



SINCE 1967

ALL ELECTRICAL SEGMENTS

# ANNUAL REPORT 2015-16



**VETO SWITCHGEARS AND CABLES LTD.**





# Contents



1. Corporate Information	2
2. Key Performance Indicators	6
3. Group Chairman's Message	7
4. From the desk of Managing Director	8
5. Mission & Vision	10
6. Director's Report	11
- Management Discussion and analysis	29
7. Annexure to Director's Report	33
8. Corporate Governance Report	36
- General Shareholder's Information	48
9. Corporate Social Responsibility	54
10. Extract of Annual Return	55
11. Secretarial Audit Report	71
12. Certificate on Corporate Governance	74
13. Auditor's Report and Standalone Financial Statements	77
- Balance Sheets	85
- Profit and Loss Account	86
- Cash Flow Statement	87
- Notes to the Financial Statements	89
14. Auditors' Report and Consolidated Financial Statements	109
- Consolidated Balance Sheet	114
- Consolidated Profit and Loss Account	115
- Consolidated Cash Flow	116
- Notes to the Consolidated Financial Statements	118
15. Notice	138





## Corporate Information



MOHAN DAS GURNANI  
Group Chairman



Akshay Kumar Gurnani  
Managing Director



NARAIN DAS GURNANI  
(Additional Director cum CFO)  
W.e.f. May 2016



Jyoti Gurnani  
Director



MURLI DHAR KAURANI (Retd. IAS)  
Independent Director



MOHAN SUKHANI  
Independent Director



GOVIND RAM THAWANI  
Independent Director

### Company Secretary and Compliance Officer

: Ms. Shilpi Keswani  
M.Com , ACS

### Sr. Manager Accounts and Internal Auditor

: Mr. Anuj Kumar Khator  
(B.Com, C.A.)

### Vice President Marketing

: Mr. Vasudev Lalwani  
B.Com

### Auditors

: S G CO & Co.  
Chartered Accountant  
4A, kaledonia-HDIL, 2nd Floor,  
Sahar Road, Near Andheri  
Station, Andheri(East),  
Mumbai-400069.

### Registrar and Share transfer Agents

: Bigshare Services Pvt. Ltd.  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri(E), Mumbai-400 072  
info@bigshareonline.com

### Bankers

: Indian Overseas Bank  
Bank of Baroda

### Secretarial Auditor

: Ms. Nisha Agarwal

### Stock Exchanges where Company's Securities are Listed

: BSE Limited  
National Stock Exchange of  
India, Limited

### Registered Office

: 506, 5th Floor Plot No. B-9  
Landmark Building New link Road  
Andheri (West) Mumbai  
Maharashtra 400058

### Corporate Office

: 230, Sindhi Colony Raja Park  
Jaipur- 302004

### Website

: www.vetoswitchgears.com

### Email ID

: info@vetoswitchgears.com  
cs@vetoswitchgears.com

### Corporate Identity Number

: L31401MH2007PLC171844







## Board's Committees

<b>Audit Committee</b>	<b>Corporate Social Responsibility Committee</b>
Govind Ram Thawani (Chairman)	Mr. Govind Ram Thawani (Chairman)
Mohan Sukhani	Mr. Mohan Sukhani
Mr. Dinesh Gurnani <sup>2</sup>	Mr. Dinesh Gurnani <sup>2</sup>
<b>Nomination, Remuneration &amp; Compensation Committee</b>	<b>Stakeholders Relationship Committee</b>
Govind Ram Thawani (Chairman)	Mr. Govind Ram Thawani (Chairman)
Murlidhar Kaurani	Mr. Dinesh Gurnani <sup>2</sup>
Mohan Sukhani	Mr. Mohan Sukhani

## Board's Profile

**Akshay Kumar Gurnani ( DIN: 06888193 )**, Managing Director cum Chief Executive officer of our Company. He is a post graduate in commerce and having a Qualification of International Hotel Management and Master in Business Administration alongwith Master in Commerce. He has a wide role to play in department of marketing, planning and production. He aims at achieving Rs. 1000 Crores from sales in next Five years. He possesses skilled experience in manufacturing and marketing of copper wires, cables and electrical accessories.

### Other Directorship :

<b>SL No.</b>	<b>Names of the Companies</b>	<b>Position</b>
1.	Veto Electropowers (India) Private Limited	Director
2.	Gurnani Holdings Private Limited	Director
3.	Veto Electric Components Private Limited	Director
4.	Ambience Lifespace LLP	Partner

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

### Other Directorships :

<b>SI No.</b>	<b>Names of the Companies</b>	<b>Position</b>
1	Mukesh Propcon Private Limited	Director
2	Pinkcity Buildhome Private Limited	Director
3	Veto Electric Components Private Limited	Director





SI No.	Names of the Companies	Position
4	Veto Power Products Private Limited	Director
5	Veto Electricals Private Limited	Director
6	Veto Exim Private Limited	Director
7	Gurnani Realators Private Limited	Director
8	Mukesh Buildhome Private Limited	Director
9	Pink Square Build Estate Private Limited	Director
10	Pink Square Real Estate Private Limited	Director
11	Pink Square Infra Developers Private Limited	Director
12	Vankon Switchgears And Cables Private Limited	Director
13	V1 Infradevelopers Private Limited	Director

\*Mr. Dinesh Gurnani has been relieved from the Board w.e.f. 24<sup>th</sup> May 2016 at the meeting of its Board of Directors.

**Murlidhar Kaurani, DIN: 06367086** is Non- Executive Independent Director of our Company. He is a retired IAS officer and has over 36 years of experience and has been an active bureaucrat in Government of India. Being an active officer of the Indian Administrative Services, he has a good administrative power and his experience thus can act as a guiding role for growth of our organization. There were no other directorships held as on March 31, 2016. He is a member of Nomination and Remuneration Committee. No other directorships were held by Mr. Murlidhar Kaurani.

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

#### Other Directorships

SI No.	Names of the Companies	Position
1.	Goyal Farms Pvt. Ltd	Director
2.	Manhattan Constructions Pvt. Ltd.	Director
3.	Sukhani Buildcon Private Limited	Director
4.	Manhattan Capital Services Private Limited	Director
5.	Gestalt Builders Private Limited	Director
6.	Aravali Square Private Limited	Director
7.	Anokhi Builders Private Limited	Director
8.	Tulsan Constructions Private Limited	Director
9.	Vinayakraj Build Tech Private Limited	Director
10.	Spectrum Buildcon Private Limited	Director
12.	Tulsi Palace Resort Private Limited	Director





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

**Other Directorships :**

SI No.	Names of the Companies	Position
1	Veto Electricals Private Limited	Director

**Jyoti Gurnani DIN: 06953899** is a Director of our Company. She is a Graduate and participates actively in the growth and development of the Company. She has no other Directorships. She is the Chairperson of Internal Complaint Committee .

**Narain Das Gurnani DIN : 01970599** is appointed as the additional Director in the Capacity of Chief Financial Officer w.e.f. 24th may 2016. He is an Under Graduate , but possess specific skills in finance. He has over 35 years of experience in the field of wires and cable industry and other electrical accessories besides real estate. He has handled finance and costs in other companies of the group. He had played vital role in formulating business strategies and effective implementation of the same for both domestic and international markets.

**Other Directorships:**

SI No.	Names of the Companies	Position
1.	Veto Electropowers (India) Private Limited	Director
2.	Esma Constructions Private Limited	Director

**Notes:**

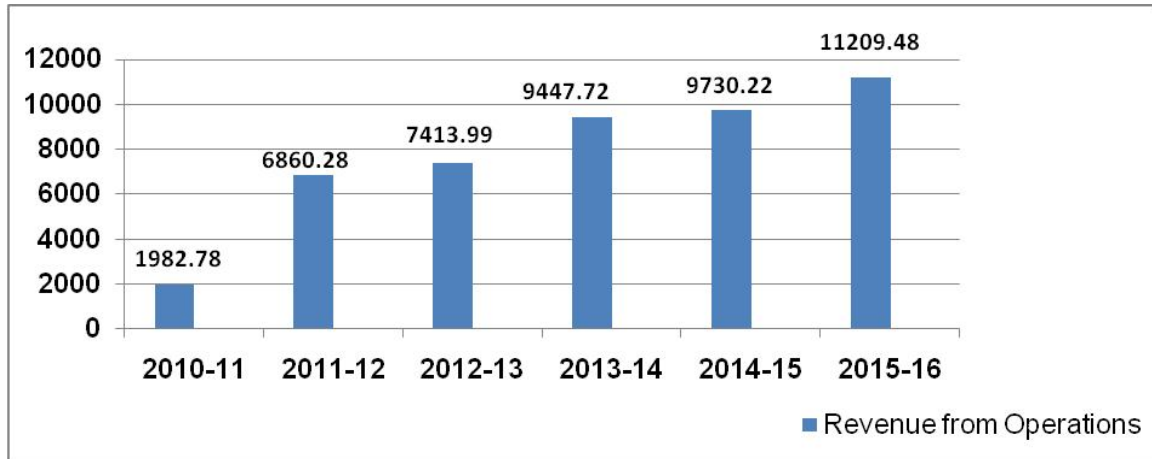
- Other Directorships and Committee Memberships of Directors are as on 31st March, 2016.
- Changes in the composition of Director and the Committee:  
Mr. Dinesh Gurnani resigned w.e.f 24<sup>th</sup> May 2016 and Mr. Narain Das Gurnani was appointed as the additional director cum CFO , and became a member of the Audit Committee, Corporate Social Responsibility Committee and Stakeholders Relationship committees, thereafter.



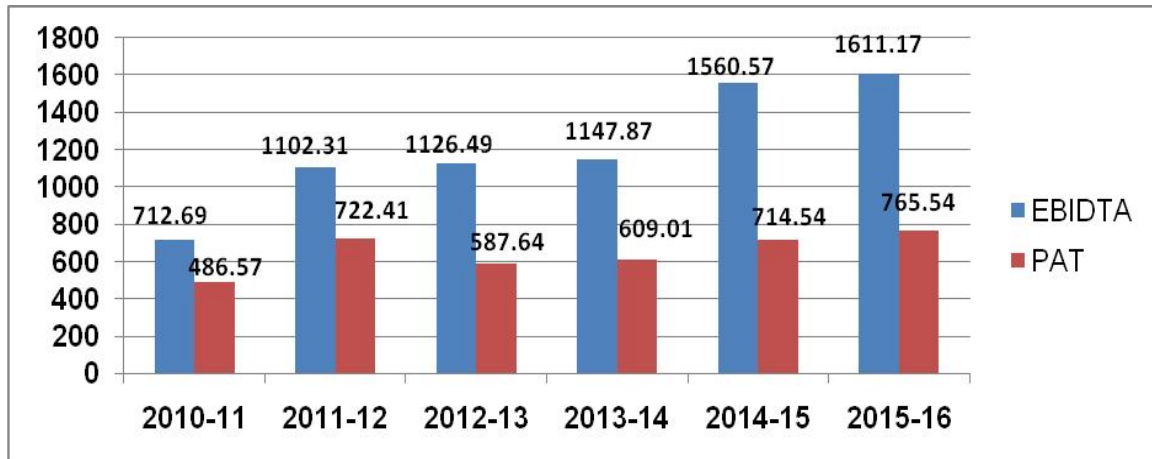


## KEY PERFORMANCE INDICATORS

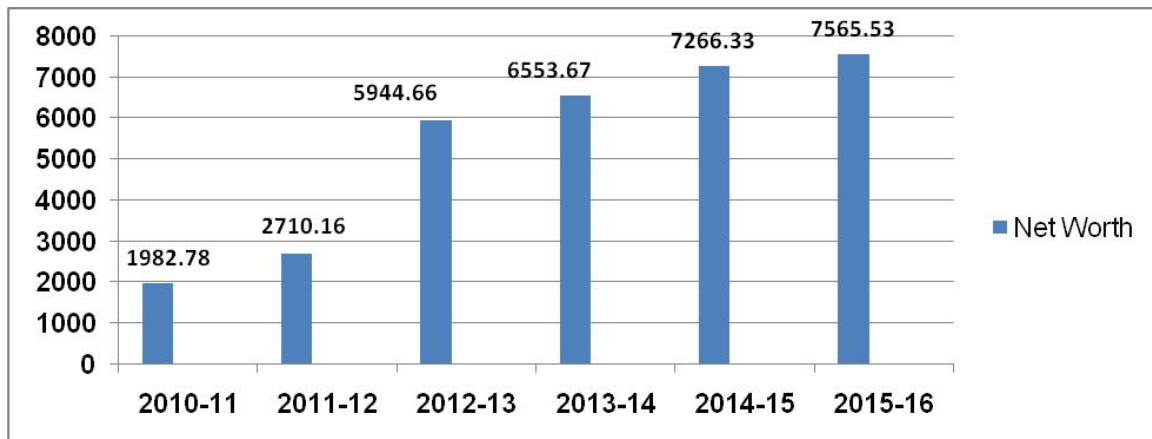
### Years Of Consistent Progress And Perseverance Revenue from Operations (in Lacs)



### EBIDTA & Profit after Tax (in Lacs)



### Net Worth (in lacs)





## GROUP CHAIRMAN'S MESSAGE

*"No matter how much darkness there is at the end of the day, with the onset of the sun there comes light."*

Dear Shareowners,  
Greeting from VETO!

It gives me great pleasure to write to you at the end of another exciting year of our journey.

Welcome to the 9th Annual General Meeting of Veto Switchgears and Cables Limited.

At VETO we believe – "Where there is light there is a way".

The year 2015-2016 was earmarked year of light. At Veto, each individual is working towards a common goal, and that is bringing light to the common household.

The year 2015-16 was a milestone year of success. Our major achievement was our first step to be globally awarded. Veto has established its wholly owned subsidiary in Dubai by the name of "VETO Overseas Private F.Z.E. We were welcomed in Dubai with open hands and we are thankful for their gesture. Your company has earned a consolidated profit of 1958.80 Lakhs before tax and exceptional items. The year proved to be a payback for all the hard work and optimism that all its stakeholders have put into this company since its foundation in 2007. Along with the company the group was exponentially awarded. We have maintained the ICRA grade of BBB+ in current year as well.

After the fire that had occurred at one of the rental warehouse of the Company during the financial Year 2014-2015 the Company had faced various challenges. Thankfully the company has received major claim settlement of Rs. 1119.23 lakhs, however short receipt of Rs. 421.03 lakhs. The year 2015-16 has also been full of milestones and memories. The company witnessed diverse challenges as a result of elevated high client expectations, changing environment, new emerging technologies and moreover the manufacturing sector facing unbounded competition. Despite of all the difficulties faced as a result of the innumerable developments on the domestic and global front, your company strived hard and succeeded to deliver performances.

To celebrate our journey in the last year, the board of directors announced a Dividend of Rs 0.50 per share as interim dividend and recommended Rs. 1.50 as final dividend on this occasion. The total dividend paid in FY 2015-16 amounts to Rs. 366,54,200/-

Veto continues to believe in excellence in delivering services seasoned with good business ethics. We target high customer satisfaction, employee satisfaction and maximum revenue generation from all that we undertake. We aim to extract maximum benefit from the business opportunities that we foresee, hand in hand with our trained and skilled team and their teamwork.

Your company has been developing as a distinctive brand of leadership well equipped to address critical challenges faced by industry and society. We look forward to being recognized as one of the major competitors in the global electrical accessory industry.

We constantly work towards our motto:

**In the spirit of peace and harmony, we will constantly improve and innovate technologies and carry out our responsibility towards society, nature and culture.**

We look forward for the continuing support and encouragement from all our stakeholders, financiers, customers, vendors, staff and all those who directly or indirectly helped us to achieve our goals and conquer our dreams. Last but not the least I would like to thank the Veto team for their determination and hardwork to take the company to soaring new heights, for their potential to face challenges and overcome them and to cross each milestone with flying colours.

Thank you,



MOHAN DAS GURNANI  
Group Chairman



Mohan Das Gurnani  
GROUP CHAIRMAN





# FROM THE DESK OF MANAGING DIRECTOR

*"I find hope in the darkest of days, and focus in the brightest.  
I do not judge the universe."*

- Dalai Lama

Dear Shareowners,

Greeting from Veto!

With great pride and pleasure I am presenting you, our Shareholders, the Annual Report 2015-16 of Veto Switchgears and Cables Limited.

Investors nowadays are uncertain about the ever-fluctuating global economy. The economy is volatile and there is lack of leadership and management. In the hour of difficulties, we stand operational.

During the financial year 2015-16, the Company faced various challenges but it stands back and earned a Profit of Rs. 765.55 lacs as Compared to Rs. 714.55 lacs in Financial Year 2014-15.



**Akshay Kumar Gurnani**  
Managing Director & CEO

***"Quality assurance at different stages of the manufacturing process ensures that only those products go out of the factories that are safe and of high quality. Veto assures 100% Guarantee for its products."***

Technology, design, quality and variety we have it all. We don't say that we are perfect, we just say that we are progressive. Your faith, dear shareholders, is the basis of our hope. We have transformed our portfolio this year the major developments of the year have been:

- The company is now listed on both NSE and BSE.
- Declared its first interim dividend
- Got an order of Rs. 76 crores (approx) at dealers conference
- 100% subsidiary established in Dubai

Reshaping our portfolio would help our stakeholders and the company to achieve greater value and efficiency.

By continuing with our goal of "Absolute Light" we ensure to serve our customers better and delight them everyday.

We are proposing to the upcoming Annual General Meeting of shareholders to accept their share of earnings as a small token for their share of earnings as a small token for their gratitude and faith upon us. The dividend recommended by the Board is Rs. 1.50 per share of face value Rs. 10 per share (i.e. 15% of Face Value)

Looking ahead we remain cautious about the macro-economic suspects and would be insured at all times to face them, along with other ancillary costs.

On behalf of my colleagues on the executive board, I would like to thank all our employees for their hardwork over the past years, as well as their willingness to embrace change. I would further like to express my gratitude to all the shareholders, customers, and stakeholders for supporting us at all times and for the absolute trust and confidence they have in Veto Switchgears and Cables Limited.

Thank you,

**Akshay Kumar Gurnani**  
(DIN: 06888193)  
Managing Director & CEO





Branding is not merely about differentiating products; it is about striking emotional, cultural, traditional chords with customers. It is about cultivating identity, fame, attachment and trust to inspire customer's loyalty.



***The Brand Veto*** scores high on attributes such as 'Sophisticated', 'desirable', 'innovative', 'friendly' 'value based decision making' and 'reliable'.







## OUR VISION, MISSION & CORE VALUES

### OUR VISION

"To be a globally recognized corporation that provides best electrical and lighting solutions, by pursuing excellence and innovation through committed team work and ethical business practices."

### OUR MISSION

"To provide the people of our nation offer low priced, high quality eco-friendly products, our employees a great work environment with utmost satisfaction and growth opportunities while treating each other with respect and dignity, our investors the highest possible returns and ultimately contribute to our communities and our environment in a positively transparent way."

### CORE VALUES

© Commitment      © Honesty      © Team Work      © Passion      © Optimistic approach

### OBJECTIVES AND GOALS

- ▶ To bring a positive change by satisfying the demands of the Customers in an Eco- Friendly manner. Our vision unites us as one organization focused on delivering best results.
- ▶ We are focusing on our future projects by adding different electrical Accessories and Wires and cables for which we had purchase a land of 10312.99 Sq. meters in SEZ Jaipur.
- ▶ Our vision is to achieving sale target of more than Rs. 1000 Crores in next Five Years.
- ▶ By our hard work, open communication and team work we will be the most relevant, innovative and insightful company in India.
- ▶ We continue to drive forward, offering new technology and products to our customers.
- ▶ We continue with our fair and transparent business in our operations to meet our obligations, sustain our growth and reach our goals.



**1. DIRECTOR'S REPORT****Dear Shareowners,**

The Directors have pleasure in presenting the 9th Annual Report on the business and operations of the Company, together with the Audited Financial Statements for the financial year ended 31st March, 2016 and other accompanying reports, notes and certificates.

**1. Company Performance**

Your Company has grown exponentially during the current financial year. The Standalone and Consolidated Audited Financial Results of the Company for year ended 31st March, 2016 are as follows:

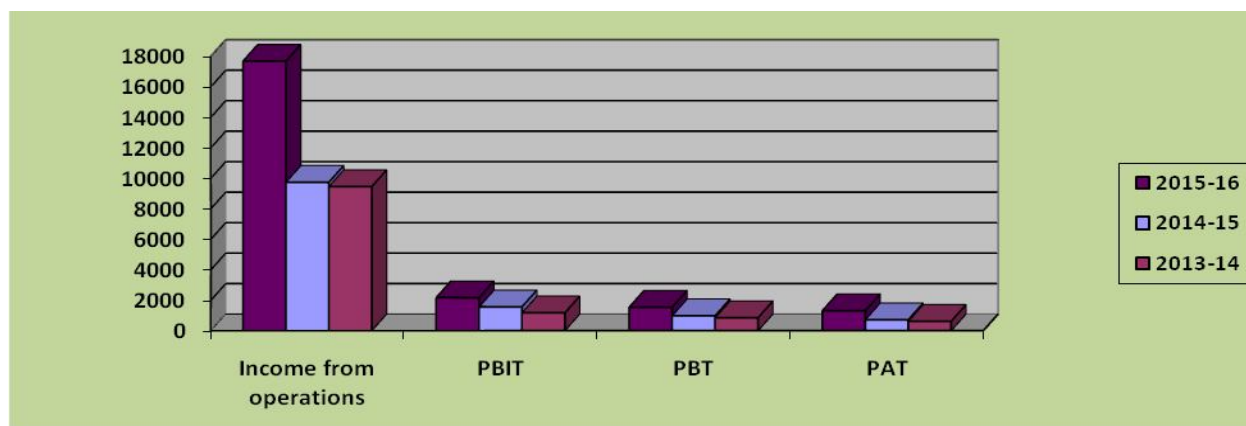
**Financial Results****(Rs. in Lacs)**

Particulars	Consolidated		Standalone	
	2015-16	2014-2015	2015-16	2014-2015
<b>Revenue from Operations (including other Income)</b>	17,698.39	9,783.86	11,287.58	9,783.86
Less Expenses :				
(a) Cost of materials consumed	4,835.58	4,558.31	4,835.58	4,558.31
(b) Purchases of stock-in-trade	8,573.00	2,290.03	2,632.43	2,290.03
(c) Changes in inventories of finished goods, and stock-in-trade	(608.75)	(398.49)	(463.41)	(398.49)
(d) Employee benefits expense	761.82	599.61	719.56	599.61
(e) Depreciation and amortisation expense	197.46	201.37	197.46	201.37
(f) Other expenses	1,525.47	1,162.43	1,496.12	1,162.30
<b>Total expenses</b>	15,284.58	8,413.26	9,417.74	8,413.13
Finance costs	455.01	395.17	454.77	395.17
<b>Profit before tax and exceptional items</b>	1,958.80	975.43	1,415.07	975.56
Less: Exceptional items	421.03	-	421.03	-
<b>Profit before tax</b>	1,537.77	975.43	994.04	975.56
Less: Tax Expense	228.49	261.01	228.49	261.01
Less: Minority interest	-	-	-	-
<b>Profit after tax</b>	1,309.28	714.42	765.55	714.55



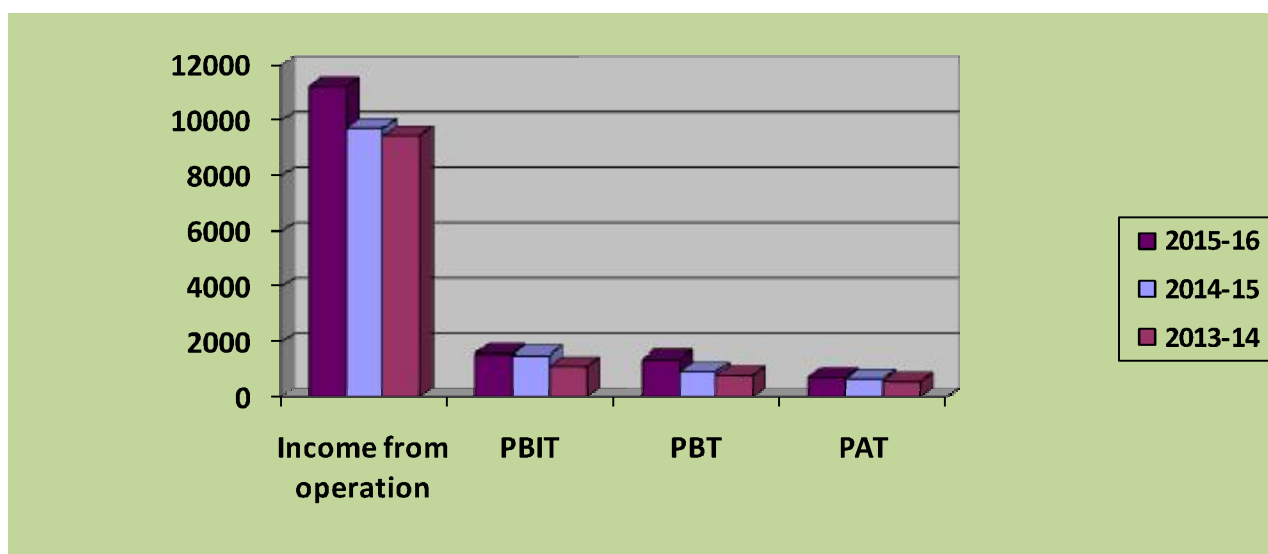


### Consolidated Financial Results for the year ending 2015 and 2016:-



During the year under review on consolidated basis our Company earned profit before tax and exceptional items of Rs. 1958.80 Lacs against Rs. 975.43 Lacs in the previous year. The Company earned profit after tax of Rs. 1309.28 Lacs as compare to Rs. 714.42 Lacs in the previous year. The Company had Income from operation of Rs. 17674.21 Lacs as compared to Rs. 9730.22 Lacs in previous year. The Profit before Interest/Depreciation/Tax (PBIT) was Rs. 2154.90 Lacs as compared to Rs. 1560.44 Lacs in previous year.

### Standalone Financial Results for the year ending 2015 and 2016:-



During the year under review on standalone basis our Company earned a profit before tax and exceptional items of Rs. 1415.07 Lacs against Rs. 975.56 Lacs in the previous year. The Company earned profit after tax of Rs. 765.55 Lacs as compare to Rs. 714.55 Lacs in the previous year. The Company had Income from operation of Rs. 11209.48 Lacs as compared to Rs. 9730.22 Lacs in previous year. The Profit before Interest/Depreciation/Tax (PBIT) was Rs. 1611.17 Lacs as compared to Rs. 1560.57 Lacs in previous year.

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





### **Dividend**

The Company has paid an interim dividend of 5%, being Rs. 0.50 per share of Rs. 10/- each, on January 29, 2016. We are pleased to recommend a final dividend of 15%, being Rs. 1.50/- per share of Rs. 10/- each, for the financial year 2015-16. The final dividend, if approved by the members, will be paid to members within the period stipulated by the applicable Companies Act. The aggregate dividend for the year will amount to 20%, being Rs. 2 per share of Rs. 10/- each. This is the first time company has declared any dividend.

### **Reserves**

Rs. 765.55 lakhs has been transfer to reserves and surplus account during the current year.

### **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 was December 3, 2012 and December 5, 2012 respectively. The amount has been completely utilized towards objects of issue and the details have been furnished in the Annual report of 2014-15.

### **Change in the nature of business, if any**

There is no change in the nature of business during current financial year.

### **Material changes if any affecting the financial position of the Company which have occurred between the ends of the financial year of the company to which the financial year relates and the date of the report.**

On May 23<sup>rd</sup> 2016 the nomination and remuneration committee of the company has granted 916355 Employee Stock options at exercise price of Rs. 50 convertible into equal number of shares i.e. one share for each option, to the employees under Employee Stock Option Scheme 2015 (ESOP 2015). Consequently the company has charged Rs. 56.39 Lakhs in profit and loss account as employee compensation expense. The said amount was charged by the Board of directors after taking into consideration the resignation of Mr. Dinesh Gurnani who gave up his granted 100000 options.

In July, 2016 the promoter and holding company of your company Veto Electropowers (India) Private limited, has sold its holding of approx 8.18%, subsequently your company is no longer a subsidiary of Veto Electropowers (India) Private limited.

In May and July, 2016, Mr. Akshay Kumar Gurnani, promoter of the company, has sold his shares in the market, pursuant to which his shareholding fell from 5.97% to 0.59%. The Stock exchanges were intimated about the same.

On a meeting held by the Board of Directors on 23<sup>rd</sup> May 2016, Mr. Dinesh Kumar Gurnani was relieved and Mr. Narain Das Gurnani was appointed as the Additional Director as well as the Chief Financial Officer of the Company.

### **Management Discussion and Analysis**

The Management Discussion and Analysis Report of the financial condition and results of operations of the Company for the year under review as required under regulation 34(2) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being given separately and forms part of this Board Report.

### **Particulars of Loan, Guarantee and Investments**

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note no. 13, 31, 11, 14, and 15 respectively to the Standalone Financial Statements of the Company.

### **Particulars of Contracts and Arrangement under section 188**

Particulars of contracts and arrangements made with related parties referred to in Section 188 (1) of the Companies Act, 2013, in the prescribed form AOC-2, is appended as Annexure III to the Board's Report.





### **Deposits**

The Company has not accepted any deposits from the public. The details relating to deposits, covered under Chapter V of the Act,-

- a) **Accepted during the year : NIL**
- b) **Remained unpaid or unclaimed as at the end of the year: NIL**
- c) **Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-**
  - i. **At the beginning of the year: NIL**
  - ii. **Maximum during the year: NIL**
  - iii. **At the end of the year: NIL**

### **2. Business Operations/ State of Company's Affairs**

As one of the most respected cable manufacturers in India, Veto switchgears and Cables is committed to quality, safety and service with no compromise. The Company is an ISO 9001:2008 certified company, engaged in the manufacture and sale of wires & cables and electrical accessories in India.

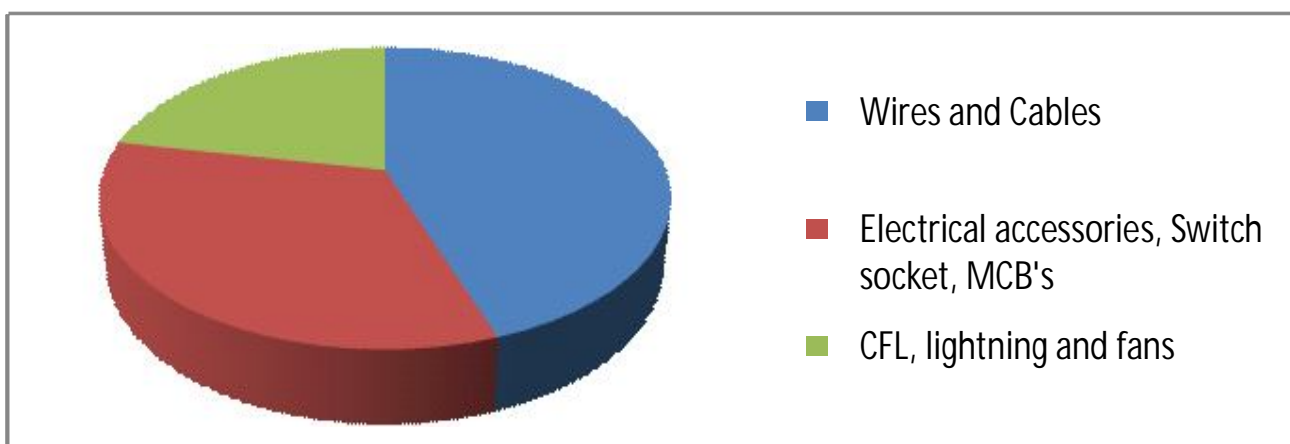
The brand name VETO is since 1967. VETO holds a major part of electrical accessories in India. The company also has a strong and hardworking team of marketing professionals and dealers and distributors sales of the unit increasing day by day and its production is manifold many times since its inception. We are looking forward to grow further by way of providing “**Best Quality at Competitive Prices.**”

The product portfolio ranges from industrial cables, stand cables to telephone & co-axial wires, from general switches to modular switches, from ceiling fans to rechargeable fans, compact fluorescent lamps, LED bulbs and other electrical accessories. We are dealing in electrical accessories like switch socket, MCB, bell and all electrical accessories which is used for household purposes and manufacturing wires and cables. Cable starts from 0.75 mm to 10 mm.

Our Company supplies 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.

VIMAL POWER is a part of the Veto group and continues to reinforce a successful international presence and enhance its enviable reputation for innovation. A continuous programme of research and development ensures a world beating range of cables to satisfy or surpass requirements of Indian Standards. The Group is strongly positioned in high-tech markets and offers the widest range of products, services, technologies and know-how.

The company incorporated a wholly owned subsidiary company in Dubai by the name of VETO Overseas Private F.Z.E in October 2015.



**Net Sales Breakdown by business segment**



**Future Prospects**

- 1) The company is planning to launch a gyser.
- 2) Operation in Mahindra SEZ are expected to begin in the coming financial year.

**Raw Material**

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

(Qty. in kg)

Product category	Existing (2015-16)	Proposed (2016-17)
Copper	587472	646220
PVC Resin	95156	104672
Aluminium	493087	542396

**Infrastructure facilities**

- **Power :** Presently, we have 400 KVA of power supply sanctioned by Uttarakhand Power Corporation Limited, of which we utilize approximately 325 KVA of power for our present business operations. In addition, to avoid any disruption in the power supply, our Company has already installed a DG set of 250 KVA capacity. Therefore, we envisage that our further requirement of power for our proposed modernization at our Haridwar facility can be easily met from the present supplies.
- **Fuel :** Our Company mainly requires HSD for operating the DG sets. The present monthly consumption of HSD is about 1000 litres. The HSD is being supplied by retail outlets of IOC, HPCL and BPCL.
- **Water :** Water is basically required for drinking and other domestic purpose. Our present requirement at our Haridwar unit is about 5000 litres per day. Our entire water requirement is met from our own borewell. The water supply is regular and sufficient to meet entire requirements. The proposed modernization at our Haridwar facility will require additional 2000 litres of water per day. There is no difficulty in obtaining this because of the presence of a number of borewell and the water level in the area being high due to proximity to nearby canal and a river, Ganga.
- **Manpower :** Our Company has adequate manpower at all levels at present and does not envisage any difficulty in getting the requisite personnel for our business operations at existing locations. Following are the details of our manpower :

Category	Nos.
Top management	3
Managerial & Supervisory staff	77
Office staff	61
Skilled workers	60
Unskilled workers	370
<b>Total</b>	<b>571</b>

- **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 and/or recycled.





- **Environmental Clearance** : We have got all the necessary approvals from the local authorities to operate our business.
- **Safety standards** : Quality and safety are the hallmarks of our diverse range of products, which are designed and manufactured to the very highest standards such as ISO 9001 and approved by the leading approvals organisations nationally and internationally.
- **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 201 5-16	FY 201 6-17	FY 201 5-16
<b>Wires &amp; Cables</b>			
Installed Capacity	20 Lacs Bundles	20.00 Lacs Bundles	20.00 Lacs Bundles
Capacity Utilization (in %)	45%	50%	43.50%
Production	9.00 Lac Bundles	10.00 Lac Bundles	8.70 Lac Bundles
<b>Electrical Accessories</b>			
Installed Capacity	600 Lac pieces	600 Lac pieces	400 Lac pieces
Capacity Utilization (in %)	30 %	36 %	37.15 %
Production	180 Lac pieces	216 Lac pieces	148.58 Lac pieces

#### ➤ Insurance

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

1. Fire policies for our units, buildings and offices, raw materials, work-in-progress and finished goods;
2. Marine policy for transit of raw materials and finished products in India and Marine Export policy;
3. Accidental & Health insurance facility for field staff;
4. Gratuity policy;

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

#### **Risks and Concerns:**

1. Common Risks: Accidents in the work place, fires, earthquake, tornadoes, and any other natural disasters
2. Legal Risks, fraud, Theft, etc
3. Uncertainties in financial markets
4. Failure in Projects
5. Credit Risks
6. Outstanding Debtors
7. Security and Storage of Data and Records
8. Competitors have market standing out of Rajasthan.







### **Internal Control System**

- The Company has put in place an adequate system of internal control commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies. The Audit Committee reviews adherence to internal control systems and internal audit reports.
- Company has formed the Risk Management Committee for the assessment and monitoring of the risks involved in the Company.
- Preparation and issue of financial reports to shareholders and the markets, including the Annual Report and consolidated financial statements, is overseen by the Audit Committee. The Company's financial reporting process is controlled using documented accounting policies and reporting formats, supplemented by detailed instructions and guidance on reporting requirements. The Company's processes support the integrity and quality of data, including appropriate segregation of duties. The financial information of the parent entity and all subsidiary entities, which form the basis for the preparation of the consolidated financial statements are subject to scrutiny by Group level senior management. The Company's financial reports, financial guidance, and Annual Report and consolidated financial statements are also reviewed by the Audit Committee of the Board in advance of being presented to the full Board for their review and approval;
- Detailed budgetary process which includes identifying risks and opportunities and which is ultimately approved at Board level;
- Board approved capital expenditure and Audit Committee approved treasury policies which clearly define authorization limits and procedures;
- An internal audit function which reviews key financial/business processes and controls, and which has full and unrestricted access to the Audit Committee;
- Established systems and procedures to identify control and report on key risks. Exposure to these risks is monitored by the Risk Management Committee; and
- A risk management programme in place throughout the Company whereby Risk Management executive reviews and monitors the controls in place, both financial and non financial, to manage the risks facing the business.

### **Awards and Recognition**



During the year our company has been awarded with ***"Best in Quality Excellence Award"*** which was received by our Managing Director Mr. Akshay Gurnani from Confederation of Indian Industry (CII).





### **Details of Subsidiaries/ Joint Venture/ Associate Companies**

The Company has two subsidiary Companies. One in Jaipur and the other in Duabi, UAE.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 a statement containing salient features of the Company's subsidiaries is provided in the Annexure-I to the Director's report of the Company.

Pursuant to the provisions of Section 136 of the Companies Act, 2013 the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are also available on the website of the Company.

On 22nd November, 2014 Veto Electricals Private Limited becomes the Wholly Owned Subsidiary Company of the Company. Same has been disclosed in Annexure-I

A land is purchased by Veto Electricals Private Limited in Mahindra, SEZ. Company had already applied for letter of approval with the Development Commissioner SEZ, Noida. The case has already been approved by Unit Approval Committee (UAC) and company has started construction work of building in Mahindra SEZ in Month of December, 2015, which is expected to complete the Construction and erection of plant and machinery upto September, 2016. Hence commercial production may start in the Month of October, 2016.

On 11th October 2015 Veto registered a wholly owned subsidiary in Dubai by the name of "Veto Overseas Private F.Z.E and Mr. Mohan Das Gurnani was appointed as its Manager. It has earned total revenue of 35611834 AED since its inception till March 31<sup>st</sup> 2016. The Company has declared profit of 3070392 AED. It is headed by Group Chairman Mr. Mohan Das Gurnani as its Manager. The copy of the Consolidated audited accounts, together with the independent auditor's report, is provided in a separate section of this Annual Report.

### **Performance and Financial position of Subsidiary Company**

The details with respect to subsidiary Companies as on March 31, 2016 have been discussed in Annexure II.

## **3. Human Resource Management**

### **Employee Relations**

VETO encourages a culture of trust and mutual respect. Employees are aligned on common objectives and take pride in the quality of the products that leave the factory for sale in the markets. We have over the years realized the importance of human capital and duly acknowledge 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.

### **Managerial Remuneration**

- A) Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The Nomination and Remuneration Committee continuously reviews the performance of the Managing





Director, Whole Time Director and Other Directors.

## 1. Remuneration paid to Directors

(In Lacs)

Name of Director	Title	Remuneration in Year 2015-2016	Remuneration in Year 2014-2015	%increase in Remuneration in comparison to last year	Ratio of Remuneration to MRE
Mr. Akshay Kumar Gurnani	Managing Director	1500000	1225000 <sup>1</sup>	20.69	8.30
Mr. Dinesh Gurnani <sup>1</sup>	Whole-time Director	720000	720000	0.00	3.99
Ms. Jyoti Gurnani	Director	200000	0	100.00	3.32

1. Mr. Akshay Kumar Gurnani was appointed as Managing Director on August 27<sup>th</sup> 2014.

2. Mr. Dinesh Gurnani has resigned from office of Whole time Director and CFO , and has been paid salary upto May 2016.

## 2. Remuneration paid to Key Managerial Personnel

(In Lacs)

Name of Key Managerial Personnel	Title	Remuneration in year 2015-2016	Remuneration in Year 2014-2015	%increase in Remuneration in comparison to last year	Ratio of Remuneration to MRE
Mr. Vasudev Lalwani	Vice President Marketing	9,76,000	6,08,000	60.53	5.40
Ms. Chavi Rawat	Company Secretary cum Compliance Officer	1,53,324 <sup>2</sup>	60,000	16.15	0.93
Mr. Anuj Kumar Khator	Sr. Accounts Officer	384061	20,128	16.00	2.12
Ms. Shilpi Keswani	Company Secretary cum Compliance Officer	15262 <sup>3</sup> (w.e.f. 05/03/2016)	-	N.A.	0.99

1. The remuneration disclosed here is upto 31<sup>st</sup> March 2016 as per the audited Financial Statements.

2. Ms. Chavi Rawat has been paid salary upto relieving date i.e. 25<sup>th</sup> Feb 2016.

3. Ms. Shilpi Keswani was appointed w.e.f. March 5<sup>th</sup> 2016.





The Median Remuneration of Employees excluding Managing Director and Whole-time Director is Rs.1,80,600

No employee received remuneration in excess of the highest paid Director.

\* Median Remuneration is calculated by excluding the employees who leaves during the year and the unskilled employees and is based on annualized salary, MRE – Median Remuneration of employees.

3. The median remuneration of employees was Rs.1,80,600 in financial year 2015-16 the same that was in financial year 2014- 15.
5. The number of permanent employees on the rolls of Company was 571 employees as on 31st March, 2016.
6. The total revenue growth and net profit of the Company during the financial year 2015-16 as compared to financial year 2014-15 was increased by 15.36% and 7.14% respectively. While aggregate remuneration of the employees was increased by 16.13% over the previous financial year. The increase in remuneration was due to annual increment and new employment. Increase in revenue and net profit was due to increased efficiency and growth of the company .
7. Average Salary increase of non-managerial employees was 19.90 % and that of managerial employees 30.37 % in financial year 2015-16. There are no exceptional circumstances in increase in managerial remuneration.
8. There is no change in the remuneration of Whole time Director. However Managing director has been given an annual increment and executive director Ms. Jyoti Gurnani has been paid remuneration for the first time.
9. Remuneration paid during the year ended 31st March, 2016 is as per the Remuneration Policy of the Company.

#### **Particulars of Employees**

Your Directors confirmed that no employee fall under the particulars of Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **4. Corporate Governance**

##### **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, focus on strengthening and improving the legal and regulatory systems that will help ensure better enforcement of contracts and protection of property rights.

Your Company is committed to achieving and maintaining high standards of Corporate Governance and places high emphasis on business ethics. Your Company has set up a Remuneration Committee under Annexure 1-D of SME Equity Listing Agreement, which was later reconstituted under the name 'Nomination and Remuneration Committee' pursuant to provisions of Section 174 of The Companies Act, 2013.

A report on corporate governance confirming compliance of conditions as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 has been included in Annexure IV 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 has been included in Annexure VIII of this report.





## 5. Directors and Key Managerial Personnel (KMP)

### Change in directors and KMP during the year

There were no new appointments or cessation of directors in the financial year. During the year, Ms. Chavi Rawat, Company Secretary and compliance officer has resigned w.e.f 9th February, 2016 and was relieved from her duties w.e.f. 25 February, 2016. The Board of Directors at its meeting held on 5th March, 2016 appointed Ms. Shilpi Keswani as the company secretary cum compliance officer. The Shareholders of the Company at their 8th Annual General Meeting (AGM) held on 26th August, 2015 re-appointed Ms. Jyoti Gurnani as Director whose office was liable to retire by rotation.

Composition of Board of Directors as on 31<sup>st</sup> March, 2016 :

Sr. No.	Name Of Director	Designation	Date of Appointment	Date of Cessation
1	Mr. Dinesh Gurnani <sup>1</sup>	Whole –Time Director and CFO	22/08/2012	NA
2	Mr. Murali dhar Kaurani	Non-executive Independent Director	31/08/2012	NA
3	Mr. Mohan Sukhani	Non-executive Independent Director	31/08/2012	NA
4	Mr. Govind Ram Thawani	Non-executive Independent Director	31/08/2012	NA
5	Ms. Jyoti Gurnani	Director	27/08/2014	NA
6	Mr. Akshay Kumar Gurnani	Executive Managing Director and CEO	27/08/2014	NA

1. Mr. Dinesh Gurnani has resigned on May 24<sup>th</sup> 2016 and Mr. Narain Das Gurnani has been appointed as the Additional Director cum CFO w.e.f. May 24<sup>th</sup> 2016.

### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, that of its Committees and individual Directors. Relevant details have been provided in the Corporate Governance Report.

### Remuneration Policy

#### Remuneration Policy

##### For Labours

##### For Office Staff

- I. **For Labours:** For fixing the Remuneration for the Labours Minimum Wages Act, 1948 is applicable. Remuneration is payable on Hours basis.
- II. **For Office Staff :** The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management of the quantity required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. Minimum 5% increment to the Management of the Company may provide excess of remuneration on the basis of outstanding performance of employee only, if the Company is not satisfied with the performance of the Employee than they can restrict the increment. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
  - a. **Managing Director :** The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder. Increments to the existing remuneration/ compensation structure may be recommended by the







Committee to the Board which should be within the limits approved by the Shareholders.

- b. **Directors** : The remuneration/compensation/commission etc. to Directors will be determined by the Committee and recommend to the Board for approval.
- c. **Non executive Independent Directors** : The Non Executive Independent Director may receive remuneration by way of Sitting Fees for attending meetings of the Board thereof. Provided that the amount of such fees shall be subject to ceiling/limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.
- d. **KMPs/ Senior Management Personnel** : The Remuneration to be paid to KMPs/Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.
- e. **Directors' and Officers' Insurance** : Where any insurance is taken by the Company on behalf of its Directors, KMPs/Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

This Policy is updated based on the provisions of the Companies Act, 2013 and rules made thereunder and requirements of the relevant rules and regulations issued by SEBI from time to time.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with Law.

This Policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

#### **No. of meetings of the Board**

Nine (9) Board meeting were held during the year 2015-2016 and the gap between two meetings did not exceed four months. The dates on which the Board Meeting was held are as follows:

#### **Detail of Board Meetings held:**

Sr. No.	Date of Board Meeting
1	29 <sup>th</sup> May 2015
2	23 <sup>rd</sup> July 2015
3	14 <sup>th</sup> August 2015
4	31 <sup>st</sup> August 2015
5	9 <sup>th</sup> November 2015
6	28 <sup>th</sup> November 2015
7	18 <sup>th</sup> January 2016
8	22 <sup>nd</sup> February 2016
9	5 <sup>th</sup> March 2016



**Declaration by an Independent Director(s) and re-appointment, if any**

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms & conditions for the appointment of Independent Directors are given on the website of the Company and separately disclosed in the Corporate Governance Report.

<http://www.vetoswitchgears.com/investor/corporate-governance/independent-directors>

**6. Committees of Board**

There are currently four Committee of the Board which are as follows :

- a) Audit Committee
- b) Nomination, Remuneration & Compensation Committee
- c) Corporate Social Responsibility (CSR) Committee
- d) Stakeholders' Relationship Committee

Details of all the Committees along with their composition, charters **Duties, Responsibilities and activities** and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

<b>Name of Committee</b>	<b>Composition of Committee</b>
<b>Audit Committee</b>	1. Mr.Govind Ram Thawani - Chairman 2. Mr. Mohan Sukhani 3. Mr. Dinesh Gurnani <sup>1</sup>
<b>Nomination and Remuneration Committee</b>	1. Mr.Govind Ram Thawani – Chairman 2. Mr. Murlidhar Kaurani 3. Mr. Mohan Sukhani
<b>Shareholders' /Investors' Grievance Committee</b>	1. Mr.Govind Ram Thawani - Chairman 2. Mr. Dinesh Gurnani <sup>1</sup> 3. Mr. Mohan Sukhani
<b>Corporate Social Responsibility Committee</b>	1.Mr. Govind Ram Thawani, Chairman 2. Mr. Mohan Sukhani 3. Mr. Dinesh Gurnani <sup>1</sup>
<b>Internal Complaint Committee</b>	1. Ms. Jyoti Gurnani, Presiding Officer 2. Mr. Anuj Kumar Khator, Member 3. Mr. Anirudh Mathur, Member

**1. Changes in the composition of Director and the Committee:**

Mr. Dinesh Gurnani resigned w.e.f 24<sup>th</sup> May 2016 and Mr. Narain Das Gurnani was appointed as the additional director cum CFO , and became a member of the Audit Committee, Corporate Social Responsibility Committee and







*Stakeholders Relationship committees, thereafter.*

## **7. Risk Management**

The Company has framed and implemented a Risk Management Policy to identify the various business risks. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The risk management policy defines the risk management approach across the enterprise at various levels including documentation and reporting.

## **8. Directors Responsibility Statement**

The Board of Directors acknowledge the responsibility for ensuring compliances with the provisions of Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013 in preparation of annual accounts for the year ended 31st March, 2016 and state that :

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) 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 31st March, 2016 and profit of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) proper internal financial controls have been laid down which are adequate and are operating effectively.
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **9. Related Party Transactions**

All related party transactions entered into during the financial year were on an arm's length basis and in the ordinary course of business. There are no material significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons and their relatives which may have a potential conflict with the interest of the Company at large. Particulars of contracts or arrangements with related parties referred to Section 188(1) of the Companies Act, 2013 in the form AOC 2 is annexed herewith as Annexure III. A list of all related party transactions is placed before the Audit Committee as well as the Board of Directors. The Board has also framed a policy on related party transactions and the same is available on Company's website i.e. <http://www.vetoswitchgears.com/investor/corporate-governance/policies-and-related-documents> under the head Policy on Related Party Transaction

Pursuant to the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has framed a Policy on Material Subsidiaries and the same is available on Company's website <http://www.vetoswitchgears.com/investor/corporate-governance/policies-and-related-documents> under the head Policy on Material Subsidiary

## **10. Listing of Shares**

The shares of the Company are listed at BSE Limited & National Stock Exchange of India Ltd. and the listing fee for the year 2016-17 has been duly paid.





## 11. Prevention of Insider Trading

In compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board has adopted a code of conduct and code of practices and procedures for fair disclosure of unpublished price sensitive information to preserve the confidentiality of price sensitive information, prevent misuse thereof and regulate the trading by Insiders. The code of practice and procedures for fair disclosure of unpublished price sensitive information is also available on the Company's website i.e. [www.vetoswitchgears.com](http://www.vetoswitchgears.com).

## 12. Auditors and Auditor's Report

### **Statutory Auditors**

SGCO & Co. (Membership No. 44739) Chartered Accountants Statutory Auditors of the Company holds office until the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. It is proposed to re-appoint them as Statutory Auditors of the Company for the financial year 2016-17.

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

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

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

### **Cost Auditors**

Pursuant to the provisions of Section 148 of The Companies Act, 2013 the company is required to conduct cost audit as per Companies (Cost Record & Audit) Rules, 2014 applicable from 1st April 2015.

The Board of Directors, on the recommendation of Audit Committee, has appointed M/s Rajesh & Company & Co., Cost Accountants, (Firm Registration Number No. 000031) as Cost Auditor to audit the cost accounts of the Company for the financial year 2016-17. As required under the Companies Act, 2013, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

### **Secretarial Audit Report**

The Board has appointed Ms. Nisha Agarwal Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2015-16. The Secretarial Audit Report for the Financial Year ended March 31, 2016 is annexed herewith marked as Annexure VII to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### **Corporate Governance Certificate**

The Company is promptly submitting a "Quarterly Compliance Report on Corporate Governance" as per SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.





The certificate from the Practicing Company secretary, Ms. Nisha Agarwal, C.P. No. 8584, confirming compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 has been included in Annexure-ix of this report.

#### **Reservation and Qualification on Auditor Report**

The report doesn't contain any reservation, qualification or adverse remark. Information referred in Auditor's Report are self-explanatory and don't call for any further comments.

#### **Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future**

There are no significant and material orders that are passed by the regulators or courts or tribunal impacting the going concern status and Company's operations in future. However an appeal is pending with the Sales Tax Department, Gujarat.

#### **13. Extract of Annual Return**

The details with respect to extract of Annual Return have been discussed in **Annexure VI**.

#### **14. Details in respect of adequacy of internal financial controls with reference to the financial statements**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness is observed.

#### **15. Depository System**

Our Company's Equity Shares are available in dematerialized form through The National Securities Depository Limited (NSDL) and The Central Depository Services of India (India) Limited (CDSL). The Company has set up requisite facilities for dematerialization of its Equity Shares in accordance with the provisions of Depository Act, 1996 with National Securities Depository Limited and Central Depository Services (India) Limited. The Company has entered into agreements with both of the Depositories. Accordingly, the shares post IPO, of the Company is held in demat form.

#### **16. Report under the Prevention of Sexual Harassment Act**

A Complaint against an employee of the company Mr. Nitin Motwani has been received by the company and the internal Complaint committee held a meeting on urgent basis to discuss the same. After the meeting a notice was issued to him and he was suspended from his duties till the case is resolved.

#### **17. Conservation of energy, technology absorption and foreign earning and outgo**

Disclosure pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

##### **(A) CONSERVATION OF ENERGY**

- (i) Steps taken or impact on conservation of energy and the steps taken by the company for utilising alternate sources of energy; Energy conservation measures taken Company has taken several steps to conserve energy through its "Sustainability" initiatives. The Company continues its endeavour to improve energy conservation and utilization. The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this end. Energy conservation measures have been implemented at all the plants and offices of the Company and special efforts are being put on undertaking specific energy conservation projects like :





1. Lighting: Efforts have been put by Company to reduce or optimize the lighting requirements at all the plants. Replacement of Conventional Light fittings with LED light fixtures, leading to savings in power at office areas. d) Installation of CFL, LED indicators, Use of 54Wx4 T5 lamps for assembly area.
2. Replacement of old equipment with new/ energy efficient equipment.
3. Optimization of Electrical Equipment: In addition to the existing controls on prime production equipment and existing prime utilities equipment, some electrical equipment modifications / additions being done are continuous monitoring of Power factor of plant on daily basis, and redesign of pay off fixtures in cable division to reduce energy consumption by 30%.
4. Company believes in sharing and implementing best practices across all plants & stage wise replacement of conventional light fittings to LED light fittings is under progress across the manufacturing units. Impact of measures for reduction of energy consumption

The above measures have resulted in optimizing energy consumption and savings cost of production, reduction on carbon emissions and processing time.

Capital investment on energy conservation equipments – Efforts have been put by Company to reduce or optimize the energy requirements at all the plants. Company encourages capital investment in energy-saving equipment's, plants or machinery and have invested a significant amount on the same.

#### **B) 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 are it from procurement, material-use, manufacturing of sustainable products, creating awareness through marketing, and innovation/R&D for better products and processes. We constantly monitor and better our environmental and occupational health and safety performance through our internal risk management exercise. At the compliance level, your Company conforms to all applicable regulatory Environmental Health & Safety (EHS) requirements wherever it operates.

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

Our Company follows best practices for health and safety. Employees and workers are regularly trained by industry experts on issues of occupational and industrial health & safety, first-aid and environment management. Healthy lifestyle and well-being are also promoted as a culture at VETO. Our Company also provides life insurance cover, personal accident cover and robust medical & health policies to all field staff against any unfortunate incident. VETO India strongly believes in maintaining a work-life balance and therefore follows strict in-and-out work-timings. This has gone a long way in maintaining a healthy, happy and motivated workforce.

#### **(C) TECHNOLOGY ABSORPTION**

The Company is putting continuous efforts in acquisition, development, assimilation and utilization of technological





knowledge through its wide advance engineering project portfolio. This has enabled the Company to keep abreast with the latest developments in product technology, manufacturing process and methods, quality assurance and improvement, marketing, management systems and benefit out of mutual experience. 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.

Company is carrying out the following activities to fulfil short term and long term business goals:

- I Upgradation of existing product and processes to save cycle time, energy consumption and overall operational efficiency.
- I Import substitution and identification of new raw materials for development.
- I Technology support to all plants to improve efficiency and enable business growth.
- I Optimization of products and processes to minimize waste generation and address environmental and safety concerns.
- I Development of smart test methods to speed up testing of incoming raw materials.
- I Development of in house domain expertise to support product development.
- I Focus on in house product development in the area of smart internet base solution etc.

The benefits derived like product improvement, cost reduction, product development or import substitution:

- I Increased Customer satisfaction & sale ability.
- I Improved Brand equity.
- I Cost Reduction through Quality & productivity.
- I New product introduction.

In case of imported technology, relevant details :

There was machinery imported from China in the Year 2015. The machinery is currently installed and is working effectively in the plant located at Haridwar

#### **(D) Detail of Foreign Exchange Earnings and Outgo.**

During the financial year Company's Foreign exchange earned in terms of actual inflows year was 901168 USD and the Foreign Exchange outgo in terms of actual outflows (including machinery imported) was 482081.60 USD. Hence net foreign exchange inflow is 419087 USD. The information on foreign exchange and outgo is furnished in the note 39 to the accounts of Standalone Financial results

#### **18. Credit Rating**

Your Company has been reaffirmed long-term rating of BBB+ (ICRA triple B plus) by ICRA Limited. The outlook of long term rating is "Stable".

#### **19. Employee Stock Options under ESOP 2015**

During the year, the company has been granted shareholder's approval for the ESOP 2015 (hereinunder referred as "the Scheme") and subsequently the scheme was formulated by the Nomination and remuneration Committee and





approved by the Board. The Scheme involved grant of 9,16,355 (Nine Lakh sixteen thousand three hundred and fifty five) stock options convertible into 9,16,355 (Nine Lakh sixteen thousand three hundred and fifty five) Equity Share of Rs. 10 each. There have been granted no stock options to the eligible employees of the Company and its Subsidiaries in the financial year as the process of obtaining In-principal approval from NSE and BSE was going on. The ESOP Scheme is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014. The detail is available on the Company's website [www.vetoswitchgears.com](http://www.vetoswitchgears.com).

## **20. 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:

### **i. Economy and Markets**

The electronics market of India is one of the largest in the world and is anticipated to be projected to grow at a compound annual growth rate (CAGR) of 24.4 per cent during 2012-2020. Separately, forecasts say that the electric wire and cable market in India is to grow at a CAGR of 16.18 percent over the period 2015-19 as power cables led the revenues of the wires and cables market with more than 50 percent contribution to the total market in fiscal year 2014.

The Indian wire and cable industry is growing satisfactorily and getting more and more consolidated and becoming largely organized now. The power cable led the industry from front contributing almost 50 percent of the industry's emphasis on laying comprehensive power distribution and transmission network in the country. The increasing digitalization has of course catapulted the demand even more. Construction is also one of the core sectors of Indian economy and future of the industry is important for commodities. Construction cables and wire sector anticipated to see steep growth in demands in coming days owing to huge govt's, spending in infrastructure, smart cities, real estate boom, and housing explosion.

At more than 7% rate of annual GDP growth, India is already amongst the fastest growing economy in the world. Inflation rates are under control and so are the consumer as well as wholesale prices. Government priority projects such as Housing for All, Smart Cities, Interlinking of rivers, AMRUT, Swachh Bharat, development of inland water ways for transportation, etc. are steps in the right direction. Power sector reforms being expected to be a top priority for our government is playing out. We are witnessing notable progress in the Indian power market with regards renewable energy expansion, reducing red tape for power projects and improving fuel availability for thermal generation. We believe the government will increasingly turn its attention to reforming the power distribution segment and boosting India's energy independence.

Also, the year 2015 started off on a good note for the LED industry in India. PM's initiative to launch Notional programme for LED based Home & street lighting as well as a scheme for LED distribution under the domestic Efficient Lighting program is highly valued for the growth of India. The PO communiqué stated studies showed LEDs were 25% more efficient than CFL, 23% more efficient than tubelights and 80 % more efficient than incandescent lamps. The Prime Minister's initiative has accelerated the adoption of LED's in several sectors across the country through the creation of several new policies and financial subsidies undertaken by the Ministry of power, BEE and various state municipalities. This has helped propel the industry to grow five folds in five year its from its current size of Rs. 4000 crores according to Electric Lamp and Component Manufacturers Association (ELCOMA).

Source: <http://www.openpr.com/> , <http://ieema.org/> , wire & cable India .





**ii. Market Overview**

Your Company has major earning in the state of Rajasthan. But this year our focus is to widen and cover more and more states of India. The company has broadened its network and distribution. We have also had major success in some of the biggest cities of UAE. The company and its Board have started working towards making Veto a globally established brand. Our products are marketed in both domestic and international markets.

Increase in Urban Population and Per-Capita Income has been growing at a steady rate and is expected to increase further due to affordability and changing life styles of the people. The demand of manufacturing of wires & cables and electrical accessories & other allied products in India is also hence likely to increase. We have proposed to expand our manufacturing capacity so as to meet the increased demand both in domestic and foreign markets. De-licensing and Removal of Tariffs for the Industry , Low Entry Barriers, Increased Demand for Housing, Increased Growth in the Emerging Markets and in the Production of Renewable Energy and Increased Growth in the Emerging Markets and in the Production of Renewable Energy are also our basic growth drivers of the market. We are also looking forward to housing projects of Government and semi-government agencies.

**iii. Competition**

Our Company operates in competitive environment and has a number of organized players and very few unorganized players. 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.

**iv. Marketing Setup**

Veto holds a major part of market share of electrical accessories in India. The company has a strong and hardworking team of marketing professionals, dealers and distributors. 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.

**v. Export obligation**

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

**vi. Strength**

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







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

**vii. Weakness**

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

**viii. Opportunity**

- I 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.
- I The Company has many opportunities in view of the increasing demand for wires & cables and electrical accessories.
- I Decrease in copper prices.

**ix. Threats**

- I **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, 2016	As of March 31, 2015
Guarantee given by banks on behalf of the Company	94.97	121.72
Disputed Sales Tax Liability	6.60	-
Estimated amount of contracts remaining to be executed on capital account (Net of Advance)	307.14	163.84
<b>Total</b>	<b>408.71</b>	<b>285.56</b>

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

- I **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.

- I Low cost end-to-end business model being adopted by existing or new competitors.
- I Heightened competitive intensity with externally-funded players looking to drive aggressive strategies in the market.

#### **Disclaimer Clause**

*Statements in Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those either expressed or implied. Important factors that could make a difference to the Company's operation include among others, economic conditions affecting demand/supply and price conditions, variation in prices of raw materials, changes in Government regulations, tax regimes, economic developments and other incidental factors.*

#### **Acknowledgement**

We thank our customers, vendors, investors and bankers for their intense support throughout the year. We place on record our appreciation of the contribution made by our employees at all levels.

We thank the Government of India, particularly the Ministry of Commerce, Ministry of Finance, Ministry of Corporate Affairs, the Custom and Excise Departments, Income Tax Department, the Reserve Bank of India, the State Governments and other government agencies for their support, and look forward to their continued support in the future.

Date : September 5<sup>th</sup> 2016

Place : Jaipur

for and on behalf of the Board of Directors

Sd/-  
Akshay Kumar Gurnani  
Managing Director & CEO  
DIN : 06888193

Sd/-  
Narain Das Gurnani  
Additional Director & CFO  
DIN: 01970599





**Annexure I**

**Subsidiary Companies Brief**

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

The shareholding of Veto Switchgears And Cables Limited is of 100% i.e. 1,00,000 equity shares.

**Board Composition**

- |                          |                        |
|--------------------------|------------------------|
| Mr. Dinesh Gurnani       | Mr. Govind Ram Thawani |
| Mr. Vishnu Kumar Gurnani | Mr. Jitendra Kumar     |

**2. VETO OVERSEAS PRIVATE F.Z.E (FOREIGN SUBSIDIARY)**

Veto overseas Private F.Z.E , in **Ajman (U.A.E.)** was incorporated on 11<sup>th</sup> Oct 2015 by the consent of the Board of Directors of our company vide resolution passed on August 31<sup>st</sup> 2015.

**Address : SM-Office-C1-520B Ajman Free Zone, Ajman (UAE)**

**Capital Structure and Shareholding Pattern**

Authorised Capital 10 Million AED and minimum paid up capital of 1 Million AED.

**Management**

Mr. Mohan Das Gurnani, was appointed as the manager of this company and was looking after its operations since its inception. He was authorised by the Board to do all other necessary things relating to Local Authorities, Government or Semi Government Department Ministries, Free Zone Authority, all companies establishment or other business and sign on necessary documents . He was further authorised to open bank accounts, borrow for behalf of the company and avail financing facilities from banks and Financial Institutions from the bank and Financial institutions and to pledging/hypothecating/mortgaging any asset of the company and can also give third party guarantee on the behalf of Veto Overseas Private F.Z.E.

Later on 23th May 2016, Mr. Ashish Goklani has joined in the position of the Manager in the place of Mr. Mohan Das Gurnani, for Veto Overseas Private F.Z.E.



**Annexure II**

**Statement containing salient features of the financial statement of subsidiaries/  
associate companies/joint ventures**

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part "A": Subsidiaries**

Amounts in lakhs except % of shareholding

<b>Particulars</b>	<b>Details</b>	
Name of the subsidiary	<b>Veto Overseas Private F.Z.E</b>	<b>Veto Electricals Private Limited</b>
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	<b>March 31, 2016</b>	<b>March 31, 2016</b>
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	18.0032	-
Share capital	1,81,20,000	10,00,000
Reserves & surplus	5,51,60,089	(26,59,851.54)
Total assets	21,10,65,070	2,87,47,811.46
Total Liabilities	13,77,84,981	3,04,07,663
Investments	0	0.00
Turnover	64,64,73,379	0.00
Profit before taxation	5,70,95,291	(25,48,028.54)
Provision for taxation	0	0.00
Profit after taxation	5,70,95,291	(25,48,028.54)
Proposed Dividend	0	0.00
% of shareholding	100%	100%

**Notes :**

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies are based on the exchange rates as on March 31, 2016.
2. Veto Electricals Private Limited has not commenced commercial activities since its incorporation and currently is not operational.
3. The reporting period for all the subsidiaries is March, 2016.
4. Part B of the Annexure is not applicable as there is no associate companies/joint ventures of the Company as on 31st March, 2016.

**Sd/-**  
**Akshay Kumar Gurnani**  
**Managing Director & CEO**  
**DIN: 06888193**

Date: September 5<sup>th</sup> 2016

Place: Jaipur

**Sd/-**  
**Narain Das Gurnani**  
**Additional Director & CFO**  
**DIN: 01970599**

**Sd/-**  
**Shilpi Keswani**  
**Company Secretary**



**Annexure III****Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transaction entered during the year ended March 31, 2015, which was not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

<b>Name of Related Party</b>	<b>Nature of Contract</b>	<b>Nature of Relationship</b>	<b>Duration of contract</b>	<b>Salient terms</b>	<b>Amount</b>
Tulsi Resort Place Pvt. Ltd.	Sales	Common Director	During the Year 2015-16	As per arm length price guidelines	9,95,905
Veto Electropowers (India) Private Limited	Sales	Holding Company	During the year 2014-15	As per arm length price guidelines	1,918
Pinkcity Buildhome Private Limited	Sales	Common Director	During the year 2015-16	As per arm length price guidelines	1,96,493
Pinkcity Buildhome Private Limited	Service Taken	Common Director	During the year 2015-16	As per arm length price guidelines	33,42,078
Vimal Power Cables Pvt. Ltd.	Purchase	KMP is Director	During the year 2015-16	As per arm length price guidelines	1,55,60,457
Mr. Akshay Kumar Gurnani	Remuneration	Managing Director	During the Year 2015-16	As per Schedule V	15,00,000
Mr. Akshay Kumar Gurnani	Sales	Managing Director	During the Year 2015-16	As per arm length price guidelines	11,235
Mr. Dinesh Kumar Gurnani	Remuneration	Whole time Director	During the Year 2015-16	As per Schedule V	7,20,000
Veto Electricals Pvt. Ltd.	Sales	Subsidiary Company	During the Year 2015-16	As per arm length price guidelines	24,350
Veto Electricals Pvt. Ltd.	Interest Income	Subsidiary Company	During the Year 2015-16	As per arm length price guidelines	20,45,383
Veto Overseas Private FZE	Interest Income	Subsidiary Company	During the Year 2015-16	As per arm length price guidelines	33,46,456
Ms. Jyoti Gurnani	Remuneration	Director	During the Year 2015-16	As per Schedule V	2,00,000

for and on behalf of the Board of Directors

Date: September 5<sup>th</sup> 2016  
Place: Jaipur

Sd/-  
**Akshay Kumar Gurnani**  
**Managing Director & CEO**  
**DIN: 06888193**

Sd/-  
**Narain Das Gurnani**  
**Additional Director & CFO**  
**DIN: 01970599**





## Annexure IV

### Corporate Governance Report

In terms of Regulation 34(3) read with Section C of SCHEDULE V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended 31st March, 2016 is presented below:

#### 1. Philosophy on Code of Corporate Governance

Corporate Governance is the application of best management practices, compliances of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholder value and discharge of social responsibilities. Adopting high standards gives comfort to all existing and potential stakeholders including government and regulatory authorities, customers, suppliers, bankers, employees and shareholders. Your Company believes in adopting and adhering to the best standards of Corporate Governance. Veto Switchgears and Cables Limited's philosophy on Corporate Governance enshrines the goal of achieving the highest level of transparency, accountability and equity in all spheres of its operations. Your Company is committed towards transparency in all its dealings and places high emphasis on business principles and believes the good Corporate Governance goes beyond working results and financial priority and is pre-requisite for the attainment of excellent performance.

#### Our Policy

Our Company has complied with the provisions and other requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to the meetings of the Audit Committee, the CSR Committee, Nomination and Remuneration Committee, Risk Management Committee and the Shareholders'/ Investors 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.

The details of the Board of Directors, Audit Committee, the CSR Committee, Nomination and Remuneration Committee and the Shareholders'/ Investors Grievance Committee of our Company are given below:

#### 2. 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, 2016:

##### i. Composition and category of Directors:

Sr. No.	Name of Director	Designation / category of directors	Number of other Board Committees in which the directors are member	Number of other Board Committees in which director is a chairman
1.	Akshay Kumar Gurnani	Managing Director, Chairman / Promoter	-	-
2.	Dinesh Gurnani	Executive Whole – Time Director	03	-
3.	Jyoti Gurnani	Director	-	-
4.	Murli dhar Kaurani	Non-Executive Independent Director	01	-
5.	Mohan Sukhani	Non-Executive Independent Director	04	-
6.	Govind Ram Thawani	Non-Executive Independent Director	04	04







- ii. **Details of directors appointed and resigned during the year under review:** None of the directors were appointed or resigned in the Financial Year 2015-16.

**Note: Private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 are excluded for the above purposes. Only audit committee, shareholders' grievance committee, Nomination and Remuneration Committee and CSR Committee are considered for the purpose of committee positions as per listing agreement.**

- iii) **Disclosure of relationships between Directors inter-se:**

Ms. Jyoti Gurnani who is the sister of Mr. Akshay Gurnani, Managing Director. Except that there is no inter-se relationship between our board members.

- iv) **Conduct of Board Proceedings**

The day to day matters concerning the business are conducted by the Executives of the Company under the direction of Executive Directors with the ultimate supervision of the Board. The Board holds its meetings at regular intervals to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

- v) **Number of shares and convertible instruments held by Non-Executive Directors:**

None of the Non-Executive Directors holds any share in the company.

- vi) **Web link where details of familiarisation programmes imparted to Independent Directors is disclosed:**

All Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance covering all Business verticals, by way of presenting specific performance of each Plant (based on predefined factory rating parameters), Product Category and Corporate Function from time to time. The entire Board including Independent Directors has access to Product Heads/ Factory Heads and other commercial/ technical staff, wherever required for informed decision making. Detailed agenda are sent well in advance to all the Directors in order for the Board to perform its function and fulfill its role effectively. The details regarding are given on the website of the Company and can be accessed at <http://www.vetoswitchgears.com/investor/corporate-governance/independent-directors> under the head FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

- vii. **Meeting of Independent Directors**

The Company's Independent Directors should meet atleast once in every financial year without the presence of Executive Directors or management personnel to review the performance of non-independent Directors, Chairman and the Board. The Independent Director held their meeting and presents their views about all the Directors and Management of the Company in their meeting held on 24/02/2016.

- viii) **Attendance of each Director at the Meetings of the Board of Directors and the last Annual General Meeting::**

Sr. No.	Name of the Director	Attendance in Board Meetings									AGM on 26 <sup>th</sup> Aug 2015
		29 may 2015	23 jul 2015	14 aug 2015	31 Aug 2015	9 Nov 2015	28 Nov 2015	18 Jan 2016	22 Feb 2016	5 <sup>th</sup> mar 2016	
1.	Akshay Kumar Gurnani	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
1.	Dinesh Gurnani	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2.	Jyoti Gurnani	Leave of Absence	✓	✓	✓	✓	✓	✓	✓	✓	✓
3.	Murli dhar Kaurani	✓	✓	✓	✓	Leave of Absence	Leave of Absence	✓	✓	✓	Leave of Absence
4.	Mohan Sukhani	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5.	Govind Ram Thawani	Leave of Absence	✓	✓	✓	✓	✓	✓	✓	✓	✓





### 3) **Board Committees**

The Board has four Committees namely Audit Committee, Nomination, Remuneration & Compensation Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship Committee.

#### a) **Audit Committee**

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by Companies Act, 2013 and Regulation 18 of the SEBI (LODR), Regulations, 2015. The primary objective of the Committee is to monitor and provide an effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting.

#### i) **Composition**

The Audit Committee comprises of the following members:

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

#### ii) **Terms of reference/scope of the Audit Committee:**

The Committee oversees the work carried out in the financial reporting process by the management, by Internal Auditors and Statutory Auditors and notes the processes and safeguards employed by each of them. In particular, these include:

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 Sub-section 5 of Section 134 of the Companies Act, 2013.
  - 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 judgment 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 Quarterly financial results 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

### iii) Meetings and Attendance during the year

Five Meetings of the Audit Committee were held during the year. The details of the Meeting and attendance are given hereunder:

Sr. No.	Name of the Director	Attendance in Audit committee Meetings				
		26/05/2015	05/08/2015	04/11/2015	06/01/2016	31/03/2016
1.	Mr. Govind Ram Thawani – Chairman	✓	✓	✓	✓	✓
2.	Mr. Mohan Sukhani	✓	✓	✓	✓	✓
3.	Mr. Dinesh Gurnani	✓	✓	✓	✓	✓

### b) Nomination and Remuneration Committee

The Committee's constitution and terms of reference are in compliance with provisions of the Section 178 of the Companies Act, 2013, Regulation 19 of SEBI (LODR) Regulations, 2015 and Regulation 5 of SEBI (Share Based Employee Benefits) Regulations, 2014:

#### i) Composition

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

#### ii) Terms of reference/scope of the Nomination and Remuneration Committee:

The role of the Nomination and Remuneration Committee is to review market practices and to decide on remuneration packages applicable to the Managing Director and Senior Executives of our Company. The broad terms of reference of the Committee are as follows:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. The Nomination and Remuneration Committee shall, while formulating the policy ensure that:
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;





- b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
4. The Chairperson of the said Committee or, in his absence, any other member of the committee authorized by him in this behalf shall attend the general meetings of the Company.
  5. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made thereunder & SEBI Regulations.

#### iv. Meetings and Attendance during the year

Three Meetings of the Nomination and Remuneration Committee were held during the year. The details of the Meeting and attendance are given hereunder:

Sr. No.	Name of the Director	Attendance in Nomination and Remuneration Committee Meetings		
		23/07/2015	17/11/2015	02/01 /2016
1.	Mr. Govind Ram Thawani–Chairman	✓	✓	✓
2.	Mr. Mohan Sukhani	✓	✓	✓
3.	Mr. Murlidhar Kaurani	✓	✓	✓

#### v. Criteria for performance evaluation of Independent Directors and the Board

As per the provisions of SEBI (LODR), Regulations, 2015, the Nomination and Remuneration Committee (the "Committee") has laid down the evaluation criteria for performance evaluation of Independent Directors and the Board.

Further, the Board is required to monitor and review Board Evaluation Framework. This Framework shall contain the details of Board's self-evaluation. The Board is committed to assess its own performance in order to identify its strengths and areas in which it may improve its functioning. The Board has established a formal process to annually evaluate the performance of the Board, that of its principal Committees, the Audit, Nomination and Remuneration committees, and that of the Chief Executive, the Chairman and individual non-executive directors. The Board anticipates that the formal evaluation will be completed yearly. Based on the evaluation process completed, the Board considers that the principal Committees have performed effectively throughout the year.

The Committee has established the processes for evaluation of performance of Independent Director and the Board. Once a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board to organize the evaluation process and act on its outcome.

As part of the Board evaluation of its own performance, questionnaires are circulated to all directors. The questionnaire is designed to obtain directors' comments regarding the performance of the Board, the effectiveness of Board communications, the ability of directors to contribute to the development of strategy and the effectiveness with which the Board monitors risk and oversees progress. Directors are also invited to make recommendations for improvement.

The Chairman, on behalf of the Board, reviews the evaluations of performance of the non-executive directors on an annual basis. The non-executive directors, led by the Senior Independent Director, meet annually without the Chairman present to evaluate his performance, having taken into account the views of the executive director. The non-executive directors also evaluate the performance of the executive director. These evaluations are designed to determine whether each director continues to contribute effectively and to demonstrate commitment to the role.





The Audit, Nomination and Remuneration committees carry out annual reviews of their own performance and terms of reference to ensure they are operating at maximum effectiveness and recommend any changes they consider necessary to the Board for approval. Accordingly, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board. The performance evaluation of Independent Directors was also carried out by the entire board. The performance evaluation of the Chairman and Non-Independent Directors was also carried out by the Independent Directors.

**c. Shareholders' / Investors' Grievance Committee**

The Committee's constitution and terms of reference are in compliance with provisions of the Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 which are given below:

**i. Composition**

The Shareholders' / Investor Grievance Committee comprises of the following members:

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

The Company Secretary also acts as a Secretary to the Committee.

**ii. Terms of reference:**

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.

**iii. Detail of shareholder's complaints**

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





#### d. Corporate Social Responsibility Committee

The Committee's constitution and terms of reference are in compliance with provisions of the Section 135 of the Companies Act, 2013 which are given below :

1. Formulate and recommend to the Board, a Corporate Social Responsibility (CSR) policy which shall indicate the activities to be undertaken by the Company as specified in schedule VII of the Act.
2. Recommend the amount of expenditure to be incurred on the activities as specified above.
3. Monitor the Corporate Social Responsibility policy of the Company from time to time.
4. Such other activities as the Board of Directors may determine from time to time.

#### Commitment

We are committed to:

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

#### Purpose and Aims

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

In implementing this policy we aim to:

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

#### Standards of business conduct

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

#### Corporate Governance

- We will share and declare information on personal and corporate conflicts of interest and seek guidance from higher authority before acting;
- We are committed to ensuring that our business is conducted in all respects according to rigorous ethical, professional and legal standards;







- All the laws that regulate and apply will be complied with;
- We endeavour to ensure that stakeholders have confidence in the decision-making and management processes of the Procurement Service, by the conduct and professionalism of all staff. We do this by continually training and developing our staff;
- All groups and individuals with whom we have a business relationship will be treated in a fair, open and respectful manner;
- Competition will be reasonable and based upon the quality, value and integrity of the products and services being supplied;
- Feedback on performance will be actively sought, and we will continually review all activities to ensure best practice is observed at all times;
- We will allow our customers and vendors to give feedback on our performance and ensure that all customer comments are analysed, responded to and where appropriate, acted upon;
- An Action Plan will be developed to ensure continuous improvement is achieved.

#### **Environment**

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

#### **Human Rights**

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

#### **Equality and Diversity**

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

#### **Sustainability**

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

#### **Impact on Society**

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





### Ethics and Ethical Trading

- We will ensure clear visibility through our supply chains, so we know where all our products are made;
- Training will be provided to relevant people on environmental and social issues affecting our supply chains;
- We will ensure that vendors uphold the workplace standards and behaviours consistent with the Company's requirements.

### Biodiversity

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

### Vendors (Suppliers)

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

### ii. Composition of CSR Committee :

Name of the Director	Category of the Director	Position Held in the Committee
Mr. Govind Ram Thawani	Non Executive Independent Director	Chairman
Mr. Mohan Sukhani	Non Executive Independent Director	Member
Mr. Dinesh Gurnani	Executive Director	Member

### iii. Projects under CSR Committee:

1. Rural Development/ Weaker Section Welfare (Inclusive of Natural calamities also) (approx 60% of projected monthly expenditure)
2. Animal Protection (approx. 20% of projected monthly expenditure)
3. Water facility to needy people (approx. 20% of projected monthly expenditure)



**iv. Monitoring Process**

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

**(4) Remuneration of Directors****(a) All pecuniary relationship or transactions of the non-executive directors**

None except for the Sitting Fee or the payment of Commission to Independent Directors. p

**(b) Criteria of Making Payments to Non-Executive Directors.**

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees. Other than this the Nomination and remuneration Committee has also formulated a policy named "REMUNERATION CRITERIA FOR NON EXECUTIVE DIRECTORS" regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company [www.vetoswitchgears.com](http://www.vetoswitchgears.com) in the ' Policies & Related Documents' section in 'Corporate Governance'.

**(c) Disclosures with respect to Remuneration:****(i) 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.	Akshay Kumar Gurnani	15.00	-
2.	Dinesh Gurnani	7.20	-
3.	Murli dhar Kaurani	-	0.15
4.	Mohan Sukhani	-	0.225
5.	Govind Ram Thawani	-	0.225
6.	Jyoti Gurnani	2.00	-

**(ii) Service contracts, notice period, severance fees:**

The appointment of the Executive Directors is governed by Resolutions passed by the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate Service Contract is not entered into by the Company with Executive Directors. No notice period or severance fee is payable to any Director.

**(iii) Stock option details, if any.**

There have been granted no stock options to the eligible employees of the Company and its Subsidiaries in the Financial year 2015-16 as the process of obtaining inprincipal approval from NSE and BSE was going on. However on May 23<sup>rd</sup> 2016, the company has granted 916355 stock options to the eligible employees convertible into 916355 shares of Rs. 10 each.



**(5) General Body Meetings****(a) Annual General Meeting**

The date and time of Annual General Meeting held during the last three years are as follows:

Sr. No.	Date of AGM	Location & Time	Whether any special resolution passed	Special resolution passed through postal ballot
1	August 26, 2015	Mumbai, 1:00 P.M.	03	03
2	August 27, 2014	Mumbai, 12:30 P.M.	06	NA
3	August 28, 2013	Mumbai, 1:30 P.M.	01	NA

**(b) Special Resolution passed last year through postal ballot – details of voting pattern and the procedure thereof:**

On the basis of the Scrutinizer's Report of remote electronic voting and for the e-voting / poll conducted at the Annual General Meeting dated 26th August 2015, the summary of which is mentioned hereunder, the Company announced the results of voting on August 27th, 2015 that all the resolutions for the Ordinary and Special businesses as set out in the Notice of the 8th Annual General Meeting of the Company have been duly passed by the overwhelming majority. The summary of the Scrutinizer's Report is as follows:

RESOLUTION	TOTAL VOTES POLLED	NO. OF VOTES IN FAVOUR	NO. OF VOTES AGAINST	NO. OF INVALID VOTES	RESULT
Special Business:					
1. Increase in Managerial Remuneration of Mr. Akshay Kumar Gurnani	12676207	12676207 (100.00)	Nil	Nil	Special Resolution passed with overwhelming majority
2. Approval for Employee Stock Option Purchase Scheme (ESOP Scheme)	12676207	12676207 (100.00)	Nil	Nil	Special Resolution passed with overwhelming majority
3. Grant of Stock Options to the Employees of Holding and Subsidiary Companies under ESOP scheme	12676207	12676207 (100.00)	Nil	Nil	Special Resolution passed with overwhelming majority

**6. Other Disclosures :****I Relationship between Directors:**

Name of the Director	Relationship between the Directors
Mr. Akshay Kumar Gurnani	Brother of Ms. Jyoti Gurnani
Mr. Dinesh Gurnani	First Cousin of Mr. Akshay Kumar Gurnani
Ms. Jyoti Gurnani	Sister of Mr. Akshay Kumar Gurnani & First Cousin of Mr. Dinesh Gurnani





**II. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to Capital Markets, during the last three years:**

During the last three years the Company had never received any notice for non- Compliance. No penalties, strictures were imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to Capital Markets.

**III. Means of Communication**

- (a) Quarterly results: The Company publishes limited reviewed un-audited standalone financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results for the complete financial year.
- (b) Newspapers wherein results normally published: The quarterly/ half-yearly/ annual financial results are published in Business Standard in both English and Hindi Daily editions.
- (c) Website, where displayed: The financial results and the official news releases are also placed on the Company's website [www.vetoswitchgears.com](http://www.vetoswitchgears.com) in the 'Financial Information' section.
- (d) Official news releases: Yes, the Company regularly publishes an information update on its financial results and also displays official news releases in the 'Investor Zone' section under relevant sections.
- (e) Presentations made to institutional investors or to the analysts: Whenever the Company holds analysts calls, to apprise and make public the information relating to the Company's working and future outlook. The Transcripts are available on Company's website [www.vetoswitchgears.com](http://www.vetoswitchgears.com) in the 'news and other' section.

**IV. SEBI Complaints Redress System (SCORES)**

Company has registered in SEBI Complaints Redress System (SCORES). This is managed by the Registrar and Transfer Agent, Big share Services Private Limited.

**V. Whistle Blower Policy**

The Company promotes ethical behavior and has put in place a mechanism for reporting illegal and unethical behavior. The Company has a Vigil mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed under the supervision of Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee had report to the Committee.

**VI. Policy on Prevention of Insider Trading**

The Company has also formulated a Code of Conduct to Regulate, Monitor, Report Trading by Insiders to deter the insider trading in the securities of the Company based on the unpublished price sensitive information. In compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board has adopted a code of conduct and code of practices and procedures for fair disclosure of unpublished price sensitive information to preserve the confidentiality of price sensitive information, prevent misuse thereof and regulate the trading by Insiders . The Code envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company. The code of practice and procedures for fair disclosure of unpublished price sensitive information is also available on the Company's website i.e. [www.vetoswitchgears.com](http://www.vetoswitchgears.com).

**Information to SEBI in case of violation of SEBI (Prohibition of insider trading) Regulations, 2015**

In case it is observed by Veto Switchgears and Cables Limited that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015 , SEBI shall be informed by Veto Switchgears and Cables Limited.

**Note:** the above said Code was approved by the Board of Directors at their meeting held on 29 May, 2015 and shall become applicable w.e.f 29 May, 2015.





## VII. Code of Conduct

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

## VIII. General Shareholders Information

### 1. Company Registration Details

The Company is registered in the State of Maharashtra, India.

The Corporate Identification Number (CIN) is **L31401MH2007PLC171844**

### Registered Office

The registered office of the Company is 506, 5<sup>th</sup> Floor Plot No. B-9, Landmark Building, New Link Road, Andheri (West), Mumbai, Maharashtra-400058.

### 2. Annual General Meeting

Date	Day	Time	Venue
28/09/2016	Wednesday	12:00.P.M.	Hotel Golden Tulip, 44-5-1 Mumbai-Ahmedabad Western Express Highway - NH-8, Vasai, Mumbai (Maharashtra)- 401208

### 3. Financial Year: 1st April, 2015 to 31st March, 2016

### 4. Book Closure

The Book Closure date will be September 26<sup>th</sup>, 2016 to September 28<sup>th</sup>, 2016 (both days inclusive) for the purpose of Annual General Meeting.

### 5. Dividend Payment Date

The Board of Directors of your Company has recommended a dividend of Rs. 1.50/- per equity share of Rs. 10/- each i.e. @ 15% for the financial year 2015-16. Date of payment of dividend would be within 30 days from 26<sup>th</sup> September, 2016. This final dividend is in addition to the interim (special) dividend of Rs. 0.50/- per Equity Share of Rs. 10/- each declared by the Board of Directors in its Meeting held on 18<sup>th</sup> January, 2016 and paid by the Company in the month of January, 2016.

### 6. Name and address of each Stock Exchange(s) at which the Company securities are listed and a confirmation about payment of annual listing fee to each of such Stock Exchange(s):

The equity shares of the Company are listed at:

- The National Stock Exchange of India Limited (NSE),  
Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai- 400 051  
Symbol : **VETO**  
ISIN Code : **INE918N01018**
- BSE Limited (BSE),  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001  
Scrip Code: **539331**

### 7. Financial calendar for the year 2016-2017

Financial reporting for the Quarter (tentative calendar)







Quarterly	Time Period
April 1, 2016 – June 30, 2016	August 15, 2016
July 1, 2016 – September 30, 2016	November 15, 2016
October 1, 2016- December 31, 2016	February 15, 2017
January 1, 2017- March 31, 2017	May 30, 2017

**8. Payment of Listing Fees**

The Company has paid listing fees in respect of financial year 2016-2017 to BSE Limited and National Stock Exchange of India Limited.

**9. Payment of Depository Fees**

The Company would pay Annual Custodian fees in respect of financial year 2016-2017 to NSDL and CDSL on receipt of the invoice.

**10. 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

**11. Share Transfer System**

Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialized form.

In case of shares held in physical form, the transferred share certificates duly endorsed are dispatched within 15 days from the date of receipt of documents, provided documents are valid and complete in all respects. In compliance of the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the share transfer system of the Company is audited every six months by a Practicing Company Secretary and a certificate to that effect is issued by him/her.

In case of request for dematerialization of shares, confirmation of dematerialization is sent to the respective depository i.e. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL), expeditiously.

**Dematerialization of Shares**

The Company has set up requisite facilities for dematerialization of its Equity Shares in accordance with the provisions of Depository Act, 1996 with National Securities Depository Limited and Central Depository Services (India) Limited. The Company has entered into agreements with both of the Depositories. The status as on 31st March, 2016 is as under :

Mode	No. of Shares	%(Percentage)
Shares in Demat mode with NSDL	2461433	13.43
Shares in Demat mode with CDSL	15865657	86.56
Shares in Physical mode	10	0.01
<b>Total</b>	<b>18327100</b>	<b>100</b>





## 12. Market price data - high, low during each month in last financial year:

Monthly high & low prices and volumes of the equity shares of the Company at the National Stock Exchange of India Limited (Nifty) and BSE Limited (Sensex) during financial year 2015-16 are as under:

Month	Price at BSE				Price at NSE		
	High (Rs.)	Low (Rs.)	No. of Shares		High (Rs.)	Low (Rs.)	Volume
April, 2015	-	-	-	-	84.00	76.0	21,190
May, 2015	-	-	-	-	103.60	74.00	1,21,335
June, 2015	-	-	-	-	105.00	76.10	7,11,947
July, 2014	-	-	-	-	98.50	71.00	1,49,573
August, 2015	-	-	-	-	92.00	67.00	28,84,114
September, 2015	85.00	65.10	3,76,446	870	81.30	65.15	6,82,647
October, 2015	104.40	73.00	29,82,353	12,544	104.10	72.60	69,87,690
November, 2015	115.90	94.40	12,18,043	9,630	115.45	94.00	23,42,345
December, 2015	109.40	93.10	13,54,664	9,871	109.60	93.30	31,28,326
January, 2016	123.80	100.00	30,43,725	30,668	124.00	100.00	71,02,564
February, 2016	116.50	94.00	3,45,323	4,874	116.50	90.20	6,61,454
March, 2016	102.80	89.25	4,33,061	2,679	103.30	89.25	7,57,550

\*The shares of the company were listed on BSE on September 2015.

Performance of the Company's Share price in comparison to BSE Sensex

Month	BSE closing	NSE Closing	Closing Sensex
April, 2015	—	82.00	27011.31
May, 2015	—	84.00	27828.44
June, 2015	—	89.55	27780.83
July, 2014	—	80.10	28114.56
August, 2015	—	72.45	26283.09
September, 2015	77.15	76.70	26154.83
October, 2015	97.2	97.55	26656.83
November, 2015	102.75	102.60	26145.67
December, 2015	100.4	100.40	26117.54
January, 2016	113.5	113.60	24870.69
February, 2016	94.7	95.80	23002
March, 2016	91.4	92.00	25341.86

Source: BSE, NSE.



**13. Distribution of Shareholding and Shareholding Pattern as on March 31, 2016:****CATEGORY WISE SUMMARY**

S.No.	Category	Total Shareholders	% of Shareholders	Total Shares	%
1.	Clearing Member	74	2.2109	265892	1.4508
2.	Corporate Bodies	139	4.1530	1326439	7.2376
3.	Corporate Bodies (Promoter CO)	1	0.0299	10650704	58.1145
4.	Foreign Inst. Investor	1	0.0299	21451	0.1170
5.	Non Resident Indians	76	2.2707	205958	1.1238
6.	Promoters	8	0.2390	2500170	13.6419
7.	Public	3048	91.0666	3356486	18.3143
	<b>Total</b>	<b>3347</b>		<b>18327100</b>	<b>100.0000</b>

**List of 1.00% & Above Share Holders**

S.No.	Category	Folio No/ Client I.D.	Shareholder's Name	Shares	Percentage
1.	Corporate Bodies (Promoter CO)	1201770100771220	Veto Electropowers (India) Private Ltd.	10650704	58.1145
2.	Promoters	1201770100769331	Akshay Kumar Gurnani	1094867	5.9740
3.	Promoters	1201770100800979	Harish Kumar Gurnani	733333	4.0014
4.	Promoters	1203460000444189	Kishore Kumar Gurnani	430014	2.3463
5.	Corporate Bodies	IN30039411458979	Karvy Stock Broking Ltd. (BSE)	270000	1.4732
	<b>Total</b>			<b>13178918</b>	<b>71.91</b>

**DISTRIBUTION OF SHAREHOLDING (IN RUPEES)**

Shareholding of Nominal		Number of Shareholders	Percentage of Total	Share Amount Rs.	Percentage of Total
Rs.	Rs.				
1	5000	2569	76.7553	3675610	2.0056
5001	10000	292	8.7242	2450760	1.3372
10001	20000	150	4.4816	2387080	1.3025
20001	30000	41	1.2250	1058190	0.5774
30001	40000	117	3.4957	3941160	2.1505
40001	50000	32	0.9561	1553980	0.8479
50001	100000	56	1.6731	4191540	2.2871
100001	9999999999	90	2.6890	164012680	89.4919
<b>Total</b>		<b>3347</b>		<b>183271000</b>	<b>100.0000</b>

**ii. Category of shareholders**

Sr. No.	Category of Shareholder	Total Holders	% of Total Holders	No. of shares	% of shareholding
<b>1</b>	<b>Promoter and Promoter Group</b>	<b>9</b>	<b>27.59</b>	<b>1282600</b>	<b>71.76</b>
	Individuals	8	13.65	2510070	13.65
	Bodies Corporate	1	58.11	10315930	58.11
<b>2</b>	<b>Public</b>	<b>3,253</b>	<b>28.24</b>	<b>5501100</b>	<b>28.24</b>
	<b>Total</b>	<b>3,262</b>	<b>100</b>	<b>18327100</b>	<b>100</b>





### iii. Share Holding pattern

S.NO.	Name	Shares	Percentage of shareholding
<b>I</b>	<b>Promoter Group</b>		
<b>A</b>	<b>Individual</b>	<b>2500170</b>	<b>13.64</b>
1	KISHORE KUMAR GURNANI	430014	2.3463
2	HARISH KUMAR GURNANI	733333	4.0014
3	PUSHPA DEVI GURNANI	2200	0.0120
4	NARAIN DAS GURNANI	13200	0.0720
5	MUKESH GURNANI	6600	0.0360
6	AKSHAY KUMAR GURNANI	1094867	5.9740
7	ROHIT KISHORE GURNANI	109978	0.6001
8	KANISHAKA KISHORE GURNANI	109978	0.6001
<b>B</b>	<b>Body Corporate</b>	<b>10650704</b>	<b>58.1145</b>
1	Veto Electropowers (India) Private Limited	10650704	58.1145
<b>II</b>	<b>Public</b>	<b>5176226</b>	<b>28.2436</b>
<b>III</b>	<b>Non Promoter -Non Public</b>	<b>0</b>	<b>0.00</b>
<b>IV</b>	<b>Shares underlying DRs</b>	<b>0</b>	<b>0.00</b>
<b>V</b>	<b>Shares held by Employee Trusts</b>	<b>0</b>	<b>0.00</b>
	<b>TOTAL</b>	<b>18327100</b>	<b>100.00</b>

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

#### 14. ADDRESS FOR CORRESPONDENCE:

- **Website :** www.vetoswitchgears.com
- **Any query on Annual Report or Investors' Grievance Redressal:**  
E-mail: info@vetoswitchgears.com, cs@vetoswitchgears.com  
Add: 230, Sindhi Colony, Raja Park, Jaipur 302004  
Phone: 0141-4100407, 4100416
- **For shares held in Demat form:**  
**Bigshare Services Private Limited**  
E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai 400 072  
Tel.: +91 22 404 30 200, Facsimile: +91 22 2847 5207  
Email: ashok@bigshareonline.com Website: www.bigshareonline.com

#### 15. Disclosures

- (a) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company:** During the financial year 2015-16, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. For reference, the details of related party transactions in accordance with AS-18 are given in Note No. 35 of Other Notes on Accounts of the Annual Report.
- (b) **Details of non-compliance by the Company, penalties, structures imposed on the Company by Stock Exchange(s) or the board or any statutory authority, on any matter related to capital**





**markets, during the last three years:** The Company has not been penalized, nor have the Stock Exchanges, SEBI or any statutory authority imposed any structures, during the last three years, on any matter relating to capital markets.

- (c) **Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee:** The Company has established a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy has a systematic mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or policy. The policy is available on the website of the Company <http://www.vetoswitchgears.com/investor/corporate-governance/policies-and-related-documents> under the head Whistle blower policy. No person has been denied access to the Audit Committee for any grievance.
- (d) **Details of compliance with mandatory requirements and adoption of the non mandatory requirements:** The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (e) **Web link where policy for determining 'material' subsidiaries is disclosed:** The policy for determining 'material' subsidiaries is available on the website of the Company under 'Policies & Related Documents' in the 'Corporate Governance' section and can be accessed at <http://www.vetoswitchgears.com/investor/corporate-governance/policies-and-related-documents>.
- (f) **Web link where policy on dealing with related party transactions is disclosed:** The policy on dealing with related party transactions is available on the website of the Company under 'Policies & Related Documents' in the 'Corporate Governance' section and can be accessed at <http://www.vetoswitchgears.com/investor/corporate-governance/policies-and-related-documents>.

**16. Disclosure of compliance of regulation 17 to 27 and clauses (b) to (i) of subregulation (2) of regulation 46**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

for and on behalf of the Board of Directors

Date: September 5<sup>th</sup> 2016

Place: Jaipur

Sd/-  
**Akshay Kumar Gurnani**  
*Managing Director & CEO*  
DIN: 06888193

Sd/-  
**Narain Das Gurnani**  
*Additional Director & CFO*  
DIN: 01970599





### Annexure V

#### Annual Report on Corporate Social Responsibilities (CSR) activities for the financial year 2015-2016

1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web -link to the CSR Policy and projects or programs	Refer :Corporate Social Responsibility given on Pg. No.41
2. Composition of CSR Committee	Refer :Corporate Social Responsibility Committee given on Pg. No.43
3. Average net profit of the Company for last three financial years	<b>862.14</b>
4. Prescribed CSR Expenditure i. two percent of the amount mentioned in item 3 above) : 17.242 ii. Amount unspent carried forward from last Financial year : 1.87	<b>1911137</b>
5. Details of CSR spent during the Financial year :	
Total amount to be spent for the financial year	1934630
Amount unspent, if any	0.00
Manner in which the amount spent during the financial year	Given Below

#### Details of Amount spent on CSR Activities during the financial year 2015-2016

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or other (2) Specify the state and District where Projects or Programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs <b>Sub-heads:</b> (1)Direct Expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
1.	Rural Development /Weaker Section Welfare (natural calamities also)	Natural Calamities	Nepal	Rs. 1146682 (i.e 60% of Projected Monthly Expenditure)	640000	640000	Implementing Agency
		Vidhwa Women Help	Rajasthan		49700	49700	Direct
		Medical Relief	Jaipur		11000	11000	Direct
		Education to Weaker Staff children expense	Jaipur		42270	42270	Direct
		Charity & Donations	Jaipur and other parts of Rajasthan		313460	313460	Direct
		Total			<b>1056430</b>	<b>1056430</b>	
2.	Animal Protection	Cow Expenses	Gaushala , Jaipur	Rs. 382227 (i.e.20% of Projected Monthly Expenditure)	<b>425000</b>	<b>425000</b>	Direct
	Water Facility to needed People	Water Tanks	Jaipur	Rs. 382227 (i.e.20% of Projected Monthly Expenditure)	<b>453200</b>	<b>453200</b>	Direct

#### Responsibility Statement

The implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company

Date: September 5<sup>th</sup> 2016  
Place: Jaipur

Sd/-  
**Akshay Kumar Gurnani**  
**Managing Director & CEO**  
**DIN: 06888193**

Sd/-  
**Narain Das Gurnani**  
**Additional Director & CFO**  
**DIN: 01970599**





**ANNEXURE VI****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on March 31, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	<b>CIN</b>	L31401MH2007PLC171844
ii)	<b>Registration Date</b>	20/06/2007
iii)	<b>Name of the Company</b>	Veto Switchgears and Cables Limited
iv)	<b>Category Sub-Category of the Company</b>	Company Limited by Shares Indian Non - Government Company
v)	<b>Address of the Registered Office and contact details</b>	506, 5 <sup>th</sup> Floor, Plot No. B -9, Landmark Building, New Link Road, Andheri (West), Mumbai <a href="mailto:Info@vetoswitchgears.com">Info@vetoswitchgears.com</a> , <a href="mailto:cs@vetoswitchgears.com">cs@vetoswitchgears.com</a>
vi)	<b>Whether listed company Yes / No</b>	Yes
vii)	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400 072 <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated :-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Electrical Accessories	8501	52.02%
2	Wires and Cables	8501	47.98%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Veto Electropowers (India) Private Limited Add.: 506, 5 <sup>th</sup> Floor, Plot No. B-9, Landmark Building, New Link Road, Andheri (West), Mumbai, Maharashtra-400058	U31909MH2007PTC168956	Holding	58.11	Section 2(46)
2.	Veto Electricals Private Limited Add.: 230, Sindhi Colony, Raja Park, Jaipur-302004	U31300RJ2008PTC026189	Subsidiary	100%	Section 2 (87)
3.	Veto Overseas Private F.Z.E Add: SM- Office- C1- 520B Ajman Free zone Ajman (UAE)	Not Applicable	Subsidiary	100%	Section 2 (87)





#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
(a) INDIVIDUAL / HUF	2510070	0	2510070	13.70	2500170	0	2500170	13.64	(0.05)
(b) Central / State government(s)	0	0	0	0	0	0	0	0	0
(c) BODIES CORPORATE	10315930	0	10315930	56.29	10650704	0	10650704	58.11	1.83
(d) FINANCIAL INSTITUTIONS / BANKS	0	0	0	0	0	0	0	0	0
(e) ANY OTHERS (Specify)									
(i) GROUP COMPANIES	0	0	0	0	0	0	0	0	0
(ii) TRUSTS	0	0	0	0	0	0	0	0	0
(iii) DIRECTORS RELATIVES	0	0	0	0	0	0	0	0	0
SUB TOTAL (A)(1)	12826000	0	12826000	69.98	13150874	0	13150874	71.76	1.77
<b>2. Foreign</b>									
(a) BODIES CORPORATE	0	0	0	0	0	0	0	0	0
(b) INDIVIDUAL	0	0	0	0	0	0	0	0	0
(c) INSTITUTIONS	0	0	0	0	0	0	0	0	0
(d) QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0
(e) ANY OTHERS (Specify)	0	0	0	0	0	0	0	0	0
SUB TOTAL (A)(2)	0	0	0	0	0	0	0	0	0
<b>Total holding of the promoters (A)=(A)(1) + (A)(2)</b>	<b>12826000</b>	<b>0</b>	<b>12826000</b>	<b>69.98</b>	<b>13150874</b>	<b>0</b>	<b>13150874</b>	<b>71.76</b>	<b>1.77</b>
<b>(B) Public shareholding</b>									
<b>1. Institutions</b>									
(a) Central / State government(s)	0	0	0	0	0	0	0	0	0
(b) FINANCIAL INSTITUTIONS / BANKS	0	0	0	0	0	0	0	0	0
(c) MUTUAL FUNDS / UTI	0	0	0	0	0	0	0	0	0
(d) VENTURE CAPITAL FUNDS	0	0	0	0	0	0	0	0	0
(e) INSURANCE COMPANIES	0	0	0	0	0	0	0	0	0





Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(f) FII'S	364650	0	364650	1.99	0	0	0	0	(1.99)
(g) FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0	0	0	0	0	0
(h) QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0
(i) ANY OTHERS (Specify)	0	0	0	0	0	0	0	0	0
(j) FOREIGN PORTFOLIO INVESTOR	217800	0	217800	1.19	21451	0	21451	0.11	(1.07)
(k) ALTERNATE INVESTMENT FUND	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1) :</b>	<b>582450</b>	<b>0</b>	<b>582450</b>	<b>3.18</b>	<b>21451</b>	<b>0</b>	<b>21451</b>	<b>0.11</b>	<b>(3.06)</b>
Non-institutions									
(a) BODIES CORPORATE	1229756	0	1229756	6.71	1326439	0	1326439	7.24	0.53
(b) INDIVIDUAL									
(i) (CAPITAL UPTO TO Rs. 1 Lakh)	537394	0	537394	2.93	1622914	10	1622924	8.86	5.92
(ii) (CAPITAL GREATER THAN Rs. 1 Lakh)	1148400	0	1148400	6.27	1733562	0	1733562	9.46	3.19
(c) ANY OTHERS (Specify)									
(i) TRUSTS	0	0	0	0	0	0	0	0	0
(ii) CLEARING MEMBER	0	0	0	0	265892	0	265892	1.45	1.45
(iii) NON RESIDENT INDIANS (NRI)	2003100	0	2003100	10.93	205958	0	205958	1.12	(9.81)
(iv) DIRECTORS RELATIVES	0	0	0	0	0	0	0	0	0
(v) EMPLOYEE	0	0	0	0	0	0	0	0	0
(vi) OVERSEAS BODIES CORPORATES	0	0	0	0	0	0	0	0	0
(vii) UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0	0	0	0	0	0
(d) QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(2) :</b>	<b>4918650</b>	<b>0</b>	<b>4918650</b>	<b>26.84</b>	<b>5154765</b>	<b>10</b>	<b>5154775</b>	<b>28.13</b>	<b>1.29</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>5501100</b>	<b>0</b>	<b>5501100</b>	<b>30.02</b>	<b>5176216</b>	<b>10</b>	<b>5176226</b>	<b>28.24</b>	<b>(1.77)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A) + (B) + (C)</b>	<b>18327100</b>	<b>0</b>	<b>18327100</b>	<b>100</b>	<b>18327090</b>	<b>10</b>	<b>18327100</b>	<b>100</b>	<b>0</b>



(ii) *Shareholding of Promoters*

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Pushpa Devi Gurnani	2200	0.0120	0.00	2200	0.0120	0.00	0.0000
2	Mukesh Gurnani	6600	0.0360	0.00	6600	0.0360	0.00	0.0000
3	Narain Das Gurnani	13200	0.0720	0.00	13200	0.0720	0.00	0.0000
4	Rohit Kishore Gurnani	109978	0.6001	0.00	109978	0.6001	0.00	0.0000
5	Kanishka Kishore Gurnani	109978	0.6001	0.00	109978	0.6001	0.00	0.0000
6	Kishore Kumar Gurnani .	439914	2.4003	0.00	430014	2.3463	0.00	-0.0540
7	Harish Kumar Gurnani	733333	4.0014	0.00	733333	4.0014	0.00	0.0000
8	Akshay Kumar Gurnani	1094867	5.9740	0.00	1094867	5.9740	0.00	0.0000
9	Veto Electropowers (India) Private Limited	10315930	56.2878	0.00	10650704	58.1145	0.00	1.8267
	<b>Total</b>	<b>12826000</b>	<b>69.9837</b>	<b>0.00</b>	<b>12826000</b>	<b>71.7564</b>	<b>0.00</b>	<b>1.7727</b>

(iii) *Change in Promoters' Shareholding (please specify, if there is no change)*

	Shareholding at the beginning of the year (as on 1st April 2015)		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>PUSHPA DEVI GURNANI</b>				
At the beginning of the year	2200	0.0120	2200	0.0120
Date wise Increase/Decrease in Promoter Shareholding during the year	NO CHANGE			
At the end of the year i.e. 31st March 2016			2200	0.0120
<b>MUKESH GURNANI</b>				
At the beginning of the year	6600	0.0360	6600	0.0360
Date wise Increase/Decrease in Promoter Shareholding during the year	NO CHANGE			
At the end of the year i.e. 31st March 2016			6600	0.0360
<b>NARAIN DAS GURNANI</b>				
At the beginning of the year	13200	0.0720	13200	0.0720
Date wise Increase/Decrease in Promoter Shareholding during the year	NO CHANGE			
At the end of the year i.e. 31st March 2016			13200	0.0720





	Shareholding at the beginning of the year (as on 1st April 2015)		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>ROHIT KISHORE GURNANI</b>				
At the beginning of the year	109978	0.6001	109978	0.6001
Date wise Increase/Decrease in Promoter Shareholding during the year	NO CHANGE			
At the end of the year i.e. 31st March 2016			109978	0.6001
<b>KANISHAKA KISHORE GURNANI</b>				
At the beginning of the year	109978	0.6001	109978	0.6001
Date wise Increase/Decrease in Promoter Shareholding during the year	NO CHANGE			
At the end of the year i.e. 31st March 2016			109978	0.6001
<b>KISHORE KUMAR GURNANI</b>				
At the beginning of the year	439914	2.4003	439914	2.4003
Date wise Increase/Decrease in Promoter Shareholding during the year	Market sale of 9900 shares on 30/10/2015		430014	2.3463
At the end of the year i.e. 31st March 2016			430014	2.3463
<b>HARISH KUMAR GURNANI</b>				
At the beginning of the year	733333	4.0014	733333	4.0014
Date wise Increase/Decrease in Promoter Shareholding during the year	NO CHANGE			
At the end of the year i.e. 31st March 2016			733333	4.0014
<b>AKSHAY KUMAR GURNANI</b>				
At the beginning of the year	1094867	5.9740	1094867	5.9740
Date wise Increase/Decrease in Promoter Shareholding during the year	NO CHANGE			
At the end of the year i.e. 31st March 2016			1094867	5.9740
<b>VETO ELECTROPOWERS (INDIA) PRIVATE LIMITED</b>				
At the beginning of the year	10315930	56.2878	10315930	56.2878
Date wise Increase/Decrease in Promoter Shareholding during the year	Market purchase of 33474 shares on 10/07/2015		10650704	58.1145
At the end of the year i.e. 31st March 2016			10650704	58.1145





## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Date of Transaction	Nature of Transaction	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total outstanding shares of the company	No. of shares	% of total outstanding shares of the company
1	01-04-2015	Opening Balance	<b>Santosh Bhansali (HUF)</b>	189750	1.04	189750	1.04
	17/04/2015	Sale		(4950)	0.03	184800	1.01
	08/05/2015	Sale		(3158)	0.02	181642	0.99
	15/05/2015	Sale		(3600)	0.02	178042	0.97
	22/05/2015	Sale		(19011)	0.10	159031	0.87
	29/05/2015	Sale		(13835)	0.08	145196	0.79
	05/06/2015	Sale		(13994)	0.08	131202	0.72
	12/06/2015	Sale		(2495)	0.01	128707	0.70
	19/06/2015	Sale		(1231)	0.01	127476	0.70
	26/06/2015	Sale		(16276)	0.09	111200	0.61
	30/06/2015	Sale		(447)	0.00	110753	0.60
	19/08/2015	Sale		(854)	0.00	109899	0.60
	11/09/2015	Purchase		10854	0.06	120753	0.66
	30/10/2015	Purchase		10500	0.06	131253	0.72
	06/11/2015	Sale		(500)	0.00	130753	0.71
	20/11/2015	Sale		(2500)	0.01	128253	0.70
	27/11/2015	Sale		(22000)	0.12	106253	0.58
	15/01/2016	Sale		(5000)	0.03	101253	0.55
	31/03/2016	Closing Balance				101253	0.55
2	01-04-2015	Opening Balance	<b>HEM Finlease Pvt Limited</b>	1038356	5.67	1038356	5.67
	10/04/2015	Sale		(796700)	4.35	241656	1.32
	17/04/2015	Purchase		13200	0.07	254856	1.39
	01/05/2015	Purchase		3300	0.02	258156	1.41
	08/05/2015	Purchase		1462	0.01	259618	1.42
	15/05/2015	Purchase		19338	0.11	278956	1.52
	22/05/2015	Purchase		19074	0.10	298030	1.63
	29/05/2015	Purchase		8774	0.05	306804	1.67
	05/06/2015	Purchase		10008	0.05	316812	1.73
	12/06/2015	Purchase		1826	0.01	318638	1.74
	19/06/2015	Sale		(890)	0.00	317748	1.73







Sl. No.	Date of Transaction	Nature of Transaction	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total outstanding shares of the company	No. of shares	% of total outstanding shares of the company
	26/06/2015	Purchase		51197	0.28	368945	2.01
	30/06/2015	Purchase		214413	1.17	583358	3.18
	03/07/2015	Purchase		4998	0.03	588356	3.21
	10/07/2015	Sale		(548998)	3.00	39358	0.21
	17/07/2015	Purchase		350	0.00	39708	0.22
	24/07/2015	Purchase		2155	0.01	41863	0.23
	31/07/2015	Sale		(10863)	0.06	31000	0.17
	07/08/2015	Sale		(247)	0.00	30753	0.17
	14/08/2015	Purchase		245713	1.34	276466	1.51
	19/08/2015	Sale		(9329)	0.05	267137	1.46
	21/08/2015	Purchase		254663	1.39	521800	2.85
	26/08/2015	Purchase		50744	0.28	572544	3.12
	28/08/2015	Sale		(732)	0.00	571812	3.12
	04/09/2015	Sale		(116450)	0.64	455362	2.48
	11/09/2015	Sale		(6888)	0.04	448474	2.45
	18/09/2015	Sale		(54596)	0.30	393878	2.15
	25/09/2015	Sale		(118628)	0.65	275250	1.50
	30/09/2015	Sale		(269110)	1.47	6140	0.03
	02/10/2015	Purchase		100	0.00	6240	0.03
	09/10/2015	Purchase		30458	0.17	36698	0.20
	16/10/2015	Sale		(2750)	0.02	33948	0.19
	23/10/2015	Purchase		101370	0.55	135318	0.74
	30/10/2015	Sale		(102096)	0.56	33222	0.18
	06/11/2015	Sale		(1702)	0.01	31520	0.17
	13/11/2015	Purchase		12470	0.07	43990	0.24
	20/11/2015	Sale		(10547)	0.06	33443	0.18
	27/11/2015	Purchase		16719	0.09	50162	0.27
	04/12/2015	Sale		(4183)	0.02	45979	0.25
	11/12/2015	Purchase		18018	0.10	63997	0.35
	18/12/2015	Sale		(4674)	0.03	59323	0.32
	25/12/2015	Purchase		3250	0.02	62573	0.34
	31/12/2015	Sale		(11641)	0.06	50932	0.28





Sl. No.	Date of Transaction	Nature of Transaction	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total outstanding shares of the company	No. of shares	% of total outstanding shares of the company
	01/01/2016	Purchase		1000	0.01	51932	0.28
	08/01/2016	Sale		(14626)	0.08	37306	0.20
	15/01/2016	Purchase		23122	0.13	60428	0.33
	22/01/2016	Sale		(24826)	0.14	35602	0.19
	29/01/2016	Purchase		524	0.00	36126	0.20
	05/02/2016	Sale		(2100)	0.01	34026	0.19
	12/02/2016	Sale		(2040)	0.01	31986	0.17
	19/02/2016	Purchase		4216	0.02	36202	0.20
	26/02/2016	Sale		(357)	0.00	35845	0.20
	04/03/2016	Purchase		26	0.00	35871	0.20
	11/03/2016	Purchase		1400	0.01	37271	0.20
	18/03/2016	Sale		(679)	0.00	36592	0.20
	25/03/2016	Sale		(2198)	0.01	34394	0.19
	31/03/2016	Sale		(13063)	0.07	21331	0.12
	31/03/2016	Closing Balance				21331	0.12
3	01-04-2015	Opening Balance	Hem Chand Jain	49500	0.27	49500	0.27
	10/04/2015	Purchase		33000	0.18	82500	0.45
	30/06/2015	Purchase		100894	0.55	183394	1.00
	17/07/2015	Purchase		5475	0.03	188869	1.03
	24/07/2015	Purchase		8900	0.05	197769	1.08
	14/08/2015	Sale		(170012)	0.93	27757	0.15
	19/08/2015	Sale		(27488)	0.15	269	0.00
	21/08/2015	Purchase		65731	0.36	66000	0.36
	26/08/2015	Sale		(50983)	0.28	15017	0.08
	25/09/2015	Sale		(5277)	0.03	9740	0.05
	09/10/2015	Sale		(8740)	0.05	1000	0.01
	04/12/2015	Purchase		21000	0.11	22000	0.12
	18/12/2015	Purchase		17500	0.10	39500	0.22
	08/01/2016	Purchase		25000	0.14	64500	0.35
	15/01/2016	Sale		(7500)	0.04	57000	0.31





Sl. No.	Date of Transaction	Nature of Transaction	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total outstanding shares of the company	No. of shares	% of total outstanding shares of the company
	22/01/2016	Purchase		32500	0.18	89500	0.49
	29/01/2016	Purchase		7500	0.04	97000	0.53
	12/02/2016	Purchase		3000	0.02	100000	0.55
	31/03/2016	Closing Balance				100000	0.55
4	01-04-2015	Opening Balance	<b>Ishwar Lal Kimatrai Sadh</b>	112200	0.61	112200	0.61
	08/01/2016	Sale		(60000)	0.33	52200	0.28
	12/02/2016	Sale		(50960)	0.28	1240	0.01
	31/03/2016	Closing Balance				1240	0.01
5	01-04-2015	Opening Balance	<b>Thakur Nihalchand Tolani</b>	429000	2.34	429000	2.34
	08/01/2016	Sale		(98148)	0.54	330852	1.81
	15/01/2016	Sale		(198000)	1.08	132852	0.72
	22/01/2016	Sale		(65000)	0.35	67852	0.37
	29/01/2016	Sale		(65000)	0.35	2852	0.02
	12/02/2016	Purchase		20000	0.11	22852	0.12
	31/03/2016	Closing Balance				22852	0.12
6	01-04-2015	Opening Balance	<b>Prakash Thakurdas Tolani</b>	326700	1.78	326700	1.78
	18/12/2015	Sale		(57000)	0.31	269700	1.47
	31/12/2015	Sale		(205244)	1.12	64456	0.35
	31/03/2016	Closing Balance				64456	0.35
7	01-04-2015	Opening Balance	<b>Harish D Narwani</b>	138600	0.76	138600	0.76
	26/06/2015	Purchase		102300	0.56	240900	1.31
	31/03/2016	Closing Balance				240900	1.31





Sl. No.	Date of Transaction	Nature of Transaction	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total outstanding shares of the company	No. of shares	% of total outstanding shares of the company
8	01-04-2015	Opening Balance	<b>Jethanand Mahadevmal Fulwani</b>	214500	1.17	214500	1.17
	14/08/2015	Sale		(203469)	1.11	11031	0.06
	31/03/2016	Closing Balance				11031	0.06
9	01-04-2015	Opening Balance	<b>Kamal Kishor Sawlani</b>	221100	1.21	221100	1.21
	31/03/2016	Closing Balance				221100	1.21
10	01-04-2015	Opening Balance	<b>Rajendra Goklani</b>	363000	1.98	363000	1.98
	20/11/2015	Sale		(56581)	0.31	306419	1.67
	04/12/2015	Sale		(40000)	0.22	266419	1.45
	11/12/2015	Sale		(197827)	1.08	68592	0.37
	31/03/2016	Closing Balance				68592	0.37
11	01-04-2015	Opening Balance	<b>Ashika Stock Broking Ltd. - Clent Margin A/c</b>	655	0.00	655	0.00
	03/07/2015	Sale		(630)	0.00	25	0.00
	24/07/2015	Purchase		500	0.00	525	0.00
	14/08/2015	Purchase		300	0.00	825	0.00
	19/08/2015	Purchase		2000	0.01	2825	0.02
	21/08/2015	Purchase		400	0.00	3225	0.02
	28/08/2015	Sale		(2000)	0.01	1225	0.01
	11/09/2015	Purchase		5000	0.03	6225	0.03
	18/09/2015	Sale		(100)	0.00	6125	0.03
	25/09/2015	Purchase		9402	0.05	15527	0.08
	30/09/2015	Purchase		12500	0.07	28027	0.15
	09/10/2015	Sale		(527)	0.00	27500	0.15
	16/10/2015	Purchase		16700	0.09	44200	0.24
	23/10/2015	Sale		(1000)	0.01	43200	0.24
	30/10/2015	Sale		(10500)	0.06	32700	0.18





Sl. No.	Date of Transaction	Nature of Transaction	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total outstanding shares of the company	No. of shares	% of total outstanding shares of the company
	06/11/2015	Purchase		10343	0.06	43043	0.23
	13/11/2015	Sale		(420)	0.00	42623	0.23
	20/11/2015	Sale		(36681)	0.20	5942	0.03
	27/11/2015	Purchase		1130	0.01	7072	0.04
	04/12/2015	Sale		(3142)	0.02	3930	0.02
	11/12/2015	Purchase		1560	0.01	5490	0.03
	18/12/2015	Sale		(250)	0.00	5240	0.03
	25/12/2015	Purchase		1555	0.01	6795	0.04
	31/12/2015	Purchase		4450	0.02	11245	0.06
	08/01/2016	Purchase		5950	0.03	17195	0.09
	15/01/2016	Purchase		6275	0.03	23470	0.13
	22/01/2016	Purchase		30261	0.17	53731	0.29
	29/01/2016	Purchase		49252	0.27	102983	0.56
	05/02/2016	Sale		(3875)	0.02	99108	0.54
	12/02/2016	Purchase		4065	0.02	103173	0.56
	19/02/2016	Sale		(7551)	0.04	95622	0.52
	26/02/2016	Purchase		3000	0.02	98622	0.54
	04/03/2016	Sale		(8599)	0.05	90023	0.49
	11/03/2016	Sale		(2110)	0.01	87913	0.48
	25/03/2016	Sale		(100)	0.00	87813	0.48
	31/03/2016	Purchase		400	0.00	88213	0.48
	31/03/2016	Closing Balance				88213	0.48
12	01-04-2015	Opening Balance	<b>Subhash Phootarmal Rathod</b>	0	0	0	0
	26/02/2016	Purchase		130140	0.71	130140	0.71
	31/03/2016	Closing Balance				130140	0.71
13	01-04-2015	Opening Balance	<b>India Max Investment Fund Limited</b>	364650	1.99	364650	1.99
	31/03/2016	Closing Balance				364650	1.99





Sl. No.	Date of Transaction	Nature of Transaction	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of shares	% of total outstanding shares of the company	No. of shares	% of total outstanding shares of the company
14	01-04-2015	Opening Balance	<b>Karvy Stock Broking Ltd (BSE)</b>	0	0	0	0
	27/11/2015	Purchase		300000	1.64	300000	1.64
	22/01/2016	Sale		(30000)	0.16	270000	1.47
	31/03/2016	Closing Balance				270000	1.47
15	01-04-2015	Opening Balance	<b>Globe Fincap Limited</b>	0	0	0	0
	08/01/2016	Purchase		80161	0.44	80161	0.44
	15/01/2016	Sale		(151)	0.00	80010	0.44
	31/03/2016	Closing Balance				80010	0.44
16	01-04-2015	Opening Balance	<b>Mahima Stocks Private Limited</b>	0	0	0	0
	13/11/2015	Purchase		87952	0.48	87952	0.48
	31/03/2016	Closing Balance				87952	0.48
17	01-04-2015	Opening Balance	<b>Suman Bang</b>	0	0	0	0
	22/01/2016	Purchase		90000	0.49	90000	0.49
	31/03/2016	Closing Balance				90000	0.49
18	01-04-2015	Opening Balance	<b>Kishore M. Bang</b>	0	0	0	0
	22/01/2016	Purchase		130000	0.71	130000	0.71
	31/03/2016	Closing Balance				130000	0.71
19	01-04-2015	Opening Balance	<b>Mindset Securities Private Limited</b>	0	0	0	0
	11/03/2016	Purchase		115880	0.63	115880	0.63
	31/03/2016	Closing Balance				115880	0.63

Opening Balance denotes: As on April 01, 2015

Closing Balance denotes: As on March 31, 2016



**(v) Shareholding of Directors and Key Managerial Personnel****1. Akshay Kumar Gurnani**

Sl. No.		Shareholding at the Beginning of the year			Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	01/04/2015	1094867	5.97	1094867	5.97
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0	0
	At the End of the year	31/03/2016	1094867	5.97	1094867	5.97

**2. Priavrat Sharma HUF**

Sl. No.		Shareholding at the Beginning of the year			Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	01/04/2015	1650	0.009	1650	0.009
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment / transfer / bonus/ sweat equity etc):	17/07/2015	(1650)	0.01	0	0.00
		30/09/2015	23010	0.13	23010	0.13
		04/12/2015	(23010)	0.13	0	0.00
	At the End of the year	31/03/2016	0	0.00	0	0.00







## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	654.32	-	-	654.32
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	654.32	-	-	654.32
<b>Change in Indebtedness during the financial year</b>				
• Addition	198.24	-	-	198.24
• Reduction	27.47	-	-	27.47
<b>Net Change</b>	170.77	-	-	170.77
<b>Indebtedness at the end of the financial Year</b>				
i) Principal Amount	825.09	-	-	825.09
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due		-	-	
<b>Total (i+ ii+ iii)</b>	825.09	-	-	825.09

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Akshay Kumar Gurnani	Dinesh Gurnani	Jyoti Gurnani	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,00,000	7,20,000	2,00,000	24,20,000
	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income -tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	- other, specify....	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (A)	15,00,000	7,20,000	2,00,000	24,20,000
	Ceiling as per the Act	5% Of net profit	5% of net profit	1% of net profit	11% of Net Profit



**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Murlidhar Kaurani	Govind Ram Thawani	Mohan Sukhani	
	1. Independent Directors				
	• Fee for attending board committee meetings (Per Meeting Rs.2500/-)	15,000	22,500	22,500	60,000
	• Commission	0	0	0	0
	• Others, please specify	0	0	0	0
	Total (1)	15,000	22,500	22,500	60,000
	2. Other Non-Executive Directors				
	• Fee for attending board committee meetings	0	0	0	0
	Total (2)	0	0	0	0
	Total (B)=(1+2)	15,000	22,500	22,500	60,000
	Total Managerial	Remuneration			

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		Ms. Chavi Rawat Company Secretary <sup>1</sup>	Ms. Shilpi Keswani, Company Secretary <sup>2</sup>	CFO <sup>3</sup>	Total
1.	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	153324	15262	-	168586
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - Others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	<b>153324</b>	<b>15262</b>	<b>-</b>	<b>1,68,586</b>

1. Ms. Chavi Rawat has been relieved w.e.f 25th February 2016.
2. Ms. Shilpi Keswani was appointed w.e.f. 5th March 2016
3. Mr. Dinesh Gurnani was paid remuneration in the capacity of Whole-time Director.
4. Mr. Priavrat Sharma, Group CFO has resigned on 30<sup>th</sup> March, 2016.




**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-





**NISHA AGARWAL**  
Company Secretary

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

### Secretarial Audit Report

#### Annexure VII

For the Financial Year 2015-16:

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

#### **VETO SWITCHGEARS AND CABLES LIMITED**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VETO SWITCHGEARS AND CABLES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on **31.03.2016**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **VETO SWITCHGEARS AND CABLES LIMITED ("The Company")** for the period ended on **31.03.2016** according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company :-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and





- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- g. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited; and
- h. The Memorandum and Articles of Association.

**I have also examined compliance with the applicable clauses of the following:**

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

**2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:**

- a. maintenance of various statutory registers and documents and making necessary entries therein;
- b. closure of the Register of Members.
- c. forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- d. service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e. notice of Board meetings and Committee meetings of Directors;
- f. the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- g. the 8<sup>th</sup> Annual General Meeting held on 26th August, 2015;
- h. minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- i. approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- j. constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- k. payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- l. appointment and remuneration of Auditors and Cost Auditors;
- m. transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
- n. declaration and payment of dividends;
- o. transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
- p. borrowings and registration, modification and satisfaction of charges wherever applicable;
- q. investment of the Company's funds including investments and loans to others;
- r. form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- s. Directors' report; and
- t. contracts, common seal, registered office and publication of name of the Company;





**3. I further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
  - The Company has obtained all necessary approvals under the various provisions of the Act; and
  - There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
  - The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
5. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
6. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

**7. I further report that:**

- a. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Limited;
  - b. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
  - c. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
8. I further report that based on the report of the internal auditor of the Company Mr. Anuj Kumar Khator dtd. 04.05.2016, the statutory audit report by M/s. SGCO & Co. dtd. 23.05.2016 and the information received and records maintained, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Jaipur  
Date: August 22, 2016

**Sd/-**  
**Nisha Agarwal**  
**Practicing Company Secretary**  
**FCS:8345~ C. P. No.:8584**





**Annexure-VIII**

**Affirmation by Chairman**

*Declaration for Compliance with Code of Conduct*

To,  
The Board of Directors,  
Veto Switchgears and Cables Limited,  
506, 5<sup>th</sup> Floor, Plot No-B-9, Landmark Building, New Link Road,  
Andheri (West), Mumbai

I Akshay Kumar Gurnani, Chairman of the Company do hereby affirm that all directors and senior managers of the Company have complied with the Code of Conduct for Board Members and Senior Managers of our Company during the financial year end on 31<sup>st</sup> March, 2016.

**Sd/-**

**Akshay Kumar Gurnani**

**DIN: 06888193**

**Chairman**

Place: Mumbai

Date: March 31<sup>st</sup>, 2016

**Annexure IX**

**CERTIFICATE ON 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 31<sup>st</sup> March, 2016 as stipulated in the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. My examination has been limited to procedures and implementations thereof adopted by the Company for ensuring compliance with the Corporate Governance. It is neither an audit nor an expression of opinion of 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 with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

I state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Shareholders / Investors Grievance Committee.

I further state 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.

**Sd/-**

**Nisha Agarwal**

Place: Jaipur

Date : August 23<sup>rd</sup> 2016

**Company Secretary in Practice**

**M.No. FCS: 8345, C.P. No. 8584**







**Annexure X**  
**Compliance Certificate**

To,  
The Board of Directors  
Veto switchgears and Cables Limited

This Certificate has been certified by the undersigned for compliance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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

Date: May 23<sup>rd</sup> 2016  
Place: Jaipur

Sd/-  
**Akshay Kumar Gurnani**  
**Managing Director & CEO**  
**DIN: 06888193**  
**PAN : AYOPG9890J**

Sd/-  
**Dinesh Gurnani**  
**Chief Financial Officer**  
**DIN: 00218635**  
**PAN : AERPG5958A**





#### Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of **Veto Switchgears and Cables Limited**, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the **Veto Switchgears and Cables Limited Annual Report 2015-16**.





## INDEPENDENT AUDITOR'S REPORT

**To the Members of  
Veto Switchgears and Cables Limited**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Veto Switchgears and Cables Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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 Standalone Financial Statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the





risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, 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 on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 of the state of affairs of the Company as at 31st March 2016, its profit and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
  - a) we have sought and 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014





- e) on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate report in "**Annexure B**"; and
- g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer note no. 31 of the Financial Statements)
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which was required to be transferred, to the Investor Education and Protection Fund by the Company.

**For SGC O & Co.**

Chartered Accountants

**Firm Reg. No 112081W**

**Sd/-**

**Suresh Murarka**

Partner

**Mem. No. 44739**

Place: Mumbai

Date: 23rd May, 2016





## Annexure “A” to Independent Auditor’s Report

Annexure referred to in Paragraph 1 of “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 31st March 2016.

As required by the Companies (Auditors Report) Order, 2016 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 its fixed assets.
- b) As explained to us, 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 of the Company and the nature of its assets. In accordance with this program certain fixed assets were verified during the year. The frequency of verification is reasonable and no discrepancies have been noticed on such physical verification.
- c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified by the management during the year at reasonable intervals. Discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) a) During the year the Company has granted unsecured loans to 2 parties covered in the register maintained under section 189 of the Companies Act, 2013.
- b) As explained to us and on the basis of information and explanation given to us, the rate of interest and terms and conditions on the basis of which such loans are granted are not prejudicial to the interest of the Company.
- c) As informed to us, no repayment schedule has been stipulated for repayment of principal and interest. There is no overdue amounts outstanding for more than 90 days.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013
- (v) According to the information and explanations given to us and on the basis of our examination of records, the Company has not accepted any deposits from public.
- (vi) The Central Government has prescribed the maintenance of cost record under Section 148(1) of the Act. We have not reviewed the cost records maintained by the Company but based on the information submitted by the Company we are of the view that such accounts and records have been made and duly maintained.
- (vii) a) According to the records of the Company, amount deducted/accrued in the books of accounts in





respect of the undisputed statutory dues including Provident Fund, Employee's State Insurance, Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other Statutory Dues to the extent applicable to the Company, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, except sales tax liability amounting to Rs. 61,669 /-, there are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2016 for a period more than six months from the date they became payable.

- b) According to the information and explanations given to us, disputed dues of Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, and Value Added Tax which have not been deposited on account of disputes with the related authorities are as under.

Nature of Liability pending	Period to which matter pertains	Amount (Rs.)	Forum at which dispute is
Sales Tax	2011-12	1,06,497	Deputy Commissioner of Commercial Tax -Appeal
	2012-13	3,38,460	
	2013-14	2,15,410	

- (viii) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of dues to financial institution or banks. The Company has not issued any debentures.
- (ix) The company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year. The term loan obtained during the year, has been utilised by the Company for the purpose for which it was obtained.
- (x) According to the information & explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with section 188 and 177 of Companies Act, 2013 wherever applicable and the details have been disclosed in the financial statements as required by the accounting standards and Companies Act, 2013.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly







convertible debentures during the year.

- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For S G C O & Co.**

Chartered Accountants

**Firm Reg. No. 112081W**

**Sd/-**

**Suresh Murarka**

Partner

**Mem No : 44739**

Place : Mumbai.

Date : 23rd May, 2016



## **Annexure “B” to the Independent Auditor’s Report of even date on the financial statements of Veto Switchgears and Cables Limited for the year ended 31st March 2016.**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Veto Switchgears and Cables Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that We comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SGC O & Co.**

Chartered Accountants

**Firm's Reg. No. 112081W****Sd/-****Suresh Murarka**

Partner

**Mem. No. 44739**

Place : Mumbai

Date : 23rd May, 2016





## Veto Switchgears and Cables Limited

### Veto Switchgears and Cable Limited

Registered Office : 506, 5th Floor, Plot No. B-9, Land Mark Building, New Link Road, Andheri (West), Mumbai- 400058

CIN : L31401MH2007PLC171844

Tel No. : 0141-4100400/444 Fax No. 0141-4100410 Website: www.vetoswitchgears.com

Email: info@vetoswitchgears.com, cs@vetoswitchgears.com

#### Balance Sheet as at 31st March, 2016

(Amount in Rs.)

Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	183,271,000	183,271,000
Reserves & surplus	3	573,282,283	543,361,560
		<b>756,553,283</b>	<b>726,632,560</b>
<b>Non-current Liabilities</b>			
Long-term borrowings	4	60,153,521	62,663,804
Long-term provisions	5	1,080,439	754,500
		<b>61,233,960</b>	<b>63,418,304</b>
<b>Current Liabilities</b>			
Short-term borrowings	6	340,143,272	283,453,311
Trade payables	7	102,588,228	103,007,661
Other current liabilities	8	72,960,659	33,961,512
Short term provisions	9	33,087,746	1,739,030
		<b>548,779,905</b>	<b>422,161,514</b>
		<b>1,366,567,148</b>	<b>1,212,212,378</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	189,691,400	198,430,448
Intangible assets		32,188	54,908
Capital work in progress		21,039,692	66,558
Non - current investments	11	19,269,000	1,149,000
Deferred tax asset (net)	12	8,226,582	1,799,220
Long - term loans and advances	13	348,270,704	206,309,280
Other non - current assets	14	1,114,518	27,149
		<b>587,644,084</b>	<b>407,836,563</b>
<b>Current Assets</b>			
Current investments	15	2,940,000	4,897,560
Inventories	16	336,728,198	250,013,795
Trade receivables	17	401,770,519	333,965,759
Cash and cash equivalents	18	21,173,707	21,671,060
Short - term loans and advances	19	16,310,640	26,924,932
Other current assets	20	-	166,902,709
		<b>778,923,064</b>	<b>804,375,815</b>
		<b>1,366,567,148</b>	<b>1,212,212,378</b>

See Accompanying notes to the financial statements

1 to 40

As per our report of even date attached

For S G C O & Co.

Chartered Accountants

Sd/-

Suresh Murarka

Partner

Mem. No. 44739

For and on behalf of the Board

Veto Switchgears And Cables Limited

Sd/-

Akshay Kumar Gurnani

Managing Director

DIN : 06888193

Sd/-

Dinesh Gurnani

Whole Time Director & CFO

DIN : 00218635

Sd/-

Shilpi Keswani

Company Secretary

Place: Mumbai

Date : 23rd May, 2016

Place: Jaipur

Date : 23rd May, 2016





## Veto Switchgears and Cable Limited

Registered Office : 506, 5th Floor, Plot No. B-9, Land Mark Building, New Link Road, Andheri (West), Mumbai- 400058  
CIN : L31401MH2007PLC171844

Tel No. : 0141-4100400/444 Fax No. 0141-4100410 Website: www.vetoswitchgears.com  
Email: info@vetoswitchgears.com, cs@vetoswitchgears.com

### Statement of Profit and Loss for the year ended 31st March, 2016

(Amount in Rs.)

Particulars	Notes	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>INCOME</b>			
Revenue from operation	21	1,120,947,800	973,021,833
Other income	22	7,809,941	5,363,524
<b>Total Revenue</b>		<b>1,128,757,741</b>	<b>978,385,357</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	483,557,689	455,830,723
Purchases of stock-in-trade	24	263,243,330	229,002,595
Changes in inventories of finished goods and stock in trade	25	(46,340,867)	(39,849,177)
Employee benefits expense	26	71,955,514	59,961,288
Finance costs	27	45,477,479	39,516,726
Depreciation	10	19,745,846	20,137,297
Other expenses	28	149,612,115	116,230,102
		<b>987,251,106</b>	<b>880,829,554</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>141,506,635</b>	<b>97,555,803</b>
Less : Exceptional Items (refer note no. 34)		42,102,609	-
<b>Profit before tax</b>		<b>99,404,025</b>	<b>97,555,803</b>
<b>Less : Tax expenses</b>			
- Current tax		20,303,000	19,915,200
- Wealth Tax		-	26,603
- MAT Credit (Entitlement)/Utilised		8,934,662	7,183,052
- Tax for earlier years		39,186	1,872,552
- Deferred tax liability / (asset)		(6,427,362)	(2,896,076)
<b>Net Profit for the year</b>		<b>76,554,539</b>	<b>71,454,472</b>
<b>Earnings per equity share</b>	29		
(Nominal value of share Rs.10 (PY Rs.10))			
- Basic		4.18	3.90
- Diluted		4.18	3.90
See Accompanying notes to the financial statements		1 to 40	

As per our report of even date attached

For S G C O & Co.  
Chartered Accountants

Sd/-  
**Suresh Murarka**  
Partner  
Mem. No. 44739

For and on behalf of the Board  
Veto Switchgears And Cables Limited

Sd/-  
**Akshay Kumar Gurnani**  
Managing Director  
DIN : 06888193

Sd/-  
**Dinesh Gurnani**  
Whole Time Director & CFO  
DIN : 00218635

Sd/-  
**Shilpi Keswani**  
Company Secretary

Place: Mumbai  
Date : 23rd May, 2016

Place: Jaipur  
Date : 23rd May, 2016





## Veto Switchgears and Cables Limited

### Veto Switchgears and Cable Limited

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Email: info@vetoswitchgears.com, cs@vetoswitchgears.com

#### Cash Flow Statement for the year ended 31st March 2016

(Amount in Rs.)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>A. Cash flow from operating activities</b>		
Net profit before taxation	99,404,025	97,555,804
<u>Adjustments for:</u>		
Depreciation on fixed assets	19,745,846	20,137,297
Diminution in value of current investments	1,957,560	551,550
Interest expense	45,477,479	39,516,726
Provision for doubtful debt	2,018,947	1,886,956
Profit on sale of fixed assets	(218,589)	(194,030)
Profit on sale of Investment	-	(2,761,420)
Interest income	(5,834,742)	(2,340,893)
<b>Operating profit before working capital changes</b>	<b>162,550,526</b>	<b>154,351,991</b>
<u>Adjustments for :</u>		
(Increase) / Decrease in inventories	(86,714,403)	8,201,890
(Increase) / Decrease in Long term Provision	325,939	271,800
(Increase) / Decrease in trade receivables	(69,823,707)	(32,991,120)
(Increase) / Decrease in other assets	166,902,709	(161,756,761)
Increase / (Decrease) in trade payable	(419,433)	30,970,225
Increase / (Decrease) in other current liabilities	38,999,147	(2,763,150)
<b>Cash generated from / (used in) operations</b>	<b>211,820,778</b>	<b>(3,715,124)</b>
Direct taxes paid	(26,033,019)	(18,709,009)
<b>Cash (Outflow) before Prior Period Adjustment</b>	<b>185,787,759</b>	<b>(22,424,133)</b>
Prior Period adjustments	-	-
<b>Net cash flow from operating activities</b>	<b>185,787,759</b>	<b>(22,424,133)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(11,010,489)	(30,131,680)
Additions to capital work in progress	(20,973,134)	(66,558)
Sale proceeds from fixed assets	245,000	8,482,174
Sale proceeds from Investment	-	26,820,492
Investment in Subsidiary Company	(18,120,000)	(100,000)
Loans & advances received back / (given)	(140,712,511)	(23,722,380)
Redemption / maturity of bank deposits	2,832,267	70,270,580
Purchase of current investments	-	(20,163,767)
Interest received	5,834,742	2,340,893
<b>Net cash flow from / (used in) investment activities</b>	<b>(181,904,125)</b>	<b>33,729,754</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds / (Repayment) of borrowings	54,179,678	(8,372,007)
Dividend Paid	(9,163,550)	
Interest paid	(45,477,479)	(39,516,726)
<b>Net cash flow from / (used in) financing activities</b>	<b>(461,351)</b>	<b>(47,888,733)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>3,422,283</b>	<b>(36,583,112)</b>
Cash and cash equivalents at the beginning of the year	15,888,787	52,471,899
<b>Cash and cash equivalents at the end of the year</b>	<b>19,311,070</b>	<b>15,888,787</b>





## Veto Switchgears and Cable Limited

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### Cash Flow Statement for the year ended 31st March 2016

#### Notes :

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

(Amount in Rs.)

Particulars		As at 31.03.2016	As at 31.03.2015
Cash on hand		1,835,555	2,385,359
Balances with bank on current account		17,475,516	13,503,429
		<b>19,311,070</b>	<b>15,888,787</b>

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

As per our report of even date attached

For and on behalf of the Board

For S G C O & Co.

Chartered Accountants

Sd/-  
**Suresh Murarka**  
Partner  
Mem. No. 44739

Sd/-  
**Akshay Kumar Gurnani**  
Managing Director  
DIN : 06888193

Sd/-  
**Dinesh Gurnani**  
Whole Time Director & CFO  
DIN : 00218635

Sd/-  
**Shilpi Keswani**  
Company Secretary

Place: Mumbai  
Date : 23rd May, 2016

Place: Jaipur  
Date : 23rd May, 2016







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### Accompanying notes to the financial statements for the year ended 31st March 2016

#### Note 1 : Significant Accounting Policies:

##### A Corporate Information

Veto Switchgears and Cables Limited (the Company) is a listed public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company has its manufacturing unit at Haridwar. The Company is engaged in manufacturing of wires & cables, electrical accessories & also deals in LED lighting, CFL & Fans.

##### B 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 in compliance with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

##### C 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."

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

##### E 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"

##### F Depreciation:

- i) Depreciation on Fixed Assets is provided on 'Written down value method' based on useful life of assets





## Accompanying notes to the financial statements for the year ended 31st March 2016

### Note 1 : Significant Accounting Policies:

and in the manner specified in the Schedule II of the Companies Act, 2013.

- ii) Leasehold improvements are written off over the noncancellable period of lease.
- iii) Goodwill & Trade marks has been amortized over a period of five years.

#### **G 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 Statement of Profit and Loss 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.

#### **H Investments:**

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

#### **I Inventories:**

Inventories are valued as follows:

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

#### **J Employee Benefits :**

- i) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss 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.

#### **K Provisions and Contingent Liabilities:**

- i) Provisions are recognized in terms of Accounting Standard 29- "Provisions, Contingent Liabilities and Contingent Assets, 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.





## Accompanying notes to the financial statements for the year ended 31st March 2016

### Note 1 : Significant Accounting Policies:

#### **L 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.
- 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 . Foreign Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non integral foreign operation are accumulated in foreign currency translation reserves.
- 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 .

#### **M 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 capitalised as a part of the cost of the fixed assets, up to the date, the assets are ready for its intended use.

#### **N 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.

##### **Minimum Alternate Tax**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.





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### Accompanying notes to the financial statement for the year ended 31st March, 2016

(Amount in Rs. )

#### Note 2 : Share capital

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Authorised</b> 2,00,00,000 (PY 2,00,00,000) Equity shares of Rs.10/- each	200,000,000	200,000,000
	<b>200,000,000</b>	<b>200,000,000</b>
<b>Issued, Subscribed and Fully Paid Up</b> 1,83,27,100 (PY 1,83,27,100) Equity shares of Rs. 10/- each fully paid up	183,271,000	183,271,000
	<b>183,271,000</b>	<b>183,271,000</b>

#### 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, 2016		As at 31st March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares</b>				
At the beginning of the year	18,327,100	183,271,000	18,327,100	183,271,000
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>18,327,100</b>	<b>183,271,000</b>	<b>18,327,100</b>	<b>183,271,000</b>

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

Particulars	No. of Shares
<b>Equity Shares</b>	
Financial Year 2012-13	5,830,000
Financial Year 2013-14	1,666,100

#### b) Terms / rights attached to equity shares

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

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

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

Particulars	No. of Shares		No. of Shares	
	No. of Shares	Amount	No. of Shares	Amount
Veto Electropowers (India) Private Limited	10,650,704	106,507,040	10,315,930	103,159,300

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% holding	No. of Shares	% holding
Veto Electropowers (India) Private Limited	10,650,704	58.11%	10,315,930	56.29%
Akshay Gurnani	1,094,867	5.97%	1,094,867	5.97%
HEM Finlease Private Limited	-	-	1,038,356	5.67%





## Veto Switchgears and Cables Limited

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#### Accompanying notes to the financial statement for the year ended 31st March, 2016

(Amount in Rs. )

#### Note 3 : Reserve & surplus

Particulars	As at March, 2016	31st March, 2015
<b>Securities Premium Account</b>		
Balance at the beginning of the year	159,471,817	159,471,817
Add: On further issue of shares	-	-
Closing Balance	<b>159,471,817</b>	<b>159,471,817</b>
<b>Foreign Currency Translation Reserves *</b>		
Balance at the beginning of the year	-	-
Add : Addition during the year	(2,517,035)	-
	<b>(2,517,035)</b>	<b>-</b>
<b>Surplus / (deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	383,889,743	312,622,235
Add : Profit for the year	76,554,537	71,454,473
Less : Adjustments in terms of note 7(b) of Schedule II of Companies Act, 2013 (net of taxes)	-	186,965
Less : Appropriations :		
Proposed Dividend	27,490,650	-
Interim Dividend	9,163,550	-
Dividend Distribution Tax	7,462,579	-
<b>Closing Balance</b>	<b>416,327,501</b>	<b>383,889,743</b>
	<b>573,282,283</b>	<b>543,361,560</b>

\* represents effect of foreign exchange fluctuation on long term loans granted to foreign subsidiary Company

#### Note 4 : Long-term borrowings

Particulars	As at March, 2016	31st March, 2015
<b>Secured</b>		
<b>Term loans from banks</b>		
Less: Interest accrued but not due on borrowings	76,375,935	61,226,067
Less: Current maturities of long term debt	-	672,067
	20,000,000	554,000
	<b>56,375,935</b>	<b>60,000,000</b>
<b>Hire purchase loans from banks</b>		
Less: Current maturities of long term debt	6,133,208	4,205,654
	2,355,623	1,541,850
	3,777,586	2,663,804
	<b>60,153,521</b>	<b>62,663,804</b>

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

a) Term loan amounting to Rs. 7,63,75,935 (PY Rs. 6,06,65,892) from Indian Oversease Bank carries interest of Base Rate + 1.75% p.a. The loan is repayable in 20 Quarterly instalments along with interest starting from June, 2016. The loan is primarily secured by way of equitable mortgage of land and building of Corporate office under construction and collateral security of factory land and building of the Company, land and building of M/s. vimal Power Cables Private Limited, hypothecation of fixed assets (excluding land and building and vehicles) of the Company, personal guarantee of two director and two promoters and corporate guarantee of Vimal Power cables Private Limited and Holding Company.





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### Accompanying notes to the financial statement for the year ended 31st March, 2016

(Amount in Rs. )

b) Term loan amounting to Rs. Nil (PY Rs. 5,60,175) from Indian Oversease Bank carries interest rate of Base Rate + 2.50 % p.a. The loan is repayable in 60 Monthly instalments along with interest starting from January, 2011. The loan is secured by way of equitable mortgage of factory building and hypothecation of plant & machinery and personal guarantee of four directors.

c) Hire Purchase Loans amounting to Rs. 61,33,208 (PY Rs. 42,05,654) from various banks and financial institutions are secured by hypothecation of respective vehicle financed. The loans carries interest @ 8.50% to 11% p.a. The loan is repayable in 36 to 60 equal monthly instalments starting from the respective date of finance.

#### Note 5 : Long-term provisions

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for Warranty	1,080,439	754,500
	<b>1,080,439</b>	<b>754,500</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. 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, 2016	As at 31st March, 2015
At the beginning of the year	754,500	482,700
Arising during the year	325,939	271,800
Utilised during the year	-	-
Unused amount reversed	-	-
<b>At the end of the year</b>	<b>1,080,439</b>	<b>754,500</b>

#### Note 6 : Short-term borrowings

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>(Secured)</b>		
<b>Cash Credit Facility</b>		
From Bank	340,143,272	283,453,311
	<b>340,143,272</b>	<b>283,453,311</b>

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

Cash credit facility amounting to Rs. 34,01,43,272 (PY Rs. 28,34,53,311) from indian oversease bank carries interest rate of Base rate + 2% p.a. The loan is secured by way of 1st charge on entire current assets of the Company and collateral security of factory land and building of the Company, land and building of M/s. vimal Power Cables Private Limited, hypothecation of fixed assets (excluding land and building and vehicles) of the Company, personal guarantee of two director and two promoters and corporate guarantee of Vimal Power cables Private Limited and Holding Company.





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#### Accompanying notes to the financial statement for the year ended 31st March, 2016

(Amount in Rs. )

##### Note 7 : Trade payables

Particulars	As at March, 2016	31st March, 2015
Due to Micro, Small & Medium Enterprises	189,485	172,966
Due to Others	102,398,743	102,834,695
	<b>102,588,228</b>	<b>103,007,661</b>

**Note :** The information regarding Micro Small and Medium Enterprises has been determined on the basis of information available with the Company

Particulars	As at March 31, 2016	As at March 31, 2015
The principal amount remaining unpaid to any supplier as at the end of accounting year;	189,485	172,966
The interest due and remaining unpaid to any supplier as at the end of accounting year;	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

**Note :**

Interest paid or payable by the Company on the aforesaid principal amount has been waived by the concerned suppliers.

##### Note 8 : Other current liabilities

Particulars	As at March, 2016	31st March, 2015
Current maturities of loan term debt	22,355,623	2,095,850
Interest accrued but not due on borrowings	-	672,067
Trade deposits	8,926,833	4,921,763
Salary & Wages Payable	4,604,070	3,553,847
Duties & taxes payable	16,534,057	14,171,060
Provision for Expenses	5,881,216	6,978,954
Advance from debtors	14,658,860	1,567,971
	<b>72,960,659</b>	<b>33,961,512</b>

##### Note 9 : Short term provisions

Particulars	As at March, 2016	31st March, 2015
Provision for taxation (Net of advance tax & TDS)	-	1,739,030
Proposed Dividend	27,490,650	-
Tax on Proposed Dividend	5,597,096	-
	<b>33,087,746</b>	<b>1,739,030</b>





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## Veto Switchgears and Cables Limited



### Accompanying notes to the financial statement for the period ended on 31st March, 2016

#### Note 10 : Fixed assets

(Amount in Rs.)

Description	Gross Block			Depreciation				Net Block			
	As At 01.04.2015	Additions during the year	Deductions during the year	As At 31.03.2016	Upto 31.03.2015	Provided upto 31.03.2016	Tr. To Retained Earning	Adjustments	Upto 31.03.2016	As At 31.03.2016	As At 31.03.2015
Intangible Assets											
Goodwill	540,000	-	-	540,000	540,000	-		-	540,000	-	-
Trade Mark	112,000	-	-	112,000	57,092	22,720		-	79,812	32,188	54,908
Sub Total	652,000	-	-	652,000	597,092	22,720		-	619,812	32,188	54,908
Tangible Assets											
Leasehold Land	118,621,732	-	-	118,621,732	895,771	130,523		-	1,026,294	117,595,438	117,725,961
Factory Building	38,680,805	-	-	38,680,805	16,899,353	2,382,210		-	19,281,562	19,399,243	21,781,452
Leasehold Improvement	4,646,066	-	-	4,646,066	138,309	1,441,132		-	1,579,441	3,066,625	4,507,757
Plant & Machinery	80,411,556	4,330,545		84,742,101	40,734,664	9,307,116		-	50,041,780	34,700,321	39,676,892
Office Equipments	3,069,266	109,896	-	3,179,162	1,611,386	718,659		-	2,330,045	849,117	1,457,880
Furniture & Fixtures	9,504,435	1,385,801	-	10,890,236	4,568,154	1,597,857		-	6,166,011	4,724,224	4,936,280
Computers	1,966,535	357,908	-	2,324,443	1,521,392	434,772		-	1,956,164	368,279	445,143
Vehicles	21,085,404	4,826,339	689,204	25,222,539	13,186,321	3,710,858		662,792	16,234,386	8,988,153	7,899,083
Sub Total	277,985,798	11,010,489	689,204	288,307,084	79,555,350	19,723,126		-	98,615,684	189,691,400	198,430,448
Grand Total	278,637,798	11,010,489	689,204	288,959,084	80,152,442	19,745,846		662,792	99,235,496	189,723,588	198,485,356
Previous Year	258,909,604	30,131,680	10,403,486	278,637,798	61,853,726	20,137,297		2,115,341	80,152,442	198,485,356	-
Capital Work in Progress											
Office Building at Airport Plaza #	66,558	20,091,886	-	20,158,444	-	-		-	-	20,158,444	66,558
Leasehold Improvements	-	79,516		79,516						79,516	-
Plant & Machinery	-	801,732		801,732	-	-		-	-	801,732	-
Total	66,558	20,973,134	-	21,039,692	-	-		-	-	21,039,692	66,558

# additions during the year includes borrowing cost amounting to Rs. 5,12,958/-





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#### Accompanying notes to the financial statement for the year ended 31st March, 2016

(Amount in Rs. )

#### Note 11 : Non - current investments

Particulars	As at March, 2016	As at March, 2015
<b>Trade, Quoted (At cost, unless stated otherwise)</b>		
<b>Investment in Equity Instruments</b>		
<b>Investment in Subsidiaries</b>		
Veto Electricals Private Limited	1,000,000	1,000,000
1,00,000 ( PY 1,00,000 ) Equity Shares of Rs.10 each fully paid up		
<b>Investment in Foreign Subsidiaries</b>		
Veto Overseas Private FZE *	18,120,000	-
10,00,000 ( PY Nil )Equity Shares of 1 AED each fully paid up		
<b>Others</b>		
Veto Lightings Private Limited	51,000	51,000
5,100 Equity Shares of Rs.10 each fully paid up		
Vankon Switchgears and Cables Private Limited	98,000	98,000
9,800 Equity Shares of Rs.10 each fully paid up		
	<b>19,269,000</b>	<b>1,149,000</b>

\* During the year, the Company has incorporated a wholly owned subsidiary Company in Ajman (Ajman Free Zone), UAE for trading of all electrical items under VETO Brand with the name "Veto Overseas Private FZE".

Particulars	As at March, 2016	As at March, 2015
Aggregate market value of quoted investments	-	-
Aggregate book value of quoted investments	-	-
Aggregate value of unquoted investments	19,269,000	1,149,000

#### Note 12 : Deferred tax Asset (Net)

Particulars	As at March, 2016	As at March, 2015
<b>Deferred Tax Assets / (Liabilities )</b>		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	5,663,694	568,178
<b>Deferred Tax Assets / (Liabilities )</b>		
Employee Benefits	(137,282)	-
Provision for Doubtful Debts & Diminution in value of Investments	2,700,170	1,231,042
<b>Deferred Tax Asset (Net)</b>	<b>8,226,582</b>	<b>1,799,220</b>





## Veto Switchgears and Cable Limited

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### Accompanying notes to the financial statement for the year ended 31st March, 2016

(Amount in Rs. )

#### Note 13 : Long - term loans and advances

(Unsecured, Considered Good)

Particulars	As at March, 2016	As at March, 2015
Capital Advances	35,737,780	31,759,483
<b>Security Deposits</b>		
- To related parties	-	3,500,000
- To others	131,294,795	128,221,580
Loans & Advances to related party	164,124,384	18,710,000
MAT credit entitlement	8,099,247	17,033,909
Advance Tax & TDS (net of provisions)	2,086,318	-
VAT Receivables	6,928,181	7,084,308
	<b>348,270,704</b>	<b>206,309,280</b>
<b>Loans and advances to related party includes :</b>		
- Subsidiary company		
Veto Electricals Private Limited	29,950,845	18,710,000
Veto Overseas Private FZE	134,173,539	-
<b>Security Deposits to related party represents :</b>		
Kripa Real Mart Private Limited	-	3,500,000

#### Note 14 : Other non - current assets

(Unsecured, Considered Good)

Particulars	As at March, 2016	As at March, 2015
Fixed Deposits (Maturity Period of more than 12 Months) - Held as Margin Money	1,114,518	27,149
	<b>1,114,518</b>	<b>27,149</b>

#### Note 15 : Current investments

Particulars	As at March, 2016	As at March, 2015
<b>Non-Trade, Quoted ( valued at lower of cost or market value)</b>		
<b>Investment in Equity Instruments</b>		
- Hindustan Construction Co. Ltd. (Eq. Share)	5,449,110	5,449,110
150000 (PY 150000 ) Equity Shares of Rs. Each fully paid		
Less : Provision for Dimunition in value of Investment	2,509,110	551,550
	<b>2,940,000</b>	<b>4,897,560</b>
Particulars	As at March, 2016	As at March, 2015
Aggregate market value of quoted investments	2,940,000	4,897,560
Aggregate book value of quoted investments	5,449,110	5,449,110
Aggregate value of unquoted investments	-	-





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#### Accompanying notes to the financial statement for the year ended 31st March, 2016

(Amount in Rs. )

#### Note 16 : Inventories

(valued at lower of cost or net realisable value)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Finished goods	72,223,139	76,323,393
Stock in trade	122,764,633	72,323,513
Raw materials	132,589,534	91,661,996
Packing materials	9,150,892	9,704,893
	<b>336,728,198</b>	<b>250,013,795</b>

#### Note 17 : Trade receivables

(Unsecured, considered good)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured</b>		
Due for a period exceeding six months from the date they are due for payment		
Considered Good	46,032,551	46,110,096
Considered Doubtful	5,813,189	3,794,242
	51,845,740	49,904,338
Less :- Provision for Doubtful Debts	5,813,189	3,794,242
	46,032,551	46,110,096
Other debts	355,737,967	287,855,663
	<b>401,770,519</b>	<b>333,965,759</b>
<b>Trade receivables includes due from related parties :</b>		
Other debts		
Key Managerial Personnel and Enterprises under significant influence of key management personnel	33,409	354,606
	<b>33,409</b>	<b>354,606</b>

#### Note 18 : Cash and cash equivalents

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Cash and cash equivalents</b>		
<b>Balances with banks:</b>		
In current accounts	17,475,516	13,503,429
Cash in hand	1,835,555	2,385,359
<b>Other bank balances</b>		
Balance with banks to the extent held as margin money	2,977,155	5,809,422
Less : Deposits with maturity for more than 12 months	1,114,518	27,149
	1,862,637	5,782,273
	<b>21,173,707</b>	<b>21,671,060</b>





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(Amount in Rs. )

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

(Unsecured Considered Good)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Advance recoverable in cash or kind</b>		
- To related parties	-	904,092
- To others	16,310,640	26,020,840
	<b>16,310,640</b>	<b>26,924,932</b>
<b>Loans and advances to related parties includes :</b>		
Amount due from relative of key management personnel and enterprises under significant influence of key management personnel	-	904,092
	<b>-</b>	<b>904,092</b>

#### Note 20 : Other current assets

(Unsecured Considered Good)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Insurance Claim Receivable (refer note no. 34)	-	166,902,709
	<b>-</b>	<b>166,902,709</b>

#### Note 21 : Revenue from operation

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Revenue from operations (Gross)</b>		
Sale of Products *	1,119,425,567	970,262,285
<b>Other Operating Revenue</b>		
Scrap Sale	437,685	1,021,513
Export benefits & incentives	627,720	790,571
Gain on Foreign Exchange Fluctuations (Net)	456,828	947,465
	<b>1,120,947,800</b>	<b>973,021,833</b>

#### Details of Products Sold

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Finished Goods</b>		
Accessories	325,939,478	271,713,393
Wire	496,410,655	417,042,287
	<b>822,350,133</b>	<b>688,755,680</b>
<b>Traded Goods</b>		
Accessories	258,477,676	232,969,123
Wire	38,597,759	48,537,480
	<b>297,075,435</b>	<b>281,506,604</b>
	<b>1,119,425,568</b>	<b>970,262,284</b>





## Veto Switchgears and Cables Limited

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#### Accompanying notes to the financial statement for the year ended 31st March, 2016

(Amount in Rs. )

##### Note 22 : Other income

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest Income	5,834,742	2,109,087
Profit on sale of fixed assets	218,589	194,030
Profit on sale of Investment	-	2,761,420
Miscellaneous Income	1,756,610	298,988
	<b>7,809,941</b>	<b>5,363,524</b>

##### Note 23 : Cost of materials consumed

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Opening stock	91,661,996	70,793,232
Add: Purchases	524,485,227	530,190,452
Less: Closing stocks	132,589,534	91,661,996
	483,557,689	509,321,688
Less Loss by fire	-	(53,490,965)
	<b>483,557,689</b>	<b>455,830,723</b>

\* Purchases are stated net of discounts and rate difference.

##### Details of Material Consumed

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Copper	257,137,382	274,783,990
Alluminium	15,072,312	15,050,735
PVC Compound	38,629,335	45,034,597
Others	172,718,660	174,452,366
	483,557,689	509,321,688
Less Loss by fire	-	(53,490,965)
	<b>483,557,689</b>	<b>455,830,723</b>

##### Details of Inventory

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Copper	69,877,831	24,364,647
Alluminium	702,029	735,215
PVC Compound	3,610,955	1,279,287
Others	58,398,719	65,282,847
	<b>132,589,534</b>	<b>91,661,996</b>

##### Note 24 : Purchases of stock-in-trade

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Purchase of stock in trade	263,243,330	269,815,039
Less Loss by fire	-	(40,812,444)
	<b>263,243,330</b>	<b>229,002,595</b>





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(Amount in Rs. )

#### Note 25 : Changes in inventories of finished goods and stock in trade

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Finished goods</b>		
Opening stock		
- Accessories	34,847,701	68,157,717
- Wires	41,475,692	23,369,114
	76,323,393	91,526,831
Less Loss by fire	-	(37,576,260)
	76,323,393	53,950,571
Closing stock		
- Accessories	44,758,002	34,847,701
- Wires	27,465,137	41,475,692
	72,223,139	76,323,393
<b>Changes in inventories of finished goods (A)</b>	<b>(4,100,254)</b>	<b>(22,372,822)</b>
<b>Stock in trade</b>		
Opening stock		
- Accessories	59,296,509	66,757,440
- Wires	13,027,003	21,410,959
	72,323,512	88,168,399
Less Loss by fire	-	(33,321,242)
	72,323,512	54,847,157
Closing stock		
- Accessories	113,691,267	59,296,509
- Wires	9,073,366	13,027,003
	122,764,633	72,323,512
<b>Changes in inventories of stock in trade</b>	<b>50,441,121</b>	<b>(17,476,355)</b>
	<b>46,340,867</b>	<b>(39,849,177)</b>

#### Note 26 : Employee benefits expense

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Salary, wages and other allowances	62,077,677	51,772,657
Directors Remuneration	2,420,000	1,685,000
Provision for Gratuity	573,823	406,386
Contribution to provident fund and other funds	5,085,938	4,208,612
Staff welfare expenses	1,798,076	1,888,633
	<b>71,955,514</b>	<b>59,961,288</b>

#### Note 27 : Finance costs

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Interest expense to:</b>		
Banks	41,490,553	37,963,857
Others	476,637	399,720
Other Borrowing Cost	3,510,288	1,153,149
	<b>45,477,479</b>	<b>39,516,726</b>







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#### Accompanying notes to the financial statement for the year ended 31st March, 2016

(Amount in Rs. )

#### Note 28 : Other expenses

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Manufacturing expenses</b>		
<b>Consumption of :</b>		
- Consumable & stores	646,847	658,415
- Power & fuel	8,917,460	8,259,112
Job Charges	11,273,062	10,082,887
Repairs & Maintenance :		
- Plant & machinery	3,936,245	3,404,882
- Factory building	808,460	27,000
Freight & transportation	3,238,795	3,134,959
Other factory expenses	1,993,201	1,666,693
	<b>30,814,069</b>	<b>27,233,947</b>
<b>Administration, Selling and Distribution expenses</b>		
Rent	1,644,481	1,274,533
Insurance	1,243,652	793,535
Rates & taxes	1,366,425	1,029,795
Repairs & maintenance		
- Building	105,155	463,398
- Others	1,137,983	1,660,992
Legal and professional fees	4,957,462	4,098,751
Auditor's remuneration *	933,283	487,082
Travelling & conveyance	8,461,355	6,496,724
Communication costs	2,504,586	2,118,014
Printing & stationery	1,385,427	759,551
Water & electricity charges	1,761,398	1,466,896
Commision	4,939,217	4,440,944
Packing material consumed	30,526,905	22,714,279
Advertising & sales promotion	27,418,163	18,451,228
Provision for doubtful debt	2,018,947	1,886,956
Transportation, freight & handling charges	17,552,613	10,969,890
Expenditure on CSR activities	1,934,630	1,385,995
Provision for dimunition in value of investment	1,957,560	551,550
Miscellaneous expenses	6,948,804	7,946,041
	<b>149,612,115</b>	<b>116,230,102</b>

#### \* Payment to Auditor includes

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Audit fees	251,900	179,776
Tax Matters	396,868	223,598
Other services	284,515	83,708
	<b>933,283</b>	<b>487,082</b>

#### Note 29 : Earnings per equity share

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

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Weighted average number of Equity Shares of Rs. 10/- each</b>		
Number of shares at the end of the year	18,327,100	18,327,100
Weighted average number of Equity Shares outstanding during the year	18,327,100	18,327,100
Weighted average number of Potential Equity Shares outstanding during the year	-	-
Total number of Equity share for calculating Diluted Earning Per Share	18,327,100	18,327,100
Net Profit after Tax available for Equity shareholders	76,554,539	71,454,473
Basic Earning Per Share (in Rs.)	4.18	3.90
Diluted Earning Per Share (in Rs.)	4.18	3.90





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(Amount in Rs. )

**Note 30 :** In the opinion of the Board the Current Assets, Loans & Advances are realisable in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of amount reasonably necessary.

#### Note 31 : Contingent Liabilities

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Gaurantee given by bank on behalf of the Company	9,497,000	12,171,537
Disputed Sales Tax Liability	660,367	-
Estimated amount of contracts remaining to be executed on Capital Account (Net of Advance)	30,714,526	16,384,000
<b>Total</b>	<b>40,871,893</b>	<b>28,555,537</b>

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

##### Actuarial assumption:

Services Rendered	Year ended 31st March, 2016	As at 31st March, 2016
Salary Growth *	7.00%	7.00%
Discount Rate	8.10%	7.80%
Expected Return	8.10%	8.00%

\* 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, 2016	Year ended 31st March, 2015
Present value of obligation as at the beginning of the year:	3,182,224	2,430,770
Interest cost	244,552	189,590
Current service cost	1,147,155	801,019
Benefits paid	(194,631)	(16,978)
Actuarial (gain) / loss on obligation	(470,705)	(222,177)
Closing Present value of obligation	3,908,595	3,182,224

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

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Present value of obligation as at the end of the year	3,182,224	3,182,224
Fair Value of plan assets as at the end of the year	4,331,717	4,179,169
Unrecognised Actuarial (Gain) / Loss	-	-
Net (assets) / liability recognised in balance sheet	(1,149,493)	(996,945)

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

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Current service cost	1,147,155	801,019
Past service cost	-	-
Interest cost	244,552	189,590
Expected return on plan assets	(378,797)	(368,857)
Net actuarial (gain) / loss recognized in the year	(439,087)	(198,389)
Expenses recognised in the statement of profit and loss*	573,823	423,363





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(Amount in Rs. )

#### Status of Planned Assets & Obligation :

Particulars	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013
Obligation at the year end	3,182,224	3,182,224	1,205,353	2,083,877
Plan Assets at the year end - At fair value	4,331,717	4,179,169	3,834,100	3,525,609
Funded Status	(1,149,493)	(996,945)	(2,628,747)	(1,441,732)
Expected Return on Plan Assets	(378,797)	(368,857)	(308,491)	(181,098)
Acturial (Gain) / Loss on Plan Assets	(439,087)	(198,389)	(1,970,812)	(1,456,479)

#### 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) specified under section 133 of the Companies Act, 2013 read with Rule 7 of the (Companies Accounts) Rules, 2014.

**Note 34 :** During the year the Company has received Rs. 11,19,23,304 towards full and final settlement for fire insurance claim lodged with the Insurance Company during the financial year 2014-15. The short receipt of Rs. 4,21,02,609 net of claim receivable and claims payable to lessor, has been reflected as an exceptional item.

#### Note 35 : 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

##### (i) Key Managerial Personnel

Name of the Party	Relationship
Akshay Gurnani	Managing Director (From 27.08.2014)
Vishnu Kumar Gurnani	Managing Director (Upto 19.05.2014)
Dinesh Gurnani	Whole time Director & Chief Financial Officer
Mohan Das Gurnani (from 22/08/2012)	Chairman (Upto 27.08.2014)
Jyoti Gurnani	Director
Ms. Diya Singh	Company Secretary (Upto 14.11.2014)
Ms. Chavi Rawat	Company Secretary (Upto 09.02.2016)
Ms. Shilpi Keshwani	Company Secretary (From 05.03.2016)

##### (ii) Holding Company

Veto Electropower (India) Private Limited

##### (iii) Subsidiary Companies

Veto Electricals Private Limited

Veto Overseas Private FZE

##### (iv) Enterprises owned or significantly influenced by Key Managerial Personnel and or their relatives

Vimal Power Cables Private Limited

Pinkcity Buildhome Private Limited

Tulsi Palace Resort Private Limited

Kripa Real Mart Private Limited (Upto 27.08.2014)





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(Amount in Rs. )

#### b. Transactions with Related Parties :

Name of Party	Nature of Transaction	Year ended March 31, 2016	Year ended March 31, 2015
Akshay Gurnani	Remuneration	1,500,000	725,000
	Salary	-	500,000
	Advance Granted	-	300,000
	Advance received back	-	300,000
	Sales	11,235	-
Vishnu Kumar Gurnani	Remuneration	-	240,000
	Advance Granted	-	150,000
	Advance received back	-	150,000
Dinesh Gurnani	Remuneration	720,000	720,000
	Advance received back	316,500	-
	Advance Granted	66,500	250,000
Diivya Singh	Remuneration	-	89,000
Chavi Rawat	Remuneration	153,324	60,000
Shilpi Keshwani	Remuneration	15,262	-
Jyoti Gurnani	Remuneration	200,000	-
Veto Electricals Pvt. Ltd.	Sales	24,350	-
	Interest Income	2,045,383	-
	Advance Granted	9,400,000	3,100,000
	Advance Received Back	-	1,400,000
Tulsi Palace Resort Pvt. Ltd.	Sales	995,905	398,232
Veto Overseas Private FZE	Loan Granted	133,344,118	-
	Interest Income	3,346,456	-
	Investments in Equity	18,120,000	-
Vimal Power Cables Private Limited	Purchases	15,560,457	15,229,931
	Advance against Purchases	4,932,225	-
	Advances received back	4,932,225	-
Pinkcity Buildhome Private Limited	Sales	196,493	389,945
	Service Taken	3,342,078	123,893
Veto Electropower (India) Private Limited	Sales	1,918	99,494
Kripa Real Mart Pvt. Ltd.	Deposit	-	3,500,000
	Rent	-	350,000
Pink Square Real Estate Pvt. Ltd.	Sales	-	244,114

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

Name of Party	Receivable / Payable	Year ended March 31, 2016	Year ended March 31, 2015
Akshay Gurnani	Remuneration Payable	105,000	102,500
	Trade Recievables	11,235	-
Dinesh Gurnani	Advance recoverable in cash or	-	250,000
	Remuneration Payable	56,500	-
Shilpi Keshwani	Remuneration Payable	15,262	-
Jyoti Gurnani	Remuneration Payable	46,000	-
Pinkcity Buildhome Private Limited	Advance to Creditor	-	16,000
	Other Payables	590,852	-
Vimal Power Cabels Private Limited	Advance to Creditor	-	637,936
Tulsi Palace Resort Pvt. Ltd. Jaipur	Trade Recievables	22,174	354,606
Kripa Real Mart Private Limited	Security Deposit Granted	-	3,500,000
Veto Electrical Private Limited	Loans Receivable	29,950,845	18,710,000
Veto Overseas FZE	Loans Receivable	134,173,539	-





## Veto Switchgears and Cables Limited

### Veto Switchgears and Cable Limited

Registered Office : 506, 5th Floor, Plot No. B-9, Land Mark Building, New Link Road, Andheri (West), Mumbai- 400058

CIN : L31401MH2007PLC171844

Tel No. : 0141-4100400/444 Fax No. 0141-4100410 Website: www.vetoswitchgears.com

Email: info@vetoswitchgears.com, cs@vetoswitchgears.com

#### Accompanying notes to the financial statement for the year ended 31st March, 2016

(Amount in Rs. )

##### Note 36 : Disclosure with regards to section 186 of the Companies Act, 2013

During the year, the Company has granted Unsecured loan to its Subsidiary Companies for General Corporate Purposes. Details as stated below :

Name of the Subsidiary	During the year	Closing Balance	Interest Rate
Veto Electricals Private Limited	9,400,000	29,950,845	10%
Veto Overseas FZE	133,344,118	134,173,539	10%
<b>TOTAL</b>	<b>142,744,118</b>	<b>164,124,384</b>	

For disclosure w.r.t. Investments made by the Company - refer Note 11 & 15 of the financial statements.

##### Note 37 : Disclosure with regards to regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015

Amount of Loans & Advances in nature of loans outstanding from subsidiaries as at 31st March, 2016 :

Name of the Subsidiary	Closing Balance	Maximum Outstanding
Veto Electricals Private Limited	29,950,845	29,950,845
Veto Overseas FZE	134,173,539	134,173,539

##### Note 38 : Corporate Social Responsibility

During the year the Company has incurred expenditure towards CSR activities and has spent rs. 19,34,630 (as stated below) as against Rs.19,11,137 as required by section 135 read with Schedule VII of the Companies Act, 2013

Sl. No.	Particulars	In Cash / Bank	Yet to be paid in Cash / Bank	Total
1	Construction / acquisition of any assets	-	-	-
2	On purpose other than 1 above	1,626,350	308,280	1,934,630
<b>Total</b>		<b>1,626,350</b>	<b>308,280</b>	<b>1,934,630</b>

##### Note 39 : 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 & Stores & Spares consumed during the year

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	In %	Amount Rs	In %	Amount Rs
<b>Raw Material</b>				
Imported	-	-	-	-
Indigenous	100	483,557,689	100	455,830,723
<b>Total</b>	<b>100</b>	<b>483,557,689</b>	<b>100</b>	<b>455,830,723</b>
<b>Stores &amp; Spares</b>				
Imported	-	-	-	-
Indigenous	100	646,847	100	658,415
<b>Total</b>	<b>100</b>	<b>646,847</b>	<b>100</b>	<b>658,415</b>





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### Accompanying notes to the financial statement for the year ended 31st March, 2016

(Amount in Rs. )

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

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>C.I.F. Value of Imports</b>		
Raw Materials	-	-
Capital Goods	1,343,618	-
Stock in Trade	29,625,327	34,147,510
<b>Earnings in Foreign Exchange</b>		
F.O.B. Value of Exports	37,196,238	47,133,405

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

As per our report of even date attached

For and on behalf of the Board

**For S G C O & Co.**

Chartered Accountants

Sd/-

**Suresh Murarka**

Partner

Mem. No. 44739

Sd/-

**Akshay Kumar Gurnani**

Managing Director

DIN : 06888193

Sd/-

**Dinesh Gurnani**

Whole Time Director & CFO

DIN : 00218635

Sd/-

**Shilpi Keswani**

Company Secretary

Place: Mumbai

Date : 23rd May, 2016

Place: Jaipur

Date : 23rd May, 2016





## INDEPENDENT AUDITOR'S REPORT

**To the Members 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 (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Other Matters**

We did not audit the financial statements whose financial statements reflect total assets of Rs. 5,25,11,015/- as at 31st March, 2016, total revenues of Rs. 64,64,73,379 /- and net cash flows amounting to Rs. 13,27,64,791 /- for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited / reviewed by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### **Report on Other Legal and Regulatory Requirements**

#### **1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:**

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.





- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate report in "**Annexure B**"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 31 to the consolidated financial statements.
  - ii. The Group entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India .

**For S G C O & Co.**

Chartered Accountants

**Firm Reg. No. 112081W**

Sd/-

**Suresh Murarka**

Partner

**Mem. No. 44739**

Place : Mumbai

Date : 23rd May, 2016





## Annexure - B to the Independent Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of **Veto Switchgears and Cables Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial





reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### **Other Matter**

We did not audit the financial statements of subsidiary companies, as considered in the consolidated financial statements. These financial statements have been audited / reviewed by other auditors whose reports have been furnished to us by the Management and our opinion on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 of consolidated financial statements, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

### **For SGC O & Co.**

Chartered Accountants

**Firm's Reg. No. 112081W**

Sd/-

**Suresh Murarka**

Partner

**Mem. No. 44739**

Place: Mumbai

Date: 23rd May, 2016





## Veto Switchgears and Cable Limited

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Email: info@vetoswitchgears.com, cs@vetoswitchgears.com

### Consolidated Balance Sheet as at 31st March, 2016

(Amount in Rs.)

Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	183,271,000	183,271,000
Reserves & surplus	3	625,619,383	543,260,514
		<b>808,890,383</b>	<b>726,531,514</b>
<b>Non-current Liabilities</b>			
Long-term borrowings	4	60,153,521	62,663,804
Long-term provisions	5	1,080,439	754,500
		<b>61,233,960</b>	<b>63,418,304</b>
<b>Current Liabilities</b>			
Short-term borrowings	6	340,143,272	283,453,311
Trade payables	7	106,416,617	103,007,661
Other current liabilities	8	73,200,527	33,967,804
Short term provisions	9	33,087,746	1,739,030
		<b>552,848,162</b>	<b>422,167,806</b>
		<b>1,422,972,505</b>	<b>1,212,117,625</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Tangible assets	10	209,363,618	217,912,787
Intangible assets		32,188	54,908
Capital work in progress		28,611,323	108,675
Goodwill on Consolidation		10,778	10,778
Non - current investments	11	149,000	149,000
Deferred tax asset (net)	12	8,226,582	1,799,220
Long - term loans and advances	13	185,191,762	187,599,280
Other non - current assets	14	1,114,518	27,149
		<b>432,699,769</b>	<b>407,661,796</b>
<b>Current Assets</b>			
Current investments	15	2,940,000	4,897,560
Inventories	16	351,262,181	250,013,795
Trade receivables	17	417,792,413	333,965,759
Cash and cash equivalents	18	154,018,512	21,751,074
Short - term loans and advances	19	64,259,630	26,924,932
Other current assets	20	-	166,902,709
		<b>990,272,736</b>	<b>804,455,829</b>
		<b>1,422,972,505</b>	<b>1,212,117,625</b>

See Accompanying notes to the financial statements

1 to 38

As per our report of even date attached

For S G C O & Co.

Chartered Accountants

Sd/-  
**Suresh Murarka**  
Partner  
Mem. No. 44739

Place: Mumbai  
Date : 23rd May, 2016

For and on behalf of the Board

Veto Switchgears And Cables Limited

Sd/-  
**Akshay Kumar Gurnani**  
Managing Director  
DIN : 06888193

Sd/-  
**Shilpi Keswani**  
Company Secretary

Place: Jaipur  
Date : 23rd May, 2016

Sd/-  
**Dinesh Gurnani**  
Whole Time Director & CFO  
DIN : 00218635





## Veto Switchgears and Cables Limited

### Veto Switchgears and Cable Limited

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#### Consolidated Statement of Profit and Loss for the year ended 31st March 2016

(Amount in Rs.)			
Particulars	Notes	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>INCOME</b>			
Revenue from operation	21	1,767,421,179	973,021,833
Other income	22	2,418,102	5,363,524
<b>Total Revenue</b>		<b>1,769,839,281</b>	<b>978,385,357</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	483,557,689	455,830,723
Purchases of stock-in-trade	24	857,300,035	229,002,595
Changes in inventories of finished goods and stock in trade	25	(60,874,850)	(39,849,177)
Employee benefits expense	26	76,181,957	59,961,288
Finance costs	27	45,501,382	39,516,726
Depreciation	10	19,745,846	20,137,812
Other expenses	28	152,547,242	116,243,863
		<b>1,573,959,301</b>	<b>880,843,830</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>195,879,980</b>	<b>97,541,528</b>
Less : Exceptional Items (refer note no.34)		42,102,609	-
<b>Profit before tax</b>		<b>153,777,371</b>	<b>97,541,528</b>
<b>Less : Tax expenses</b>			
- Current tax		20,303,000	19,915,200
- Wealth Tax		-	26,603
- MAT Credit (Entitlement)/Utilised		8,934,662	7,183,052
- Tax for earlier years		39,186	1,872,552
- Deferred tax liability / (asset)		(6,427,362)	(2,896,076)
<b>Net Profit for the year</b>		<b>130,927,884</b>	<b>71,440,197</b>
<b>Earnings per equity share</b>	29		
(Nominal value of share Rs.10 (PY Rs.10))			
- Basic		7.14	3.90
- Diluted		7.14	3.90

See Accompanying notes to the financial statements

1 to 38

As per our report of even date attached

For S G C O & Co.

Chartered Accountants

Sd/-  
**Suresh Murarka**  
Partner  
Mem. No. 44739

For and on behalf of the Board

Veto Switchgears And Cables Limited

Sd/-  
**Akshay Kumar Gurnani**  
Managing Director  
DIN : 06888193

Sd/-  
**Dinesh Gurnani**  
Whole Time Director & CFO  
DIN : 00218635

Sd/-  
**Shilpi Keswani**  
Company Secretary

Place: Mumbai  
Date : 23rd May, 2016

Place: Jaipur  
Date : 23rd May, 2016





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### Consolidated Cash Flow Statement for the year ended 31st March 2016

(Amount in Rs.)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>A. Cash flow from operating activities</b>		
Net profit before taxation	153,777,371	97,541,528
<u>Adjustments for:</u>		
Depreciation on fixed assets	19,745,846	20,137,297
Diminution in value of current investments	1,957,560	551,550
Interest expense	45,501,382	39,516,726
Provision for doubtful debt	2,018,947	3,792,856
Profit on sale of fixed assets	(218,589)	(194,030)
Profit on sale of Investment	-	(2,761,420)
Interest income	(442,903)	(2,340,893)
<b>Operating profit before working capital changes</b>	<b>222,339,614</b>	<b>156,243,615</b>
<u>Adjustments for :</u>		
(Increase) / Decrease in inventories	(101,248,386)	8,201,890
(Increase) / Decrease in Long term Provisor	325,939	271,800
(Increase) / Decrease in trade receivables	(90,297,838)	(34,898,251)
(Increase) / Decrease in other assets	166,902,709	(160,055,945)
Increase / (Decrease) in trade payable	3,408,956	30,970,225
Increase / (Decrease) in other current liabilities	39,232,723	(2,760,150)
<b>Cash generated from / (used in) operations</b>	<b>240,663,717</b>	<b>(2,026,816)</b>
Direct taxes paid	(26,033,016)	(18,709,009)
<b>Cash (Outflow) before Prior Period Adjustment</b>	<b>214,630,701</b>	<b>(20,735,825)</b>
Prior Period adjustments	-	-
<b>Net cash flow from operating activities</b>	<b>214,630,701</b>	<b>(20,735,825)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(11,200,369)	(31,722,456)
Additions to capital work in progress	(28,502,648)	(109,374)
Sale proceeds from fixed assets	245,000	8,482,174
Loans & advances received back / (given)	(41,775,526)	(23,722,380)
Redemption / maturity of bank deposits	2,832,267	70,270,580
Purchase of current investments	-	(20,163,767)
Sale Proceeds from Investments	-	26,819,630
Acquisition of Minority Interest	-	(99,600)
Interest received	442,903	2,340,893
<b>Net cash flow from / (used in) investment activities</b>	<b>(77,958,373)</b>	<b>32,095,700</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds / (Repayment) of borrowings	54,179,678	(8,372,007)
Dividend Paid	(9,163,550)	-
Interest paid	(45,501,382)	(39,516,726)
<b>Net cash flow from / (used in) financing activities</b>	<b>(485,254)</b>	<b>(47,888,733)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>136,187,074</b>	<b>(36,528,858)</b>
Cash and cash equivalents at the beginning of the year	15,968,801	52,497,659
<b>Cash and cash equivalents at the end of the year</b>	<b>152,155,875</b>	<b>15,968,801</b>







## Veto Switchgears and Cables Limited

### Veto Switchgears and Cable Limited

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### Consolidated Cash Flow Statement for the year ended 31st March 2016

#### Notes :

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

(Amount in Rs.)

Particulars		As at 31.03.2016	As at 31.03.2015
Cash on hand		1,882,838	2,393,916
Balances with bank on current account		150,273,037	13,574,886
		<b>152,155,875</b>	<b>15,968,801</b>

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

As per our report of even date attached

For and on behalf of the Board

**For S G C O & Co.**

Chartered Accountants

Sd/-

**Suresh Murarka**

Partner

Mem. No. 44739

Sd/-

**Akshay Kumar Gurnani**

Managing Director

DIN : 06888193

Sd/-

**Dinesh Gurnani**

Whole Time Director & CFO

DIN : 00218635

Sd/-

**Shilpi Keswani**

Company Secretary

Place: Mumbai

Date : 23rd May, 2016

Place: Jaipur

Date : 23rd May, 2016



**Veto Switchgears and Cable Limited**

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Email: info@vetoswitchgears.com, cs@vetoswitchgears.com

**Notes to consolidated financial statements for the year ended 31st March 2016****Note 1 : Significant Accounting Policies:****A Corporate Information**

Veto Switchgears and Cables Limited (the Company) is a listed public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company has its manufacturing unit at Haridwar. The Company is engaged in manufacturing of wires & cables, electrical accessories & also deals in LED lighting, CFL & Fans.

**B 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 in compliance with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

**C 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."

**D Principles Of Consolidation:**

The Consolidated Financials Results comprise of the financial statements of Veto Switchgears and Cables Limited and its subsidiary, 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 and Cables Limited ('The Company') and its Subsidiary has been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary has 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 has 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 subsidiary over its portion of equity of subsidiary at the dates they become subsidiary is recognized in the financial statements as goodwill.





## Notes to consolidated financial statements for the year ended 31st March 2016

### Note 1 : Significant Accounting Policies:

- iv) The excess of Company's portion of equity of the subsidiary over the cost to the Company of its investments at the dates it become subsidiary is recognized in the financial statements as capital reserve.
- v) While preparing Consolidated Financial Statements, the foreign exchange adjustments have been carried out as per Accounting Standard 11 – "Accounting for effects of changes in Foreign Exchange Rates" on following basis:
- vi) The summarized revenue and expenses transactions at the year-end reflected in Profit and Loss Account of the foreign subsidiaries, which are stated in the currency of their domicile, are translated into Indian Rupees at an average exchange rate.
- vii) All monetary items reflected in the Balance Sheet of the foreign subsidiaries which are stated in the currency of their domicile, are translated into Indian Rupees at the year-end closing exchange rate and Non-monetary items are translated at the exchange rate at the date of transaction.
- viii) The resultant translation exchange gain/loss in case of non-integral foreign operations is disclosed as Foreign Exchange Translation Reserve in Reserves & Surplus Schedule in the Accounts.

**E** "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."

### **F 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) Sales are recognised net of discounts, rebates and returns.
- iv) Interest is recognised on a time proportion basis taking in to account the amount outstanding and the rate applicable.
- v) Dividend income is recognised when right to receive the payment is established.
- vi) Claims for insurance are accounted on receipts/ on acceptance of claim by insurer.

### **G 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"

### **H Depreciation:**

- i) Depreciation on Fixed Assets is provided on 'Written down value method' based on useful life of assets and in the manner specified in the Schedule II of the Companies Act, 2013.





## Notes to consolidated financial statements for the year ended 31st March 2016

### Note 1 : Significant Accounting Policies:

- ii) Leasehold improvements are written off over the noncancellable period of lease .
- iii) Goodwill & Trade marks has been amortized over a period of five years.

#### I 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.

#### J 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 diminution in value other than temporary. Investments other than long term investments being current investments are valued at cost or fair value whichever is lower.

#### K 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.

#### L Employee Benefits :

- i) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of 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.

#### M Provisions and Contingent Liabilities:

- i) Provisions are recognized in terms of Accounting Standard 29- "Provisions, Contingent Liabilities and Contingent, 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





## Notes to consolidated financial statements for the year ended 31st March 2016

### Note 1 : Significant Accounting Policies:

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.

#### **N 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.
- 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 .

#### **O 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.

#### **P 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. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

##### **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.

##### **Minimum Alternate Tax**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.





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Accompanying notes to the consolidated financial statement for the year ended 31st March, 2016

(Amount in Rs. )

### Note 2 : Share capital

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Authorised</b> 2,00,00,000 (PY 2,00,00,000) Equity shares of Rs.10/- each	200,000,000	200,000,000
	<b>200,000,000</b>	<b>200,000,000</b>
<b>Issued, Subscribed and Fully Paid Up</b> 1,83,27,100 (PY 1,83,27,100) Equity shares of Rs. 10/- each fully paid up	183,271,000	183,271,000
	<b>183,271,000</b>	<b>183,271,000</b>

#### 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, 2016		As at 31st March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares</b>				
At the beginning of the year	18,327,100	183,271,000	18,327,100	183,271,000
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>18,327,100</b>	<b>183,271,000</b>	<b>18,327,100</b>	<b>183,271,000</b>

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

Particulars	No. of Shares
<b>Equity Shares</b>	
Financial Year 2012-13	5,830,000
Financial Year 2013-14	1,666,100

#### b) Terms / rights attached to equity shares

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

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

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
Veto Electropowers (India) Private Limited	10,650,704	106,507,040	10,315,930	103,159,300

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% holding	No. of Shares	% holding
Veto Electropowers (India) Private Limited	10,650,704.00	58.11%	10,315,930	56.29%
Akshay Gurnani	1,094,867	5.97%	1,094,867	5.97%
HEM Finlease Private Limited	-	-	1,038,356	5.67%





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#### Accompanying notes to the consolidated financial statement for the year ended 31st March, 2016

(Amount in Rs. )

#### Note 3 : Reserve & surplus

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Securities Premium Account</b>		
Balance at the beginning of the year	159,471,817	159,471,817
Add: On further issue of shares	-	-
Closing Balance	<b>159,471,817</b>	<b>159,471,817</b>
<b>Foreign Currency Translation Reserves</b>		
Balance at the beginning of the year	-	-
Add : Additions during the year	(4,452,237)	-
	<b>(4,452,237)</b>	<b>-</b>
<b>Surplus / (deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	383,788,697	312,535,466
Add : Profit for the year	130,927,884	71,440,197
Less : Adjustments in terms of note 7(b) of Schedule II of Companies Act, 2013 (net of taxes)	-	186,965
Less : Appropriations :		
Proposed Dividend	27,490,650	-
Interim Dividend	9,163,550	-
Dividend Distribution Tax	7,462,579	-
Closing Balance	<b>470,599,803</b>	<b>383,788,697</b>
	<b>625,619,383</b>	<b>543,260,514</b>

#### Note 4 : Long-term borrowings

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Secured</b>		
<b>Term loans from banks</b>	76,375,935	61,226,067
Less: Interest accrued but not due on borrowings	-	672,067
Less: Current maturities of long term debt	20,000,000	554,000
	<b>56,375,935</b>	<b>60,000,000</b>
<b>Hire purchase loans from banks</b>	6,133,208	4,205,654
Less: Current maturities of long term debt	2,355,623	1,541,850
	<b>3,777,586</b>	<b>2,663,804</b>
	<b>60,153,521</b>	<b>62,663,804</b>

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

a) Term loan amounting to Rs. 7,63,75,935 (PY Rs. 6,06,65,892) from Indian Oversease Bank carries interest of Base Rate + 1.75% p.a. The loan is repayable in 20 Quarterly instalments along with interest starting from June, 2016. The loan is primarily secured by way of equitable mortgage of land and building of Corporate office under construction and collateral security of factory land and building of the Company, land and building of M/s. vimal Power Cables Private Limited, hypothecation of fixed assets (excluding land and building and vehicles) of the Company, personal guarantee of two director and two promoters and corporate guarantee of Vimal Power cables Private Limited and Holding Company.







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### Accompanying notes to the consolidated financial statement for the year ended 31st March, 2016

(Amount in Rs. )

b) Term loan amounting to Rs. Nil (PY Rs. 5,60,175) from Indian Oversease Bank carries interest rate of Base Rate + 2.50 % p.a. The loan is repayable in 60 Monthly instalments along with interest starting from January, 2011. The loan is secured by way of equitable mortgage of factory building and hypothecation of plant & machinery and personal guarantee of four directors.

c) Hire Purchase Loans amounting to Rs. 61,33,208 (PY Rs. 42,05,654) from various banks and financial institutions are secured by hypothecation of respective vehicle financed. The loans carries interest @ 8.50% to 11% p.a. The loan is repayable in 36 to 60 equal monthly instalments starting from the respective date of finance.

#### Note 5 : Long-term provisions

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for Warranty	1,080,439	754,500
	<b>1,080,439</b>	<b>754,500</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. 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, 2016	As at 31st March, 2015
At the beginning of the year	754,500	482,700
Arising during the year	325,939	271,800
Utilised during the year	-	-
<b>At the end of the year</b>	<b>1,080,439</b>	<b>754,500</b>

#### Note 6 : Short-term borrowings

Particulars	As at 31st March, 2016	As at 31st March, 2015
(Secured)		
Cash Credit Facility		
From Bank	340,143,272	283,453,311
	<b>340,143,272</b>	<b>283,453,311</b>

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

Cash credit facility amounting to Rs. 34,01,43,272 (PY Rs. 28,34,53,311) from indian oversease bank carries interest rate of Base rate + 2% p.a. The loan is secured by way of 1st charge on entire current assets of the Company and collateral security of factory land and building of the Company, land and building of M/s. vimal Power Cables Private Limited, hypothecation of fixed assets (excluding land and building and vehicles) of the Company, personal guarantee of two director and two promoters and corporate guarantee of Vimal Power cables Private Limited and Holding Company.





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(Amount in Rs.)

##### Note 7 : Trade payables

Particulars	As at 31st March, 2016	As at 31st March, 2015
Due to Micro, Small & Medium Enterprises	189,485	172,966
Due to Others	106,227,132	102,834,695
	<b>106,416,617</b>	<b>103,007,661</b>

**Note :** The information regarding Micro Small and Medium Enterprises has been determined on the basis of information available with the Company

Particulars	As at March 31, 2016	As at March 31, 2015
The principal amount remaining unpaid to any supplier as at the end of accounting year;	189,485	172,966
The interest due and remaining unpaid to any supplier as at the end of accounting year;	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

##### Note 8 : Other current liabilities

Particulars	As at 31st March, 2016	As at 31st March, 2015
Current maturities of loan term debt	22,355,623	2,095,850
Interest accrued but not due on borrowings	-	672,067
Trade deposits	8,926,833	4,921,763
Salary & Wages Payable	4,604,070	3,553,847
Duties & taxes payable	16,773,928	14,171,060
Provision for Expenses	5,881,216	6,985,246
Advance from debtors	14,658,857	1,567,971
	<b>73,200,527</b>	<b>33,967,804</b>

##### Note 9 : Short term provisions

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for taxation (Net of advance tax & TDS)	-	1,739,030
Proposed Dividend	27,490,650	-
Tax on Proposed Dividend	5,597,096	-
	<b>33,087,746</b>	<b>1,739,030</b>



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## Accompanying notes to the consolidated financial statement for the period ended on 31st March, 2016

### Note 10 : Fixed assets

(Amount in Rs.)

Description	Gross Block			Depreciation				Net Block				
	As At 01.04.2015	Additions during the year	Deductions during the year	As At 31.03.2016	Upto 31.03.2015	Provided upto 31.03.2016	Tr. To Retained Earning	Adjustments	Upto 31.03.2016	As At 31.03.2016	As At 31.03.2015	
Intangible Assets												
	Goodwill	540,000	-	540,000	540,000	-		-	540,000	-	-	
	Trade Mark	112,000	-	112,000	57,092	22,720		-	79,812	32,188	54,908	
Sub Total	652,000	-	-	652,000	597,092	22,720		-	619,812	32,188	54,908	
Tangible Assets												
	Leasehold Land	118,621,732	-	-	118,621,732	895,771	130,523		-	1,026,294	117,595,438	117,725,961
	Freehold Land	19,482,338	189,880	-	19,672,218	-	-		-	-	19,672,218	19,482,338
	Factory Building	38,680,805	-	-	38,680,805	16,899,353	2,382,210		-	19,281,562	19,399,243	21,781,452
	Leasehold Improvement	4,646,066	-	-	4,646,066	138,309	1,441,132		-	1,579,441	3,066,625	4,507,757
	Plant & Machinery	80,411,556	4,330,545	-	84,742,101	40,734,664	9,307,116		-	50,041,780	34,700,321	39,676,892
	Office Equipments	3,069,266	109,896	-	3,179,162	1,611,386	718,659		-	2,330,045	849,117	1,457,880
	Furniture & Fixtures	9,504,435	1,385,801	-	10,890,236	4,568,154	1,597,857		-	6,166,011	4,724,224	4,936,280
	Computers	1,966,535	357,908	-	2,324,443	1,521,392	434,772		-	1,956,164	368,279	445,143
	Vehicles	21,085,404	4,826,339	689,204	25,222,539	13,186,321	3,710,858		662,792	16,234,386	8,988,153	7,899,083
	Sub Total	297,468,136	11,200,369	689,204	307,979,302	79,555,350	19,723,126	-	662,792	98,615,684	209,363,618	217,912,786
	Grand Total	298,120,136	11,200,369	689,204	308,631,302	80,152,442	19,745,846	-	662,792	99,235,496	209,395,806	217,967,694
Capital Work in Progress												
	SEZ Unit	42,117	7,529,514	-	7,571,631	-	-		-	-	7,571,631	42,117
	Office Building at Airport Plaza	66,558	20,091,886	-	20,158,444	-	-		-	-	20,158,444	66,558
	Leasehold Improvements	-	79,516	-	79,516	-	-		-	-	79,516	-
	Plant & Machinery (CWIP)	-	801,732	-	801,732	-	-		-	-	801,732	-
Total	108,675	28,502,648	-	28,611,323	-	-	-	-	-	28,611,323	108,675	
Previous Year	276,800,544	31,722,376	10,402,784	298,120,136	61,854,386	20,136,636	276,760	2,115,341	80,152,442	217,967,694	-	



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Accompanying notes to the consolidated financial statement for the year ended 31st March, 2016

(Amount in Rs. )

#### Note 11 : Non - current investments

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Investment in Equity Instruments</b>		
<b>Trade, Unquoted (At cost, unless stated otherwise)</b>		
<b>Others</b>		
Veto Lightings Private Limited 5,100 Equity Shares of Rs.10 each fully paid up	51,000	51,000
Vankon Switchgears and Cables Private Limited 9,800 Equity Shares of Rs.10 each fully paid up	98,000	98,000
	<b>149,000</b>	<b>149,000</b>

Particulars	As at 31st March, 2016	As at 31st March, 2015
Aggregate market value of quoted investments	-	-
Aggregate book value of quoted investments	-	-
Aggregate value of unquoted investments	149,000	149,000

#### Note 12 : Deferred tax Asset (Net)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Deferred Tax Assets / (Liabilities )</b>		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	5,663,694	568,178
Employee Benefits	(137,282)	-
Provision for Doubtful Debts & Diminution in value of Investments	2,700,170	1,231,042
<b>Deferred Tax Asset (Net)</b>	<b>8,226,582</b>	<b>1,799,220</b>

#### Note 13 : Long - term loans and advances

(Unsecured, Considered Good)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Capital Advances	36,248,821	31,759,483
<b>Security Deposits</b>		
- To related parties	-	3,500,000
- To others	131,829,196	128,221,580
MAT credit entitlement	8,099,247	17,033,909
Advance Tax & TDS (net of provisions)	2,086,318	-
VAT Receivables	6,928,181	7,084,308
	<b>185,191,762</b>	<b>187,599,280</b>
<b>Security Deposits to related party represents :</b>		
Kripa Real Mart Private Limited	-	3,500,000





## Veto Switchgears and Cable Limited

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### Accompanying notes to the consolidated financial statement for the year ended 31st March, 2016

(Amount in Rs. )

#### Note 14 : Other non - current assets

(Unsecured, Considered Good)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Fixed Deposits (Maturity Period of more than 12 Months) - Held as Margin Money	1,114,518	27,149
	<b>1,114,518</b>	<b>27,149</b>

#### Note 15 : Current investments

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Non Trade, Quoted (At cost, unless stated otherwise)</b>		
<b>Investment in Equity Instruments</b>		
Hindustan Construction Co. Limited	5,449,110	5,449,110
150000 (PY 150000) Equity Shares of Rs. 10 Each fully paid		
Less : Provision for Dimunition in value of Investment	2,509,110	551,550
	<b>2,940,000</b>	<b>4,897,560</b>
Particulars	As at 31st March, 2016	As at 31st March, 2015
Aggregate market value of quoted investments	2,940,000	4,897,560
Aggregate book value of quoted investments	5,449,110	5,449,110
Aggregate value of unquoted investments	-	-

#### Note 16 : Inventories

(Valued at lower or net realisable value)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Finished goods	72,223,139	76,323,393
Stock in trade	137,298,616	72,323,513
Raw materials	132,589,534	91,661,996
Packing materials	9,150,892	9,704,893
	<b>351,262,181</b>	<b>250,013,795</b>





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Accompanying notes to the consolidated financial statement for the year ended 31st March, 2016

(Amount in Rs. )

### Note 17 : Trade receivables

(Unsecured, considered good)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured</b>		
Due for a period exceeding six months from the date they are due for payment		
Considered Good	46,032,551	46,110,096
Considered Doubtful	5,813,189	3,794,242
	51,845,740	49,904,338
Less :- Provision for Doubtful Debts	5,813,189	3,794,242
	46,032,551	46,110,096
Other debts	371,759,861	287,855,663
	<b>417,792,412</b>	<b>333,965,759</b>
<b>Trade receivables includes due from related parties :</b>		
<u>Other debts</u>		
Key Managerial Personnel and Enterprises under significant influence of key management personnel	33,409	354,606
	<b>33,409</b>	<b>354,606</b>

### Note 18 : Cash and cash equivalents

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Cash and cash equivalents</b>		
<b>Balances with banks:</b>		
In current accounts	150,273,037	13,574,886
Cash in hand	1,882,838	2,393,916
<b>Other bank balances</b>		
Balance with banks to the extent held as margin money	2,977,155	5,809,422
Less : Deposits with maturity for more than 12 months	(1,114,518)	27,149
	1,862,637	5,782,273
	<b>154,018,512</b>	<b>21,751,074</b>

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

(Unsecured Considered Good)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Advance recoverable in cash or kind</b>		
- To related parties	-	904,092
- To others	16,310,640	26,020,840
Service Tax Receivable	173,179	-
Advances against Supplies	47,775,812	-
	<b>64,259,631</b>	<b>26,924,932</b>
<b>Loans and advances to related parties includes :</b>		
Amount due from relative of key management personnel and enterprises under significant influence of key management personnel	-	904,092
	<b>-</b>	<b>904,092</b>





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(Amount in Rs. )

#### Note 20 : Other current assets

(Unsecured Considered Good)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Insurance Claim Receivable (refer note no. 34)	-	166,902,709
	-	166,902,709

#### Note 21 : Revenue from operation

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Revenue from operations (Gross)</b>		
Sale of Products *	1,765,898,947	970,262,285
<b>Other Operating Revenue</b>		
Scrap Sale	437,685	1,021,513
Export benefits & incentives	627,720	790,571
Gain on Foreign Exchange Fluctuations (Net)	456,828	947,465
	<b>1,767,421,179</b>	<b>973,021,833</b>

#### Details of Products Sold

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Finished Goods</b>		
Accessories	325,939,478	271,713,393
Wire	496,410,655	417,042,287
	<b>822,350,133</b>	<b>688,755,680</b>
<b>Traded Goods</b>		
Accessories	657,679,332	232,969,124
Wire	285,869,483	48,537,480
	<b>943,548,814</b>	<b>281,506,605</b>
	<b>1,765,898,947</b>	<b>970,262,285</b>

#### Note 22 : Other income

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest Income	442,903	2,109,087
Profit on sale of fixed assets	218,589	194,030
Profit on sale of Investment	-	2,761,420
Miscellaneous Income	1,756,610	298,988
	<b>2,418,102</b>	<b>5,363,524</b>





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(Amount in Rs. )

#### Note 23 : Cost of materials consumed

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Opening stock	91,661,996	70,793,232
Add: Purchases	524,485,227	530,190,452
Less: Closing stocks	132,589,534	91,661,996
	483,557,689	509,321,688
Less Loss by fire	-	(53,490,965)
	<b>483,557,689</b>	<b>455,830,723</b>

Purchases are stated net of discounts and rate difference.

#### Details of Material Consumed

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Copper	257,137,382	274,783,990
Alluminium	15,072,312	15,050,735
PVC Compound	38,629,335	45,034,597
Others	172,718,660	174,452,366
	483,557,689	509,321,688
Less Loss by fire	-	(53,490,965)
	<b>483,557,689</b>	<b>455,830,723</b>

#### Details of Inventory

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Copper	69,877,831	24,364,647
Alluminium	702,029	735,215
PVC Compound	3,610,955	1,279,287
Others	58,398,719	65,282,847
	<b>132,589,534</b>	<b>91,661,996</b>

#### Note 24 : Purchases of stock-in-trade

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Purchase of stock in trade	857,300,035	269,815,039
Less Loss by fire	-	(40,812,444)
	<b>857,300,035</b>	<b>229,002,595</b>







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(Amount in Rs. )

### Note 25 : Changes in inventories of finished goods and stock in trade

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Finished goods</b>		
Opening stock		
- Accessories	34,847,701	68,157,717
- Wires	41,475,692	23,369,114
	76,323,393	91,526,831
Less Loss by fire	-	(37,576,260)
	76,323,393	53,950,571
Closing stock		
- Accessories	44,758,002	34,847,701
- Wires	27,465,137	41,475,692
	72,223,139	76,323,393
<b>Changes in inventories of finished goods (A)</b>	<b>(4,100,254)</b>	<b>(22,372,822)</b>
<b>Stock in trade</b>		
Opening stock		
- Accessories	59,296,509	66,757,440
- Wires	13,027,003	21,410,959
	72,323,512	88,168,399
Less Loss by fire	-	(33,321,242)
	72,323,512	54,847,157
Closing stock		
- Accessories	117,587,245	59,296,509
- Wires	19,711,372	13,027,003
	137,298,616	72,323,512
<b>Changes in inventories of stock in trade</b>	<b>64,975,104</b>	<b>(17,476,355)</b>
	<b>60,874,850</b>	<b>(39,849,177)</b>

### Note 26 : Employee benefits expense

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Salary, wages and other allowances	66,304,120	51,772,657
Directors Remuneration	2,420,000	1,685,000
Provision for Gratuity	573,823	406,386
Contribution to provident fund and other funds	5,085,938	4,208,612
Staff welfare expenses	1,798,076	1,888,633
	<b>76,181,957</b>	<b>59,961,288</b>

### Note 27 : Finance costs

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Interest expense to:</b>		
Banks	41,490,553	37,963,857
Others	476,637	399,720
Other Borrowing Cost	3,534,192	1,153,149
	<b>45,501,382</b>	<b>39,516,726</b>





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(Amount in Rs.)

#### Note 28 : Other expenses

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Manufacturing expenses</b>		
<b>Consumption of :</b>		
- Consumable & stores	646,847	658,415
- Power & fuel	8,917,460	8,259,112
Job Charges	11,273,062	10,082,887
Repairs & Maintenance :		
- Plant & machinery	3,936,245	3,404,882
- Factory building	808,460	27,000
Freight & transportation	3,238,795	3,134,959
Other factory expenses	1,993,201	1,666,693
	<b>30,814,069</b>	<b>27,233,947</b>
<b>Administration, Selling and Distribution expenses</b>		
Rent	1,779,994	1,274,533
Insurance	1,243,652	793,535
Rates & taxes	1,907,525	1,029,795
Repairs & maintenance		
- Building	105,155	463,398
- Others	1,137,983	1,660,992
Legal and professional fees	4,975,562	4,098,751
Auditor's remuneration *	936,521	487,082
Travelling & conveyance	8,975,986	6,496,724
Communication costs	2,745,968	2,118,014
Printing & stationery	1,479,885	759,551
Water & electricity charges	1,931,721	1,466,896
Commision	4,939,217	4,440,944
Packing material consumed	30,526,905	22,714,279
Advertising & sales promotion	27,418,163	18,451,228
Provision for doubtful debt	2,018,947	1,886,956
Transportation, freight & handling charges	17,552,613	10,969,890
Expendture on CSR activities	1,934,630	1,385,995
Provision for dimunition in value of investment	1,957,560	551,550
Miscellaneous expenses	8,165,185	7,959,802
	<b>152,547,242</b>	<b>116,243,863</b>

#### \* Payment to Auditor includes

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Audit fees	255,138	179,776
Tax Matters	396,868	223,598
Other services	284,515	83,708
	<b>936,521</b>	<b>487,082</b>

#### Note 29 : Earnings per equity share

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

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Weighted average number of Equity Shares of Rs. 10/- each</b>		
Number of shares at the end of the year	18,327,100	18,327,100
Weighted average number of Equity Shares outstanding during the year	18,327,100	18,327,100
Weighted average number of Potential Equity Shares outstanding during the year	-	-
Total number of Equity share for calculating Diluted Earning Per Share	18,327,100	18,327,100
Net Profit after Tax available for Equity shareholders	130,927,884	71,454,473
Basic Earning Per Share (in Rs.)	7.14	3.90
Diluted Earning Per Share (in Rs.)	7.14	3.90





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(Amount in Rs. )

#### Note 30 : Companies considered in the consolidated financial statement are:

##### Subsidiaries

Name of Company	Date of Becoming Subsidiary	Country of Incorporation	% Voting Power held As on 31.03.2016	% Voting Power held As on 31.03.2015
Veto Electricals Private Limited	22-Feb-10	India	100.00	100.00
Veto Overseas Private FZE	11-Oct-15	UAE	100.00	-

#### Note 31 : Contingent Liabilities

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Gaurantee given by bank on behalf of the Company	9,497,000	12,171,537
Disputed Sales Tax Liability	660,367	-
Estimated amount of contracts remaining to be executed on Capital Account (Net of Advance)	30,714,526	16,384,000
<b>Total</b>	<b>40,871,893</b>	<b>28,555,537</b>

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

##### Actuarial assumption:

Services Rendered	Year ended 31st March, 2016	As at 31st March, 2016
Salary Growth *	7.00%	7.00%
Discount Rate	8.10%	7.80%
Expected Return	8.10%	8.00%

\* 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, 2016	Year ended 31st March, 2015
Present value of obligation as at the beginning of the year:	3,182,224	2,430,770
Interest cost	244,552	189,590
Current service cost	1,147,155	801,019
Benefits paid	(194,631)	(16,978)
Actuarial (gain) / loss on obligation	(470,705)	(222,177)
Closing Present value of obligation	3,908,595	3,182,224

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

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Present value of obligation as at the end of the year	3,182,224	3,182,224
Fair Value of plan assets as at the end of the year	4,331,717	4,179,169
Unrecognised Actuarial (Gain) / Loss	-	-
Net (assets) / liability recognised in balance sheet	(1,149,493)	(996,945)





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(Amount in Rs. )

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

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Current service cost	1,147,155	801,019
Past service cost	-	-
Interest cost	244,552	189,590
Expected return on plan assets	(378,797)	(368,857)
Net actuarial (gain) / loss recognized in the year	(439,087)	(198,389)
Expenses recognised in the statement of profit and loss*	573,823	423,363

#### Status of Planned Assets & Obligation :

Particulars	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013
Obligation at the year end	3,182,224	3,182,224	1,205,353	2,083,877
Plan Assets at the year end - At fair value	4,331,717	4,179,169	3,834,100	3,525,609
Funded Status	(1,149,493)	(996,945)	(2,628,747)	(1,441,732)
Expected Return on Plan Assets	(378,797)	(368,857)	(308,491)	(181,098)
Actuarial (Gain) / Loss on Plan Assets	(439,087)	(198,389)	(1,970,812)	(1,456,479)

#### 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) specified under section 133 of the Companies Act, 2013 read with Rule 7 of the (Companies Accounts) Rules, 2014.

**Note 34 :** During the year the Company has received Rs. 11,19,23,304 towards full and final settlement for fire insurance claim lodged with the Insurance Company during the financial year 2014-15. The short receipt of Rs. 4,21,02,609 net of claim receivable and claims payable to lessor, has been reflected as an exceptional item.

#### Note 35 : 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

##### (i) Key Managerial Personnel

Name of the Party	Relationship
Akshay Gurnani	Managing Director (From 27.08.2014)
Vishnu Kumar Gurnani	Managing Director (Upto 19.05.2014)
Dinesh Gurnani	Whole time Director & Chief Financial
Mohan Das Gurnani (from 22/08/2012)	Chairman (Upto 27.08.2014)
Jyoti Gurnani	Director
Ms. Diya Singh	Company Secretary (Upto 14.11.2014)
Ms. Chavi Rawat	Company Secretary (Upto 09.02.2016)
Ms. Shilpi Keshwani	Company Secretary (From 05.03.2016)

##### (ii) Holding Company

Veto Electropower (India) Private Limited

##### (iii) Enterprises owned or significantly influenced by Key Managerial Personnel and or their relatives

Vimal Power Cables Private Limited

Pinkcity Buildhome Private Limited

Tulsi Palace Resort Private Limited

Jaipur Electrical Inst. & Tools

Kripa Real Mart Private Limited (Upto 27.08.2014)





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Accompanying notes to the consolidated financial statement for the year ended 31st March, 2016

(Amount in Rs. )

### b. Transactions with Related Parties :

Name of Party	Nature of Transaction	Year ended March 31, 2016	Year ended March 31, 2015
Akshay Gurnani	Remuneration	1,500,000	725,000
	Salary	-	500,000
	Advance Granted	-	300,000
	Advance received back	-	300,000
	Sales	11,235	-
Vishnu Kumar Gurnani	Remuneration	-	240,000
	Advance Granted	-	150,000
	Advance received back	-	150,000
Dinesh Gurnani	Remuneration	720,000	720,000
	Advance received back	316,500	-
	Advance Granted	66,500	250,000
Diivya Singh	Remuneration	-	89,000
Chavi Rawat	Remuneration	153,324	60,000
Shilpi Keshwani	Remuneration	15,262	-
Jyoti Gurnani	Remuneration	200,000	-
Tulsi Palace Resort Pvt. Ltd.	Sales	995,905	398,232
Vimal Power Cables Private Limited	Purchases	15,560,457	15,229,931
	Advance against Purchases	4,932,225	-
	Advances received back	4,932,225	-
Pinkcity Buildhome Private Limited	Sales	196,493	389,945
	Service Taken	3,342,078	123,893
Jaipur Electrical Inst. & Tools	Expense Charged	3,503,423	-
Veto Electropower (India) Private Limited	Sales	1,918	99,494
Kripa Real Mart Pvt. Ltd.	Deposit	-	3,500,000
	Rent	-	350,000
Pink Square Real Estate Pvt. Ltd.	Sales	-	244,114

### c. Balance Outstanding of Related Parties :

Name of Party	Receivable / Payable	Year ended March 31, 2016	Year ended March 31, 2015
Akshay Gurnani	Remuneration Payable	105,000	102,500
	Trade Receivables	11,235	-
Dinesh Gurnani	Advance recoverable in cash or kind	-	250,000
	Remuneration Payable	56,500	-
Shilpi Keshwani	Remuneration Payable	15,262	-
Jyoti Gurnani	Remuneration Payable	46,000	-
Pinkcity Buildhome Private Limited	Advance to Creditor	-	16,000
	Other Payables	590,852	-
Vimal Power Cables Private Limited	Advance to Creditor	-	637,936
Tulsi Palace Resort Pvt. Ltd. Jaipur	Trade Receivables	22,174	354,606
Kripa Real Mart Private Limited	Security Deposit Granted	-	3,500,000





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#### Accompanying notes to the consolidated financial statement for the year ended 31st March, 2016

(Amount in Rs. )

##### Note 36 : Corporate Social Responsibility

During the year the Company has incurred expenditure towards CSR activities and has spent rs. 19,34,630 (as stated below) as against Rs.19,11,137 as required by section 135 read with Schedule VII of the Companies Act, 2013

Sl. No.	Particulars	In Cash / Bank	Yet to be paid in Cash / Bank	Total
1	Construction / acquisition of any assets	-	-	-
2	On purpose other than 1 above	1,626,350	308,280	1,934,630
<b>Total</b>		<b>1,626,350</b>	<b>308,280</b>	<b>1,934,630</b>

**Note : 37 :** Additional information as required under schedule III of Companies Act, 2013, of enterprises consolidated as Subsidiary ::

Name of the Enterprises	Consolidated Net Assets i.e. Total assets minus total liabilities		Share in Profit or loss	
	%	Amount	%	Amount
<b>Parent</b>				
Veto Switchgears And Cables Limited	100%	756,379,368	100%	76,380,624
<b>Subsidiaries</b>				
Veto Overseas Private FZE	100%	55,160,089	100%	57,095,289
Veto Electricals Private Limited	100%	(2,649,074)	100%	(2,548,029)

**Note 38 :** Previous year's figure's have been re-grouped, re-arranged & re-classified, wherever considered necessary, to confirm the current period figures.

As per our report of even date attached

For and on behalf of the Board

**For S G C O & Co.**

Chartered Accountants

Sd/-  
**Suresh Murarka**  
Partner  
Mem. No. 44739

Sd/-  
**Akshay Kumar Gurnani**  
Managing Director  
DIN : 06888193

Sd/-  
**Dinesh Gurnani**  
Whole Time Director & CFO  
DIN : 00218635

Sd/-  
**Shilpi Keswani**  
Company Secretary

Place: Mumbai  
Date : 23rd May, 2016

Place: Jaipur  
Date : 23rd May, 2016





## VETO SWITCHGEARS AND CABLES LIMITED

Regd. Office: 506, 5<sup>th</sup> Floor, Plot No. B-9, Landmark Building, New Link Road, Andheri (West), Mumbai, Maharashtra-400058 CIN: L31401MH2007PLC171844

Tel No. : 0141-4100400/444 Fax No. 0141-4100410 Website: www.vetoswitchgears.com

Email: info@vetoswitchgears.com, cs@vetoswitchgears.com

Notice is hereby given that the 9<sup>th</sup> Annual General Meeting (AGM) of the members of Veto Switchgears and Cables Limited will be held on Wednesday, the 28th September, 2016 at Hotel Golden Tulip, 44-5-1 Mumbai-Ahmedabad Western Express Highway - NH-8, Vasai, Mumbai (Maharashtra)- 401208 at 12:00 P.M. to transact following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company (including audited consolidated financial statements) for the financial year ended 31st March 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To confirm the interim dividend of Rs. 0.50 paise per equity share, already paid and declare final dividend of Rs. 1.50/- per share having face value of Rs. 10/- each aggregating to 15% of F.V. , for the financial year ended on 31st March 2016.
3. To re-appoint Ms. Jyoti Gurnani (DIN 06953899) as a director, who retires by rotation and being eligible offers herself for re-appointment.
4. To ratify appointment of the Auditors and to fix their remuneration and in connection therewith to consider and if thought fit to pass, the following as Ordinary Resolution:  
“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, the Rules made thereunder, as amended from time to time, the appointment of SGCO & Co., Chartered Accountants, Mumbai (Registration No.:112081W), be and is hereby ratified (for the financial year 2016-17) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of next Annual General Meeting (AGM) and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year 2016-17 as recommended by the Audit committee in consultation with the Auditors.”

### AS SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :  
“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to







M/s Rajesh Goyal & Co., Cost Accountants having Firm Registration No. 000031 appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2016-17, amounting to Rs. 15,000/- (Fifteen thousand Rupees only) inclusive of service tax as applicable and re-imbursment of out of pocket expenses incurred by them in connection with the aforesaid audit, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified and confirmed."

6. Appointment of Mr. Narain Das Gurnani (DIN 01970599), as Whole-time Director of the Company consider and, if thought fit, to pass, with or without modification, the following resolution as **SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Compensation Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Narain Das Gurnani, as Whole-time Director of the Company for a period of five years with effect from September 28, 2016 to September 27, 2021, with a liability to retire by rotation subject however that any retirement by rotation and re-appointment thereof not to be considered as a break in his office, at a salary of Rs. 70,000/- per month or an amount upto 1% of the net profits as calculated in accordance with the provisions of Section 197 of the Act (as may be decided by the Board from time to time), and other benefits to which he is entitled to as a Whole time Director (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto.

**"RESOLVED FURTHER THAT** in the event of inadequacy of profits in any financial year the Whole Time Director shall be paid a minimum remuneration upto Rs. 70,000/- per month subject however that the maximum remuneration payable shall be within the limits prescribed under Schedule V as amended from time to time and in the event such remuneration exceeds the prescribed limits under Schedule V, consent of members, Board of Directors and the Central Government be obtained in such a manner that the remuneration payable by way of salary and perquisites shall not be reduced."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

7. Fixation of remuneration of Ms. Jyoti Gurnani (DIN: 06953899), Executive Director of the Company consider and, if thought fit, to pass, with or without modification, the following resolution as **SPECIAL RESOLUTION:**

**"RESOLVED THAT** that the remuneration of Rs. 50,000/- per month which is within the limits of 1% of the net profits of the Company paid to Ms. Jyoti Gunani w.e.f. December 01, 2015 be and is hereby ratified and that pursuant to







applicable provisions of section 197, 198 Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) approval of the shareholders of the Company be and is hereby accorded for the payment of a remuneration of Rs. 50,000 per month or an amount upto 1% of the net profits as calculated in accordance with the provisions of Section 197 of the Act (as may be decided by the Board from time to time) to Ms. Jyoti Gunani, Executive Director of the Company."

**"RESOLVED FURTHER THAT** in the event of inadequacy of profits in any financial year the Executive Director shall be paid a minimum remuneration upto Rs. 50000 per month subject however that the maximum remuneration payable shall be within the limits prescribed under Schedule V as amended from time to time and in the event such remuneration exceeds the prescribed limits under Schedule V, consent of members, Board of Directors and the Central Government be obtained in such a manner that the remuneration payable by way of salary and perquisites shall not be reduced."

**"RESOLVED FURTHER THAT** any of the directors be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution."

**Regd. Office:**

506, 5<sup>th</sup> Floor Plot No. B-9, Landmark Building  
New Link Road, Andheri (West),  
Mumbai, Maharashtra 400058.

**By order of the Board**

**for VETO SWITCHGEARS AND CABLES LIMITED**

Place: Jaipur

Date: 5<sup>th</sup> September 2016

Sd/-

**AKSHAY KUMAR GURNANI**  
**(MANAGING DIRECTOR & CEO)**  
**(DIN: 06888193)**





## NOTES

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
2. The Notice is being sent to all the Members whose name appears in the Register of Members /List of Beneficial Owners received from National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) as on 26th August, 2016 (cut off date).

The Notice of AGM along with the Annual Report 2015-16 is being sent by electronic mode to those members whose email address is registered with the Company / Depositories, unless any member has requested for a physical copy of the same. For Members who have not registered their email address, physical copies are being sent by the permitted mode.
- 3) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 9<sup>TH</sup> ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT 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 MEETING.**

**A person can act as a proxy on behalf of members not exceeding fifty and holding aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.**
4. The instrument appointing the proxy, duly completed, stamped and signed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. The Proxy Form for the AGM is enclosed herewith.
5. Members / proxies should bring the duly filled Attendance Slip/ Proxy Form enclosed herewith to attend the meeting.
- 6) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 7) Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorized under the said Board resolution to attend and vote on their behalf at the Meeting.
- 8) Attendance slip and proxy form are annexed hereto.
- 9) The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 26<sup>th</sup> September, 2016 to Wednesday, 28th September, 2016 (both inclusive).





- 10) The members who hold shares in physical form are requested to notify immediately, any change in their addresses to the Company and to their respective depository participants, in case shares are held in electronic form. The Members who have not registered their email address are requested to register the same with the Registrar and Share Transfer Agent/Depositories.
- 11) The Securities Exchange Board of India (SEBI) mandates the submission of Permanent Account Number (PAN) by every participant in securities market. The Companies Act, 2013 and rules made thereunder also require the further details to be submitted to the Company like email address, Father's/Mother's/ Spouse's name. Members holding shares in electronic form are, therefore requested to submit PAN and other details to their Depository Participants with whom they are maintaining demat accounts. Members holding shares in physical form can submit their PAN and other details to the Company's Registrar and Share Transfer Agent.
- 12) As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report in the meeting.
- 13) The Annual Report of the Company circulated to the Members of the Company will be made available on the Company's website at [www.vetoswitchgears.com](http://www.vetoswitchgears.com) and also on the website of respective Stock Exchanges (BSE and NSE). Members may also note that the Notice of AGM will be available on the Company's website, [www.vetoswitchgears.com](http://www.vetoswitchgears.com). The Notice will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members may write us at [cs@vetoswitchgears.com](mailto:cs@vetoswitchgears.com) if they have any queries or require communication in physical form in addition to electronic communication.
- 14) All documents referred to in the accompanying Notice and the Statement pursuant to Section 102 (1) of the Companies Act, 2013, will be available for inspection at the registered office of the Company during business hours on all working days up to the date of declaration of the result of the Annual General Meeting.
- 15) In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on the resolution set forth in this Notice.

## E-VOTING

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on Shareholders
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.





- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Veto Switchgears and Cables Ltd. on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be





displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - ┆ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - ┆ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - ┆ After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - ┆ The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - ┆ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**In case of members receiving the physical copy:**

- A. Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.
- B. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**General Instructions:**

- (A) The voting period begins on September 25th 2016 at 9:00 A.M. and ends on September 27th 2016 at 5:00 P.M.. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (B) A person who has voted through e-voting mechanism as detailed above shall not be debarred from





participation in the Annual General Meeting physically. But he shall not be able to vote in the meeting again, and his earlier vote (cast through e-means) shall be treated as final.

- (C) The Voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 21<sup>st</sup>, September, 2016.
- (D) Ms. Manisha Kalra, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (E) The Scrutinizer shall, at the Annual General Meeting, unblock the votes in the presence of at least two witnesses, who are not in employment of the Company and make a Scrutinizer's Report of the votes cast in favor of or against, if any, forthwith to the Chairman of the Company.
- (F) The results declared along with the Scrutinizer's Report shall be placed on the Company's Website ([www.vetoswitchgears.com](http://www.vetoswitchgears.com)) and on RTA's or CDSL's Website within two days of passing of resolution at the Annual General Meeting of the Company held on September 28<sup>th</sup>, 2016 and communicated to the National Stock Exchange of India Limited and Bombay Stock Exchange Limited, where the shares of the Company are listed.

**Regd. Office:**

506, 5<sup>th</sup> Floor Plot No. B-9, Landmark Building  
New Link Road, Andheri (West),  
Mumbai, Maharashtra 400058.

**By order of the Board**

**for VETO SWITCHGEARS AND CABLES LIMITED**

**Place: Jaipur**

**Date: 5<sup>th</sup> September 2016**

**AKSHAY KUMAR GURNANI**  
**(MANAGING DIRECTOR & CEO)**  
**(DIN : 06888193)**

**EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES**



**ACT, 2013****Item no. 5**

The Board, on the recommendation of the Audit Committee, in its Meeting held on 23<sup>rd</sup> May 2016 has approved the appointment and remuneration of M/s Rajesh Goyal & Co., as the Cost Auditors of the Company having Firm Registration No. 000031 to conduct the audit of the cost records of the Company for the financial year 2016-17 at a fee of Rs. 15,000 per annum subject to TDS, Service Tax etc., as applicable, for the financial year 2016-17.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 5 of the Notice.

The Board recommends the Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

**Item No. 6**

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Board Governance, Nomination and Compensation Committee the Board of Directors of the Company vide resolution passed on May 23, 2016 approved appointment of Mr. Narain Das Gurnani as Additional Director cum Chief Financial Officer on the Board of the Company with effect from May 24, 2016. However as per the provisions of Section 161, he shall cease to hold the office of Additional director w.e.f. the date of the proposed AGM. Accordingly, the Board has obtained his consent for his appointment as a Whole –time Director in accordance with the provisions contained in Section 196 and 197 read with Section 203 of the Companies Act, 2013 for a period of five years w.e.f. 28.09.2016 till 27.09.2021 subject however that his term of office shall be liable to retire by rotation in the AGMs to be conducted during his office, in such a manner that any re-appointment after retirement by rotation shall not amount to a break in his service and that Mr. Narain Das Gurnani shall hold office up to the date of the Annual General Meeting to be held on September 28<sup>th</sup>, 2016 and shall be eligible for being the Whole-time Director subject to the approval of the shareholders at this Annual General meeting.

Further, any break in his service as a Whole-time director of the Company shall not amount to any termination from the office of the CFO unless otherwise resolved / approved and the same shall apply vice versa.

Approval of the members is required by way of Special Resolution for appointment and payment of remuneration.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

He is the brother of Mr. Mohan Das Gurnani and uncle of Mr. Akshay kumar Gurnani and Ms. Jyoti Gurnani. None of

Designation	Whole time Director
Age	57
Qualification	Senior Secondary
Profile of the director	Mr. Narain Das Gurnani has a rich experience in the industry and has been a significant part of the Veto Group since its inception. He is also one of the promoters of our company. The Board has believed that his services will benefit the growth of the Company in long run.
Remuneration Payable <sup>1</sup>	Fixed salary of Rs. 70000/- per month (Exclusive of reimbursement of expenses)







any other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 6 of the Notice.

**Item No. 7**

The Nomination and Remuneration Committee, in its meeting held on November 17, 2015 recommended and the Board of Directors, in its meeting held on November 28, 2015, approved for payment of remuneration of Rs. 6,00,000/- per annum or an amount upto 1% of Net profit of the Company, payable for financial year in which adequate profit is earned (as may be decided by the Board from time to time), to Ms. Jyoti Gurnani (holding DIN 00218635), in the capacity of a executive Director of the Company with effect from December 1, 2015, subject to the approval of the shareholders in the General Meeting.

However, Ms. Jyoti Gurnani shall be paid a minimum remuneration of Rs. 50,000/- in the event of inadequacy of profits.

<sup>1</sup> The Remuneration of a director for attending the meeting of the Board or a committee thereof shall be such sum as may be determined by the Board subject to relevant provisions of the act. The Directors shall also be entitled to payment of actual expenditure for travelling, boarding, lodging, and other expenses incurred for attending the meetings of the Board or any Committee thereof or General Meetings of the Company or for journey performed in connection with the business of the company.

None of the Directors except Ms. Jyoti Gurnani herself and Mr. Akshay Kumar Gurnani as relative of Ms. Jyoti Gurnani, is concerned or interested in the resolution.

**Regd. Office:**

506, 5<sup>th</sup> Floor Plot No. B-9, Landmark Building  
New Link Road, Andheri (West),  
Mumbai, Maharashtra 400058.

**Place: Jaipur**

**Date: 5<sup>th</sup> September 2016**

**By order of the Board**

**for VETO SWITCHGEARS AND CABLES LIMITED**

**AKSHAY KUMAR GURNANI**  
**(MANAGING DIRECTOR & CEO)**  
**(DIN : 06888193)**







### Annexure to Notice

#### DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT/APPOINTMENT AT 9TH ANNUAL GENERAL MEETING (AGM)

Sl. No	Name of the Director	Date of the Appointment	Brief Profile / Expertise in Specific field of areas	Directorship held in other public Companies as on 31.03.2016 (excluding foreign Companies and Private Companies)	Membership/ Chairmanship of Committees of other public Companies (as on 31.03.2016)*	Number of shares held in the Company (as on	Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Terms and conditions of appointment or re-appointment
1.	Narain Das Gurnani DIN : 01970599	24 <sup>th</sup> May 2016	Mr. Narain Das Gurnani is Under Graduate . He possess specific skills in finance. He has over 35 years of experience in the field of wires and cable industry and other electrical accessories besides real estate. He has handled finance and costs in other companies of the group. He had played vital role in formulating business strategies and effective implementation of the same for both domestic and international markets.	He has no other Directorships.	Veto Switchgears and Cables Limited Audit Committee (Member) Stakeholder's Relationship Committee (Member) Corporate Social Responsibility Committee (Member)	13200 Shares	He is the brother of Mr. Mohan Das Gurnani and uncle of Mr. Akshay kumar Gurnani and Ms. Jyoti Gurnani.	Appointment as Whole Time Director for a period of five years upon remuneration as stated above.
2.	Jyoti Gurnani DIN: 06953899	27 <sup>th</sup> August 2014	She is a Graduate and participates actively in the growth and development of the Company. She possesses great acumen and business understanding. She is a dynamic individual and is the sister of Mr. Akshay Kumar Gurnani, Chairman and Managing Director.	She has no other Directorships.	She is Chairperson of Internal Compliant Committee.	Nil	She is the sister of Mr. Akshay Kumar Gurnani, Managing Director & CEO.	Executive Director liable to retire by rotation





## VETO SWITCHGEARS AND CABLES LIMITED

Regd. Office: 506, 5<sup>th</sup> Floor, Plot No. B-9, Landmark Building, New Link Road, Andheri (West), Mumbai, Maharashtra-400058 CIN: L31401MH2007PLC171844  
Tel No. : 0141-4100400/444 Fax No. 0141-4100410 Website: [www.vetoswitchgears.com](http://www.vetoswitchgears.com)  
Email: [info@vetoswitchgears.com](mailto:info@vetoswitchgears.com), [cs@vetoswitchgears.com](mailto:cs@vetoswitchgears.com)

### PROXY FORM

#### NINTH ANNUAL GENERAL MEETING Wednesday, September 28, 2016 at 12.00 noon

Name of the Member (s) : .....  
Registered address : .....  
.....  
Email ID : .....  
Folio No./Client ID : .....  
DP ID : .....

I/We, being the member(s) of ..... shares of Veto Switchgears and Cables Limited, hereby appoint:

Name : .....  
Email Id: .....  
Address: .....  
.....  
Signature: ..... or failing him / her;

Name : .....  
Email Id: .....  
Address: .....  
.....  
Signature: ..... or failing him / her;

Name : .....  
Email Id: .....  
Address: .....  
.....  
Signature: ..... or failing him / her;



as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 9th Annual General Meeting of the Company, to be held on Wednesday , September 28<sup>th</sup> 2016 at 12.00 noon. at Hotel Golden Tulip, 44-5-1 Mumbai-Ahmedabad Western Express Highway - NH-8, Vasai, Mumbai (Maharashtra)- 401208 Tel. No.: +91 250 6631900 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Optional *	
		For	Against
Ordinary Business			
1	Adoption of Financial Statements for the financial year ended on March 31, 2016		
2	To confirm the interim dividend and Declaration of final dividend on equity shares		
3	To re-appoint Ms. Jyoti Gurnani (DIN 06953899) as a director, who retires by rotation and being eligible offers herself for re-appointment.		
4	Appointment of Statutory Auditors		
Special Business			
5	Ordinary Resolution for Ratification of Remuneration and appointment of Cost Auditors		
6	Special Resolution for Appointment of Mr. Narain Das Gurnani as Whole-time Director		
7	Special Resolution for fixation of remuneration of Ms. Jyoti Gurnani, Executive Director		

Signed this ..... day of ..... 2016.

Signature of Shareholder

Affix  
Revenue  
Stamp  
Rs. 1/-

Signature of Proxy holder(s).....

#### Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference if you leave the 'for or against' column blank against resolution, your proxy will be entitled to vote in the manner as he/ she may deem appropriate.





## VETO SWITCHGEARS AND CABLES LIMITED

Regd. Office: 506, 5<sup>th</sup> Floor, Plot No. B-9, Landmark Building, New Link Road, Andheri (West), Mumbai, Maharashtra-400058 CIN: L31401MH2007PLC171844

Tel No. : 0141-4100400/444 Fax No. 0141-4100410 Website: [www.vetoswitchgears.com](http://www.vetoswitchgears.com)

Email: [info@vetoswitchgears.com](mailto:info@vetoswitchgears.com), [cs@vetoswitchgears.com](mailto:cs@vetoswitchgears.com)

## ATTENDANCE SLIP

### NINTH ANNUAL GENERAL MEETING Wednesday, September 28, 2016 at 12.00 noon

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

**Registered Folio No. / DPID No. / Client ID**

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**No. of Shares held:**

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**Name (s) and complete address of Shareholder**


I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the Annual General Meeting of the Company held at Hotel Golden Tulip, 44-5-1 Mumbai-Ahmedabad Western Express Highway - NH-8, Vasai, Mumbai (Maharashtra)- 401208 Tel. No.: +91 250 6631900 on Wednesday September 28, 2016 at 12:00 P.M.

Please (✓) in the box

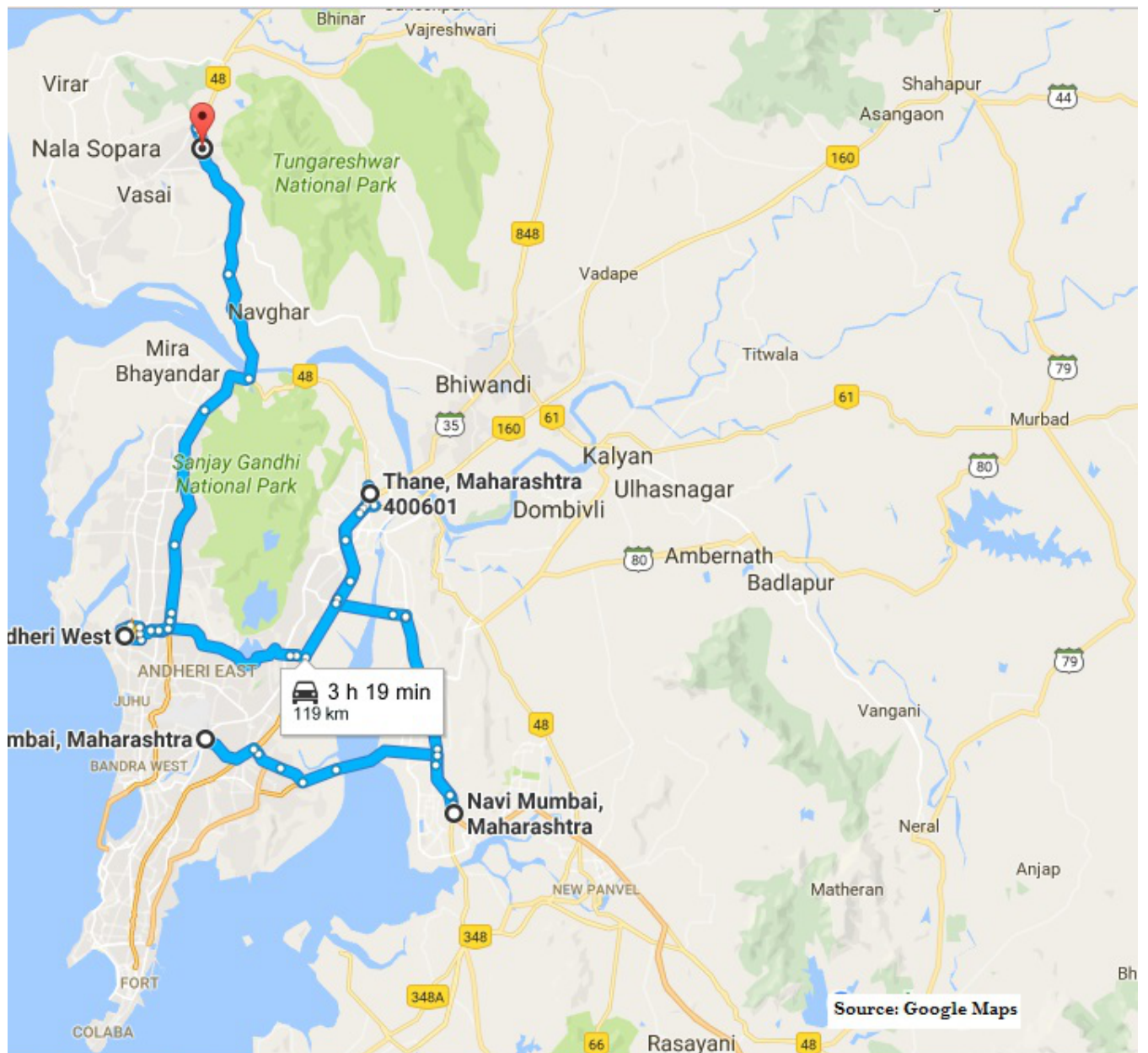
☐ Member ☐ Proxy

Signature of Shareholder/Proxy

**NOTE: PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.**











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### VETO SWITCHGEARS AND CABLES LTD.

Corp. Office : 230, Sindhi Colony, Raja Park, Jaipur-302 014 (Raj.) India

Regd. Office. : 506, 5th Floor, Landmark Building, Link Road, Andheri (W), Mumbai - 400 053 (India)

Factory : (Haridwar) Plot, No. 65-67, 74-77, Sector-2E, Sidcul, Ranipur, Haridwar - 24403 (UK) India

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