months	-	2.33
	<b>771.93</b>	<b>24.98</b>
	<b>913.40</b>	<b>207.13</b>

\* Includes

Particulars	As at 31st March, 2013	As at 31st March, 2012
Held as margin money or security against borrowings, other commitments (as applicable)	5.69	24.98

**Note 19 : Short - term loans and advances  
(Unsecured Considered Good)**

(Rs. in Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Loans &amp; advances</b>		
- To related parties	9.81	4.81
- To others	45.37	17.00
<b>Security Deposits</b>		
- To related parties	200.00	-
- To others	16.11	-
<b>Advance recoverable in cash or kind</b>		
- To related parties	34.28	24.13
- To others	265.08	192.16
	<b>570.66</b>	<b>238.10</b>
<b>Loans and advances to related parties includes :</b>		
Key Management Personnel	4.81	4.81
Enterprises under significant influence of key management personnel	5.00	-
<b>Security Deposits includes:</b>		
Enterprises under significant influence of key management personnel	200.00	-
<b>Advance recoverable in cash or kind includes :</b>		
Key Management Personnel	9.72	-
Relative of key management personnel	9.86	-
Enterprises under significant influence of key management personnel	14.70	24.13
	<b>244.09</b>	<b>28.94</b>

**Note 20 : Revenue from operations**

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
<b>Revenue from operations (gross)</b>		
Sale of Products *	7,411.92	6,858.95
Gain on Foreign Exchange Fluctuations (Net)	0.29	0.59
<b>Other Operating Revenue</b>		
Scrap Sales	1.78	0.74
	<b>7,413.99</b>	<b>6,860.29</b>

\* Sales are reported net of discounts, rebates and returns.

**Details of Products Sold**

(Rs. in Lacs)

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
<b>Finished Goods</b>		
Accessories	2,208.02	2,054.12
Wire	3,289.81	3,277.76
	<b>5,497.82</b>	<b>5,331.88</b>
<b>Traded Goods</b>		
Accessories	1,477.07	1,088.46
Wire	437.22	438.62
	<b>1,914.29</b>	<b>1,527.08</b>
	<b>7,411.92</b>	<b>6,858.95</b>

**Note 21 : Other income**

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Interest Income	20.35	7.58
Profit / (loss) on sale of fixed assets	0.29	1.64
Miscellaneous Income	7.16	0.32
	<b>27.80</b>	<b>9.53</b>

**Note 22 : Cost of materials consumed**

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Opening stock	570.88	430.35
Add: Purchases	3,855.11	3,665.26
Less: Closing stock	651.85	570.88
	<b>3,774.14</b>	<b>3,524.73</b>

**Details of Material Consumed**

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Copper	2,245.17	2,233.83
Aluminium	96.36	60.80
PVC Compound	327.76	312.27
Others	1,104.85	917.83
	<b>3,774.14</b>	<b>3,524.73</b>





# Veto Switchgears and Cables Limited

## Notes to consolidated financial statements for the year ended 31st March 2013

Particulars	(Rs. in Lacs)	
	Year ended 31.03.2012	Year ended 31.03.2013
Copper	198.69	181.29
Aluminium	3.41	-
PVC Compound	21.44	17.75
Others	428.31	371.84
	<b>651.85</b>	<b>570.88</b>

Purchases are stated net of discounts and rate difference.

### Note 23 : Purchases of Stock - In - Trade

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Purchase of stock in trade	1,900.47	1,434.44
	<b>1,900.47</b>	<b>1,434.44</b>

### Details of Purchases of stock - In - trade

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Accessories	1,470.87	1,031.01
Wires	429.60	403.43
	<b>1,900.47</b>	<b>1,434.44</b>

### Note 24 : Changes in Inventories of finished goods and Stock in Trade

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
<b>Finished goods</b>		
Opening stock	608.78	534.69
Closing stock	(1,022.14)	(608.78)
<b>Changes in Inventories of finished goods (A)</b>	<b>(413.35)</b>	<b>(74.09)</b>
<b>Stock in trade</b>		
Opening stock	555.91	418.72
Closing stock	(705.49)	(565.91)
<b>Changes in Inventories of stock in trade (B)</b>	<b>(149.58)</b>	<b>(137.19)</b>
<b>Total (A+B)</b>	<b>(562.94)</b>	<b>(211.28)</b>

### Note 25 : Employee benefits expense

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Salary, wages and other allowances	406.20	387.23
Contribution to provident fund and other funds	29.58	21.22
Staff welfare expenses	15.97	16.00
Director's remuneration	16.25	-
	<b>468.00</b>	<b>424.45</b>

### Note 26 : Finance costs

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
<b>Interest expense :</b>		
On bank borrowings	226.26	227.83
Others	7.55	14.90
Bank Charges	11.35	14.91
	<b>245.17</b>	<b>257.64</b>

### Note 27 : Other expenses

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
<b>Manufacturing expenses</b>		
<b>Consumption of :</b>		
Consumable & Stores	6.42	6.64
Power & Fuel	58.76	49.87
Job Charges	36.51	42.29
Repairs & Maintenance		
- Plant & Machinery	25.25	13.34
- Factory Building	0.02	0.10
Freight & Transportation	18.27	17.64
Factory Insurance Premium	4.17	1.93
Other Factory Expenses	10.15	9.22
	<b>159.54</b>	<b>141.04</b>
<b>Administration, Selling and Distribution expenses</b>		
Rent	17.15	18.47
Rates & Taxes	7.62	4.73
Repairs & Maintenance		
- Building	5.37	2.42
- Others	9.67	6.91
Travelling & Conveyance	59.14	71.76
Communication Costs	17.73	15.71
Printing & Stationery	7.90	5.73
Water & Electricity Charges	13.17	10.43
Legal and Professional Fees	26.47	8.20
Auditor's Remuneration	2.80	2.40

### Note 27 : Other expenses

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Packing Materials Consumed	145.08	140.61
Commission	12.01	22.52
Advertising & Sales Promotion Expenses	116.10	43.63
Transportation, Freight & Handling Charges	74.34	58.11
Miscellaneous Expenses	50.27	27.59
	<b>724.36</b>	<b>581.24</b>

### Note 28 : Earnings per equity share

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

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Weighted average number of Equity Shares of Rs. 10/- each	166.61	53.82
Number of shares at the end of the year	131.32	111.63
Weighted average number of Equity Shares outstanding during the year	-	-
Weighted average number of Potential Equity Shares outstanding during the year	131.32	111.63
Total number of Equity share for calculating Diluted Earning Per Share	587.55	721.59
Net Profit after Tax available for Equity shareholders	4.47	6.46
Basic Earning Per Share (in Rs.) (B/A (i))	4.47	6.46
Diluted Earning Per Share (in Rs.) (B/A (iv))	4.47	6.46

\* Earning per share (EPS) is calculated as provided in Accounting Standard (AS-20) - Earning Per Share, issued by the Institute of Chartered Accountants of India.

### Note 29 : Companies considered in the consolidated financial statement are:

Subsidiaries	Date of Becoming Subsidiary	Country of Incorporation	% Voting Power held As on 31.03.2013	% Voting Power held As on 31.03.2012
Veto Electricals Private Limited	22-Feb-10	India	90.00	90.00
Veto Lightings Private Limited (Upto 19th October 2012)*	17-Nov-09	India	10.20	51.00
Vankon Switchgears and Cables Private Limited (Upto 19th October 2012)*	20-Apr-11	India	19.80	98.00

Note:-During the year two of the subsidiary companies Veto Lightings Private Limited & Vankon Switchgears and Cables Private Limited made fresh allotment of equity shares which has resulted into cessation of interest of the Company as holding Company. The said companies has not been incorporated in Consolidation as there are no material transaction during the year.

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

Actuarial assumption:	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Services Rendered	-	-
Salary Growth *	6%	-
Discount Rate	8.5%	-
Withdrawal Rate	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, 2013	Year Ended 31st March, 2012
Present value of obligation as at the beginning of the year:	24.48	-
Interest cost	1.96	-
Current service cost	8.96	-
Benefits paid	-	-
Actuarial (gain) / loss on obligation	(14.56)	-
Closing Present value of obligation	<b>20.94</b>	<b>-</b>

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

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Present value of obligation as at the beginning of the year	20.94	-
Fair Value of plan assets as at the end of the year	35.26	-
Unrecognised Actuarial (Gain) / Loss	-	-
Net (assets) / liability recognised in balance sheet	<b>(14.42)</b>	<b>-</b>

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

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Current service cost	8.96	-
Past service cost	24.48	-
Interest cost	1.96	-
Expected return on plan assets	(1.81)	-
Net actuarial (gain) / loss recognized in the year	(14.56)	-
Expenses recognised in the statement of profit and loss*	<b>19.03</b>	<b>-</b>

### 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.





# Veto Switchgears and Cables Limited

## Notes to consolidated financial statements for the year ended 31st March 2013

### Note 32 : Related Party Disclosure:-

As required under Accounting Standard 18 "Related Party Disclosure" (AS-16), 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  
Mohan Das Gurnani (from 22/08/2012)  
Narayan Das Gurnani (upto 04/08/2012)

##### II) Relative of Directors

Babulal Gurnani  
Ragini Gurnani  
Kishore Kumar Gurnani  
Pushpa Gurnani  
Jyoti Gurnani  
III) Holding Company  
Veto Electropower (India) Private Limited

##### IV) Subsidiary Companies

Vankon Switchgears and Cables Private Limited (upto 19.10.2012)  
Veto Lightings Private Limited (upto 19.10.2012)

##### 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  
Veto Lightings Private Limited (from  
Pinkcity Buldhome Private Limited  
Gurnani Industries  
Yashodevi Raichand Gurnani Trust  
Gurnani Infra Developer Private Limited

#### b. Transactions with Related Parties :

Name of Party	Nature of Transaction	Year ended March 31, 2013	Year ended March 31, 2012
Vishnu Kumar Gurnani	Remuneration	12.00	-
	Loan Taken by Co	-	75.86
	Repayment of Loans Taken	0.79	75.86
Dinesh Gurnani	Remuneration	4.25	-
	Loan Granted by Co	-	0.35
	Loan Received back	-	0.54
Babulal Gurnani	Sales	-	1.32
Narayan Das Gurnani	Repayment of Loans Taken	-	1.35
Vijay Pammani	Sales	-	0.70
Ragini Gurnani	Salary	-	0.40
Kishore Kumar Gurnani	Loan Granted	-	0.70
	Loan Received back	-	0.70
Pushpa Gurnani	Salary	2.00	6.00
	Salary	2.00	6.00
Poonam Industries	Purchases	8.28	31.89
Anjali Packaging	Purchases	5.86	6.92
Jai Enterprises	Purchases	10.72	9.85
	Sales	-	0.12
Vimal Power Cables Private Limited	Purchases	86.27	154.08
	Sales	-	0.26
	Loan Granted	-	10.00
Pinkcity Buldhome Private Limited	Loan Received back	-	10.00
	Sales	5.87	-
Gurnani Industries	Loan Taken by Co	5.07	-
	Repayment of Loans Taken	5.07	-
	Advance to creditor	16.52	-
Gurnani Infra Developer Private Limited	Job Work	4.20	-
	Rent	2.78	2.78
Veto Electropower (India) Private Limited	Deposit	250.00	-
	Sales	0.04	-
	Loan Granted	58.76	-
Veto Electropower (India) Private Limited	Loan Received back	30.84	-
	Loan Taken	41.07	460.47
	Repayment of Loans Taken	45.86	1,197.56

#### c. Balance Outstanding of Related Parties :

Name of Party	Receivable / Payable	Year ended March 31, 2013	Year ended March 31, 2012
Vishnu Kumar Gurnani	Remuneration Payable	5.28	-
	Advance recoverable in cash or kind	8.44	-
Dinesh Gurnani	Remuneration Payable	1.85	-
	Advance recoverable in cash or kind	1.28	-
Vijay Pammani	Trade Receivables	-	1.14
	Trade Payables	0.40	0.40
Kishore Kumar Gurnani	Advance recoverable in cash or kind	4.81	4.81
	Advance recoverable in cash or kind	4.93	0.32
Jyoti Gurnani	Advance recoverable in cash or kind	4.93	1.82
	Trade Payables	2.27	-
Anjali Packaging	Trade Payables	1.74	-
Jai Enterprises	Trade Payables	-	13.12
Pinkcity Buldhome Private Limited	Trade Receivables	1.00	22.96
Gurnani Industries	Advance to Creditor	13.45	22.88
Yashodevi Raichand Gurnani Trust	Loan Receivable	5.00	5.00
Gurnani Infra Developer Private Limited	Trade Payables	2.48	-
	Deposit	250.00	-
Veto Electropower (India) Private Limited	Loan Payable	-	4.58
Vankon Switchgears and Cables Private Limited	Advance to Creditor	1.25	1.25

#### Note 33 : Operating Lease

(Rs. In lakhs)

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

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Not later than one year	7.15	5.58
Later than one year and not later than five years	8.36	-
Later than five years	-	-
<b>TOTAL</b>	<b>15.51</b>	<b>5.58</b>

#### Note 34 :

The Company has been converted into a Public Limited Company and accordingly the name of the Company has been changed to Veto Switchgears & Cables Limited from Veto Switchgears & Cables Private Limited and fresh certificate of incorporation dated 3rd August, 2012 has been received from Registrar of Company, Maharashtra.

Note 35 : The Company has raised an amount of Rs. 2500.50 Lacs through a public issue of equity shares during the year by way of 50.01 lacs Equity Shares of Rs 10/- at a premium of Rs 40/- per share. Out of the said proceeds and in terms of the offer document an amount of Rs 1889.54 lacs has been deployed partly in modernisation of existing production facilities, working capital requirements, brand building and meeting IPO expenses. The balance of Rs 610.96 lacs have been temporarily invested in fixed deposits with banks.

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 **Singradia Goyal & Co.**  
Chartered Accountants  
  
**Suresh Murarka**  
Partner  
Mem No. 44739

For and on behalf of the board

**Director**

**Company Secretary**

Place: Mumbai  
Date : 29th May 2013

Place: Jaipur  
Date : 29th May 2013







**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



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



NSIC-CRISIL Performance and Credit Rating for Small Scale Industries



**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 Credibility Management System of

**VETO SWITCHGEARS & CABLES PVT. LTD.**

Corporate Office : 203, South Colony, Poo Park, Jajpur - 752 004 (Bhubaneswar) India.  
 Regd. Office: D-2, First Floor, Karachipada, Ramachandra Lane Extension, Malab (W), Awerbar - 44, India.  
 Factory: Plot No. 65-67, 7477, Sector-05, IIE, SDCUL, Bonyan, Bhubaneswar - 751 403 (Uttar) India.

This firm has been 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. **RS9103498** Issue Date **20.07.2010**  
 DAC Accreditation No. **CB - 015** Certificate Valid Upto **19.07.2013**



For and on behalf of QMS Certification (P) Ltd

Surveillance Audit 2nd Year 18.07.2011  
 3rd Year 18.07.2012

The validity of this Certificate will not be revoked from any circumstances.  
 The Registrant shall maintain the quality of products under the firm's production.

**QMS Certification (P) Ltd**

Registered Office: Plot No. 65-67, 7477, Sector-05, IIE, SDCUL, Bonyan, Bhubaneswar - 751 403 (Uttar) India.  
 Registered Office: Plot No. 65-67, 7477, Sector-05, IIE, SDCUL, Bonyan, Bhubaneswar - 751 403 (Uttar) India.

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  
 (RNI) Govt. of India Regd. No. - MM/MU/2009/51110

Registration No. : RQB1-91/321  
 Registered Date : 01.02.2013  
 Reassessment Date : 27.12.2014  
 Issue Date : 28.03.2013  
 Expire Date : 27.03.2015





INNOVATION  
SUCCESS  
EVALUATION  
DEVELOPMENT  
GROWTH  
SOLUTION  
PROGRESS  
MARKETING

**AN ISO 9001-2008 CERTIFIED COMPANY**

**Veto<sup>®</sup>**

**SINCE 1967  
ELECTRICAL ACCESSORIES**

**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.)  
[Gujarat] A-7, Shree Kuber Ji , Textile Park, Opp. Liner Bus Stand Behind Belgium Tower, Ring Road, Surat - 395 002  
Factory : Plot no. 65-67, 74-77, Sector-5, IIE, Sidcul, Ranipur, Haridwar-249403 (Uttarakhand)

Email : [info@vetoswitchgears.com](mailto:info@vetoswitchgears.com)  
Website : [www.vetoswitchgears.com/www.vetoswitchgears.in](http://www.vetoswitchgears.com/www.vetoswitchgears.in)

**VETO SWITCHGEARS AND CABLES LIMITED**

**D-2, 1<sup>ST</sup> FLOOR, MALAD IND. ESTATE, RAMCHANDRA LANE EXTENSION, KACHPADA, MALAD (WEST), MUMBAI**

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**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**

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I/we hereby record my/our presence at the sixth annual general meeting of the Company being held on Wednesday, August 28, 2013 at 1:30 PM at China 1, G-05, Morya Landmark 1, Plot B-25, Off New Link Road, Andheri West, Mumbai.

Please (✓) in the box

Member       Proxy

Signature of Shareholder/Proxy

**VETO SWITCHGEARS AND CABLES LIMITED**

**D-2, 1<sup>ST</sup> 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 sixth annual general meeting of the Company scheduled to be held on Wednesday August 28, 2013 at 1:30 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:

<b>Resolutions</b>	<b>For</b>	<b>Against</b>
Adoption of Annual Accounts and reports		
Reappointment of Mr. Mohan Das Gurnani		
Reappointment of Mr. Govind Ram Thawani		
Reappointment of Auditors		

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.

## NOTICE

Notice is hereby given that the 6<sup>th</sup> Annual General Meeting of Veto Switchgears And Cables Limited will be held on Wednesday, August 28, 2013 at China 1, G-05, Morya Landmark 1, Plot B-25, Off New Link Road, Andheri West, Mumbai at 1:30 PM to transact following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2013 and Profit & Loss Account for the year ended on that date along with the Reports of Auditors and Director's thereon.
2. To appoint a director in place of Mr. Mohan Das Gurnani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint an independent director in place of Mr. Govind Ram Thawani, 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 propose and recommend issue of bonus shares.

#### 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

  
(VISHNU KUMAR GURNANI)  
MANAGING DIRECTOR

  
(DINESH GURNANI)  
WHOLE TIME DIRECTOR

## 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 6<sup>TH</sup> ANNUAL GENERAL MEETING.
2. The Share Transfer Books and Register of Members of the Company will remain closed on August 6, 2013.
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. As a measure of economy, copies of Annual Report will not be distributed at the venue of the Annual General Meeting. Members are, therefore requested to bring their own copies of the Annual Report at the meeting.
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.



## ANNEXURE TO NOTICE

### **EXPLANATORY STATEMENT**

(Pursuant to the provisions of section 173 (2) of the Companies Act, 1956)

To commemorate the occasion of the first financial year completed after listing of the Company on NSE EMERGE platform, the Board of Directors of the Company in its meeting held on July 25, 2013, has recommended for approval of the shareholders, issue of bonus shares to the holders of equity shares of the company in the ratio 1:10 ( i.e. one bonus equity share of Rs 10/- for every ten fully paid up equity shares of Rs 10/- each held ) by increasing the Issued, Subscribed and paid-up Share Capital of the Company to a sum not exceeding Rs 16661000/- after capitalizing a sum not exceeding Rs 183271000/- from the Securities Premium Account, General Reserves or any other permitted reserves/ surplus as per the Audited Accounts of the Company for the financial year ended March 31,2013, and the same is proposed to be applied in paying up in full not exceeding 1666100 Equity Shares of Rs 10/- each.

The fully paid-up Bonus Shares shall be distributed to the members of your Company, whose names shall appear on its Register of members on the Record Date determined by the Board of Directors of our Company for the purpose of issue of bonus Shares, in the Proportion of 1(one) Bonus Shares of Rs 10/- for every 10 (Ten) Equity Shares of Rs 10/- each held by them on the Record Date.

In case of fraction shares at the time of allotment of shares of bonus issue, shareholders shall be entitled for 1 equity bonus share, if fraction will be in excess of 0.5 share in number of more and in other case of less than 0.5 share in number, no bonus share shall be allotted.

Directors of your Company are interested in this Resolution to the extent of their respective shareholdings/ Stock Options in the Company.

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

**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**

  
**(VISHNU KUMAR GURNANI)  
MANAGING DIRECTOR**

  
**(DINESH GURNANI)  
WHOLE TIME DIRECTOR**