ANNUAL REPORT 2016-17



50 years of excellence 1967-2017

Veto®

SINCE 1967

ALL ELECTRICAL SEGMENTS

ANNUAL REPORT 2016-17

2016-17

10th Annual Report

SINCE 1967
ALL ELECTRICAL SEGMENTS

50 years of excellence 1967-2017

Celebrating 50 years of excellence

Providing Electricity solutions on Reasonable Grounds

The smart way to power your home

10 years of change

Veto Group has started its operation since the year 1967 with manufacturing of Electrical Accessories, wires and Cables.

With the passage of time and work put together by the team the group has expanded to its manifold.
In the Year 2007 M/s Veto Switchgears and Cables, Partnership Firm, through its Existing partners mutually agreed to register the business into the form of a Company under Companies Act 1956 as a Private Limited Company.

In the Year 2012, the company has come up with an Initial Public Offer and was listed at National Stock Exchange (NSE) through SME platform. In February 2015, the Company migrated from SME Platform to NSE Main Board.

The same year, it was listed on the BSE (formerly known as Bombay Stock Exchange Ltd.)

The company incorporated a wholly owned subsidiary company in Dubai by the name of VETO Overseas Private F.Z.E in October 2015 which is showing continuous progressive results.

Veto Electricals Private Limited, Wholly Owned Subsidiary Company has owns its manufacturing plant (100% Export Unit) at Light Engineering Zone, Mahindra SEZ, Jaipur commercial production started w.e.f. 01.07.2017

Over the years, we have diversified our products, adopted high-end technology to reach out to more customers and scaled operations with standardized systems and platforms, all underpinned by a collaborative performance culture.

Simply put, trust, technology, talent and teamwork have played a pivotal role in shaping our 10 years of sterling performance.

Veto®

SINCE 1967

ALL ELECTRICAL SEGMENT

50 years of excellence 1967-2017

Committed to Power Saving for the Nation

LED LIGHTING



VYOMA
LED PANEL LIGHT



SLEEK
SLIM PANEL LIGHT



VOLUX
SLIM LED PANEL



VOLUX
LED BULB



VYOMA
LED FLOOD LIGHT



VOLUX SMD
FLOOD LIGHT



SLEEK
DOWNLIGHT

Contents

1.	Corporate Information	6
2.	Key Performance Indicators	10
3.	From the desk of the Managing Director	11
4.	Mission & Vision	12
5.	Director's Report	13
	- Management Discussion and analysis	
6.	Annexure to Director's Report	40
7.	Corporate Governance Report	42
	- General Shareholder's Information	
8.	Corporate Social Responsibility	64
9.	Extract of Annual Return	66
10.	Secretarial Audit Report	84
11.	Certificate on Corporate Governance	88
12.	Auditor's Report and Standalone Financial Statements	90
	- Balance Sheets	
	- Profit and Loss Account	
	- Cash Flow Statement	
	- Accompanying Notes to the Financial Statements	
13.	Auditors' Report and Consolidated Financial Statements	122
	- Consolidated Balance Sheet	
	- Consolidated Profit and Loss Account	
	- Consolidated Cash Flow	
	- Notes to the Consolidated Accounts	

Corporate Information

Board of Directors

Akshay Kumar Gurnani (Managing Director)	Narain Das Gurnani (Whole-time Director cum Chief Financial Officer)	Jyoti Gurnani (Director)
Dr. Kanwarjeet Singh (M.B.B.S) (Independent Director)	Govind Ram Thawani (Rt. Government Employee) (Independent Director)	Mohan Sukhani (rt. Businessman) (Independent Director)

Key Management Executives

Mr. Vasudev Lalwani (B.Com) Vice President Marketing	Mr. Mohd. Khalid (B.tech) Production Head
Mr.Anuj Kumar Khator (B.Com, C.A.) Sr. Manager Accounts and Internal Auditor	Ms. Shilpi Keswani (M.com, CS) Company Secretary and Compliance Officer

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

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

Secretarial Auditor

Ms. Nisha Agarwal

Cost Auditor

Rajesh Goyal & Co.

Website :

www.vetoswitchgears.com

Stock Exchanges where Company's Securities are Listed

- National Stock Exchange of India Limited
- BSE Limited

Bankers

- Indian Overseas Bank
- Bank of Baroda

Email ID:

cs@vetoswitchgears.com

Corporate Identity Number

L31401MH2007PLC171844

Board's Committees

Audit Committee	Corporate Social Responsibility Committee
Govind Ram Thawani (Chairman) Mohan Sukhani Mr. Narain Das Gurnani	Mr. Govind Ram Thawani (Chairman) Mr. Mohan Sukhani Mr. Narain Das Gurnani
Nomination, Remuneration & Compensation Committee	Stakeholders Relationship Committee
Govind Ram Thawani (Chairman) Kanwarjeet Singh Mohan Sukhani	Mr. Govind Ram Thawani (Chairman) Mr. Narain Das Gurnani 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 lightning, fan and other electrical accessories.

Other Directorship :

Sl No.	Names Of The Companies	Position
1.	Kanchan Cables Private Limited	Director
2.	Vnb Marketing Private Limited	Director
3.	Kunal Buildestate Private Limited	Director
4.	Gurnani Holdings Private Limited	Director
5.	Veto Electropowers (india) Private Limited	Director
6.	Veto Electric Components Private Limited	Director
7.	Veto Power Products Private Limited	Director
8.	Veto Retails Private Limited	Director
9.	Veto Electricals Private Limited	Director
10.	Jaipur Buildvision Private Limited	Director
11.	Veto Lightings Private Limited	Director
12.	Narayan Realhome Developers Private Limited	Director
13.	Vankon Switchgears And Cables Private Limited	Director
14.	Akshay Vishnu Cables Private Limited	Director
15.	V1 Infradevelopers Private Limited	Director
16.	Veto Switchgears And Cables Limited	Director
17.	Kanchan Cables Private Limited	Director

Narain Das Gurnani DIN : 01970599 is the Whole-time Executive Director in the Capacity of Chief Financial Officer. He is an Under Graduate, but possesses 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:

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

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 31st March 2017. He is a member of Nomination and Remuneration Committee. No other directorships were held by Mr. Murlidhar Kaurani.

*** Mr. Murlidhar Kaurani resigned from his directorship and was relievd w.e.f. 13.02.2017**

Dr. Kanwajeet Singh, DIN: 07813714 is Non- Executive Independent Director of our Company. He is a senior physician and in private practice since 25 years. He is affiliated with Life Insurance Corporation of India (LIC), Sindhu Welfare Society and Rajasthan Housing Board. His acumen, administrative power and experience thus can act as a guiding role for growth of our organization. He has no other Directorships.

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. He is a member of Nomination & Remuneration Committee and Audit Committee.

Other Directorships:

Sl 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.	AravaliSquare 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.

Sl 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 .

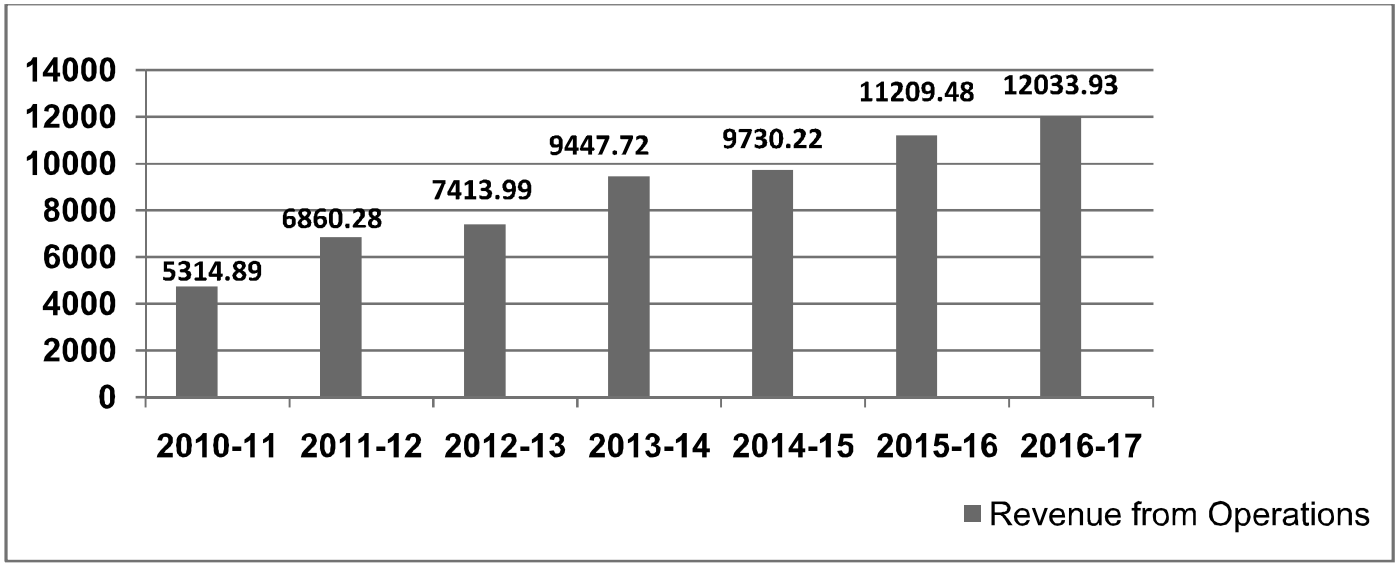
Notes:

1. Other Directorships and Committee Memberships of Directors are as on 31st March 2017.
2. Changes in the composition of Director and the Committee:
   Mr. Murlidhar Kaurani resigned w.e.f 13th February 2017 and Dr. Kanwarjeet Singh was appointed as the Additional Non- Executive Independent Director, and became a member of the Nomination & Remuneration Committee, thereafter.

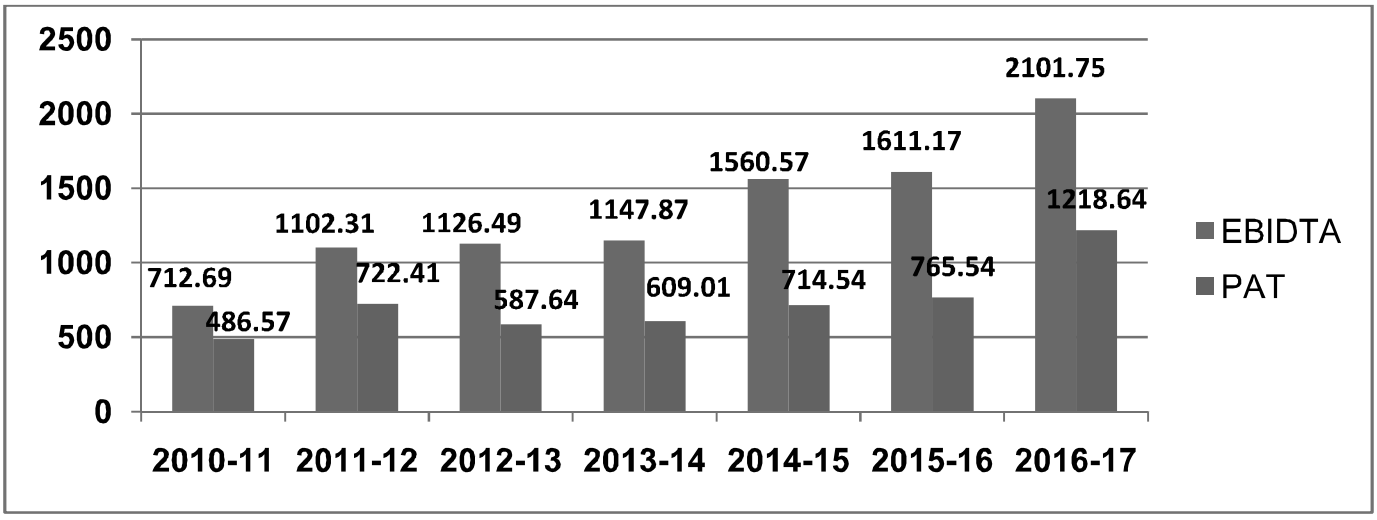
KEY PERFORMANCE INDICATORS

Years Of Consistent Progress And Perseverance (Standalone)

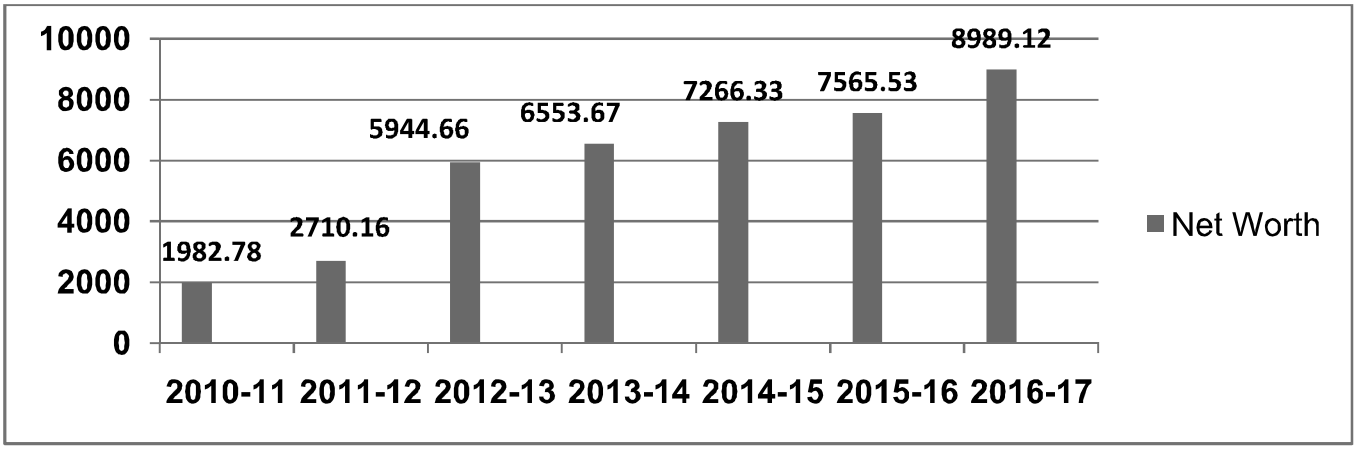
Revenue from Operations (in Lacs)



EBIDTA & Profit after Tax (in Lacs)



Net Worth (in lacs)



FROM THE DESK OF MANAGING DIRECTOR

Dear Stakeholder,



Akshay Kumar Gurnani

Managing Director & CEO

The year being the most seminal year of economic reforms whereby on one hand major developments in the global landscape, where on the contrary India stood out as a country taking major policy initiatives on several fronts. After a long spell of stagnation and de-growth, green shoots of economic upswing are appearing for the world economy. The world economy has witnessed some of the most revolutionary shifts in technology and geopolitics in the past decade that has altered business definitions. During the year, the enactment of the Insolvency and Bankruptcy Code, announcement of demonetization in order to eliminate black money and the growing menace of fake Indian currency notes and legislation on the Goods & Services Tax was enacted, paving the way for the implementation of this landmark tax reform in the coming year thereby have created opportunities for improvement in economic growth.

As stated by human Rights activist *Ella Baker* "Give light and people will find their way". We believe It is the light that gives you the direction to focus as we are kept from our goals not by obstacles but by a clear path to a lesser Goal.

The new GST Bill is an extremely positive development, as it introduces a single, simplified tax regime which is crucial to boost ease of doing business in India. Among multiple benefits, it will also enormously benefit the entire value chain of the lightning and electrical industry via an overall reduction in a variety of tax rates and having to deal with diverse tax authorities that presently add an extra cost up to 10-15 % GST will facilitate seamless movement of goods across various states and reduce the transaction cost and time consumed in transaction.

The electric wire and cable market in India is expected to grow steadily during the next four years and post a CAGR of almost 16% by 2020. As per the latest presentation of Indian Brand Equity Foundation India is the Third Largest Producer and Fourth largest Consumer of electricity globally. Also, as per the latest announcement of our Power Minister India is expected to switch over to LED bulbs by the end of 2018 which would result in a massive saving of 100 billion units of electricity and Rs. 14,000 crore per annum to the nation. Apparently, one unit saved equals 1.3 unit generations and after accounting for transmission losses, judicious use of energy would result in reduced production costs as well as help conserve the environment.

At Veto, we work with the single minded objective of not only improving, but empowering people's lives with our unique repertoire of products and services, backed by time tested technology and path-breaking R & D methods. With persistent focus on innovation, prompt capitalization of opportunities, building up credibility through strategic thinking, operational expertise, well planned investments and business integrity, we aim to continue our journey unabated. With a decade's accolade on our back, we hope to have you, our friends and associates by our side in the challenging times to come.

The performance has been tremendous this financial year ending 31st March 2017. Our consolidated sales increased by 35.27 % and our profitability improved by 39.23 %. We expect to grow by 20-25 % percent at least this current financial year as we see a strong market for wires, cables and electrical industry because of the various ongoing infrastructure projects including establishing an LED factory in its existing factory area in Vasai, Maharashtra

Our 100% subsidiary in Dubai showed more than 50% growth in profits as compared to last year. Another of our wholly owned subsidiary Veto Electricals Private Limited inaugurated its manufacturing plant at Light Engineering Zone, Mahindra SEZ, Jaipur for manufacturing wires and cables and started production on 1st July 2017.

Like it or not, we are now operating in a highly volatile, unpredictable and changing environment. Social transformation, emerging technology, trends in communications, and polarizing opinions amongst others, require us to keep evolving in a manner that we do not lose sight of the objective. The role of a responsible and global Company like Veto is not just to its shareholders but to society at large by providing cost effective, eco-friendly, safe, High quality and specialized products reflecting contemporary lifestyle.

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

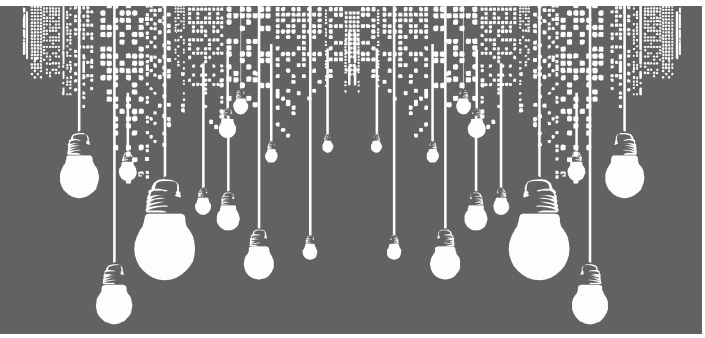
Before I conclude, I would like to thank your Company's employees, the board and all other stakeholders for their consistent commitment, engagement, support, and encouragement in our journey. We will continue to seek our shareholders' participation and support, as we extend our footprint to create new pathways to progress and tap impending strategic investment opportunities.

With warm regards,

Akshay Kumar Gurnani

Managing Director & CEO

DIN : 06888193



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

By our hard work, open communication and team work we will be the most relevant, innovative and insightful company in India.

Honesty

We continue with our fair and transparent business in our operations to meet our obligations, sustain our growth and reach our goals.

Team Work

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.

Passion

The soul of VETO is in its passion to innovate, outperform benchmarks and deliver the best consistently.

Optimistic approach

We continue to drive forward, offering new technology and products to our customers. Our vision is to achieving sale target of more than Rs. 1000 Crores in next Five Years

1. DIRECTOR'S REPORT

DEAR MEMBERS,

Your Directors are pleased to present the 10th Annual Report on the business and operations of the Company, together with the Audited Financial Statements for the financial year ended 31st March, 2017 and other accompanying reports, notes and certificates.

1. Company Performance

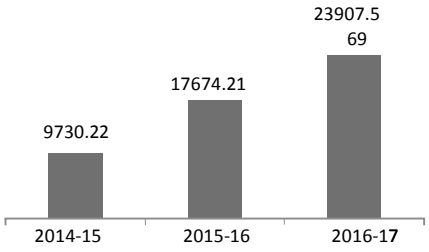
Your Company has grown exponentially during the current financial year. The Standalone and Consolidated Audited Financial Results of the Company for year ended 31st March 2017 are as follows:

Financial Results:

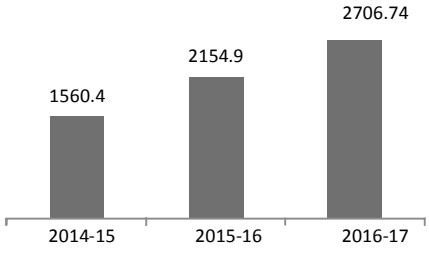
	Consolidated		Standalone	
Particulars	2016-17	2015-16	2016-17	2015-16
Revenue from Operations (including other Income)	23,980.69	17,698.39	12,478.63	11,287.58
Less Expenses :				
(a) Cost of materials consumed	4,444.44	4,835.58	4,444.44	4,835.58
(b) Purchases of stock-in-trade	14,790.96	8,573.00	3,691.31	2,632.43
(c) Changes in inventories of finished goods, and stock-in-trade	(273.28)	(608.75)	119.17	(463.41)
(d) Employee benefits expense	1,227.09	761.82	1,105.12	719.56
(e) Finance costs	412.38	455.01	410.31	454.77
(f) Depreciation and amortisation expense	166.44	197.46	166.44	197.46
(g) Other expenses	1,073.71	1,525.47	1,007.22	1,496.12
Total expenses	21,841.74	15,284.58	10,944.00	9,872.51
Profit before tax and exceptional items	2,138.95	1,958.80	1,534.63	1,415.07
Less: Exceptional items	-	421.03	-	421.03
Profit before tax	2,138.95	1,537.77	1,534.63	994.04
Less: Tax Expense	315.98	228.49	315.98	228.49
Less: Minority interest	-	-	-	-
Profit after tax	**1,822.97**	**1,309.28**	**1,218.65**	**765.55**

Consolidated Financial Results

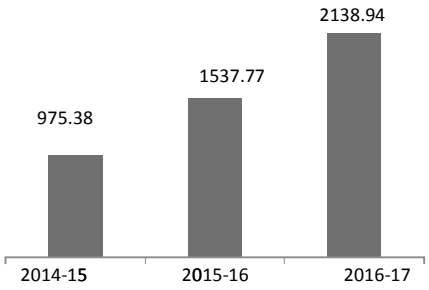
During the year under review on consolidated basis our Company earned profit before tax and exceptional items of Rs. 2138.94 Lacs against Rs. 1958.80 Lacs in the previous year. The Company earned profit after tax of Rs.1822.95 Lacs as compare to Rs. 1309.28 Lacs in the previous year. The Company had Income from operation of Rs. 23980.68 Lacs as compared to Rs. 17698.39 Lacs in previous year. The Profit before Interest/Depreciation/Tax (PBIT) was Rs. 2706.74 Lacs as compared to Rs. 2154.90 Lacs in previous year.



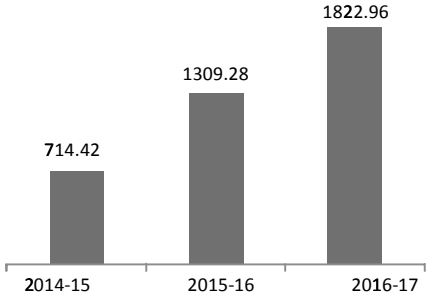
Income from Operations (in lacs)



Profit Before Interest and Tax (in lacs)



Profit Before tax (in Lacs)



Profit After tax (in Lacs)

Standalone Financial Results

During the year under review on standalone basis our Company earned a profit before tax and exceptional items of Rs. 1534.63 Lacs against Rs. 1415.07 Lacs in the previous year. The Company earned profit after tax of Rs. 1218.65 Lacs as compare to Rs. 765.55 Lacs in the previous year. The Company had Income from operation of Rs. 12033.92 Lacs as compared to Rs. 11209.48 Lacs in previous year. The Profit before Interest/Depreciation/Tax (PBIT) was Rs. 2101.75 Lacs as compared to Rs. 1611.17 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 declared an interim dividend of 10%, being Re. 1.00 per share of 10/- each, on February 13th, 2017. We are pleased to recommend a final dividend of Re. 1/- per share having face value of Rs. 10/- each aggregating to 10% of F.V. for the financial year ended on 31st March 2017. 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 10/- each.

Reserves

Rs. 1218.64 lakhs has been transfer to reserves and surplus account during the current year.

Share Capital

The paid up Equity Share Capital as at 31st March 2017 stood at Rs.18.3271 crore. During the year under review, the Company has granted 916355 options on the May 23rd, 2016 under the Employee Stock Option plan (ESOP) 2015 and the 816355 options stand outstanding at the end of the year i.e. upto 31st March, 2017.

ESOP Granted during the year and outstanding as on 31st March, 2017 :

Akshay Gurnani	6,69,855
Jyoti Gurnani	900

Financial Statements

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as `Listing Regulations`) and Section 136 of the Companies Act, 2013 read with Rule 10 of the Companies (Accounts) Rules, 2014, the Annual Report containing salient features of the financial statements, including consolidated financial statements, for the financial year 2016-17, along with statement containing salient features of the Directors' Report (including Integrated Reporting and Management Discussion & Analysis and Corporate Governance Report) is being sent to all shareholders who have not registered their email address(es) for the purpose of receiving documents/ communication from the Company in electronic mode. Please note that you will be entitled to be furnished, free of cost, the full Annual Report 2016-17, upon receipt of written request from you, as a member of the Company.

Full version of the Annual Report 2016-17 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, including consolidated financial statements, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors' Report (including Integrated Reporting and Management Discussion & Analysis and Corporate Governance Report) is being sent

via email to all shareholders who have provided their email address(es).

Full version of Annual Report 2016-17 is also available for inspection at the registered office of the Company during working hours up to the date of ensuing Annual general meeting (AGM). It is also available at the Company`s website at www.vetoswitchgears.com.

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.

- The company filled in government tender on June 23rd, 2017 received an order of 6 Lacs pieces per annum and is in the process of establishing an LED factory in its existing factory area in Vasai, Maharashtra. The production is estimated to start from October 1st, 2017, with an estimated CAPEX of 2.5 Crores for the production of Panel Lights, Tube Lights, Flood Lights etc., the factory's total estimated turnover is Rs. 30 Crores per annum.
- Veto Electricals Private Limited, wholly owned subsidiary has inaugurated its manufacturing plant (100% Export Unit) at Light Engineering Zone, Mahindra SEZ, Jaipur on 29th May, 2017 and commercial production started from 1st July 2017.
- By the end of July, 2017, the holding of Promoter Group of your company stands at 51.4%, as the promoters have sold their holding of approx 6.79%, since the end of Financial Year.

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, 30, 11, 14, and 15 respectively to the Standalone Financial Statements of the Company.

Deposits

During the year under review, the Company has neither accepted nor renewed any deposits in terms of Chapter V of the Companies Act, 2013 and Rules framed thereunder.

2. Business Operations/ State of Company's Affairs

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.

Veto switchgears and Cables Limited is one of the most respected cable manufacturers in India. Brand Veto 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 are 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.

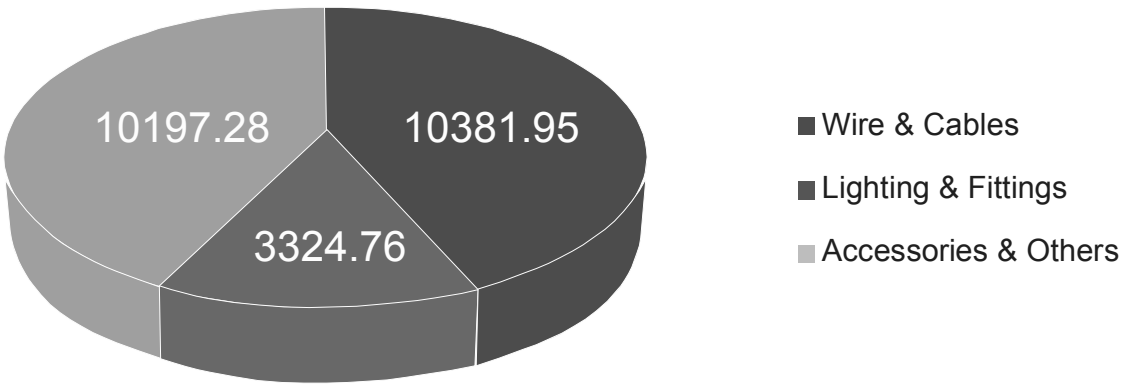
VIMAL POWER is a part of the Veto group and continues to reinforce a successful international presence and enhance its enviable reputation for innovation. A continuous programme of research and development ensures a world beating range of cables to satisfy or surpass requirements of Indian Standards.

The Group is strongly positioned in high-tech markets and offers the widest range of products, services, technologies and know-how. In the Energy sector, the Group operates in the business of underground and submarine power transmission cables and systems, special cables for applications in a range of industries and building services and also medium and low voltage cables for the construction and infrastructure. In the Telecom sector, the Group manufactures cables and accessories for the voice, video and data transmission and offers a complete range of optical fibres, optical and copper cables and connectivity systems.

This year the company has launched LED panel Lights, LED Flood Light, Slim Panel Light, LED Flood Light under the brand name "Vyoma". Its major distribution in India covers more than 10 states including major sale in Rajasthan and Gujarat.

Future Prospects

The company is planning the launch of Retail outlet in its name for all electrical accessories, wires and cables in the coming fiscal.



Raw Material

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

(Qty. in kg)

Product category	Existing (2016-17)	Proposed (2017-18)
Copper	604309	664740
PVC Resin	445641	490205
Aluminium	91247	100371

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	68
Office staff	57
Skilled workers	60
Unskilled workers	349
Total	**537**

➢ 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 2016-17	FY 2017-18	FY 2016-17
Wires & Cables			
Installed Capacity	20 Lacs Bundles	20.00 Lacs Bundles	20.00 Lacs Bundles
Capacity Utilization (in %)	50%	40%	32.9%
Production	10.00 Lac Bundles	8.00 Lac Bundles	6.58 Lac Bundles
Electrical Accessories			
Installed Capacity	600 Lac pieces	600 Lac pieces	600 Lac pieces
Capacity Utilization (in %)	36%	30%	25.33%
Production	216 Lac pieces	180 Lac pieces	152 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.

Details of Subsidiaries

The Company has two subsidiary Companies. One in Jaipur and the other in Duabi, UAE. On May 29th 2017 Veto Electricals Private Limited has inaugurated its manufacturing plant (100% Export Unit) at Mahindra SEZ, Jaipur and has started commercial Production on July 1st 2017.

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

In terms of 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, and are also available on the website of the Company.

These documents shall also be available for inspection at the registered office of the Company during business hours up to the date of ensuing AGM.

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

On 11th October 2015 Veto registered a wholly owned subsidiary in Dubai by the name of "Veto Overseas Private F.Z.E. It has earned total revenue of 65,416,594 AED for the year ended 31st March 2017. The Company has declared profit of 4753364 AED. It is headed by Mr. Ashish Goklani 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 in Form AOC-1 as on March 31, 2017 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 2016- 17	Remuneration in Year 2015- 16	% increase in Remuneration in comparison to last year	Ratio of Remuneration to MRE
Mr. Akshay Kumar Gurnani	Managing Director	15,00,000	1500000	0.00	7.07
Mr. Dinesh Gurnani[1]	Whole-time Director	120,000[1]	720000	0.00	3.40
Ms. Jyoti Gurnani	Director	6,00,000	200000	0.00	2.83
Mr. Narain Das Gurnani	Whole-time Director / CFO	4,67,142	-	100.00	5.66

2. Remuneration paid to Key Managerial Personnel

Name of Key Managerial Personnel	Title	%increase in Remuneration in comparison to last year	Ratio of Remuneration to MRE
Mr. Vasudev Lalwani	Vice President- Marketing	26.31%	5.43
Mr. Anuj Khator	Sr. Accounts Officer	13.81 %	2.33
Ms. Shilpi Keswani	Company Secretary cum Compliance Officer	34.37%	1.20

1. The remuneration disclosed here is upto 31st March 2017 as per the audited Financial Statements.
2. Mr. Dinesh Gurnani has resigned from office of Whole time Director and CFO , and has been paid salary upto May 2016.
3. The Median Remuneration of Employees excluding Managing Director and Whole-time Director is Rs.2,12,000 approx.

   * 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.
4. No employee received remuneration in excess of the highest paid Director.
5. The median remuneration of employees was Rs. 2,12,000 as on 31st March 2017 and Rs.1,80,600 as on 31st March, 2016. There was an increase in MRE during the financial year 2016-17 of 17.39%.
6. The total number of permanent employees on the rolls of Company were 537 employees as on 31st March 2017.

7. The total revenue growth and Profit before exceptional items and tax of the Company during the financial year 2016-17 as compared to financial year 2015-16 was increased by 7.35% and 8.45% respectively. While aggregate remuneration of the employees was increased by 32.70% 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.
8. Average Salary increase of non-managerial employees was 22.28 % and that of managerial employees 2.32 % in financial year 2016-17. There are no exceptional circumstances in increase in managerial remuneration.
9. The Board increased the remuneration of Mr. Narain Das Gurnani, Whole-time Director and CFO of the Company subject to the approval of shareholders at the upcoming Annual General Meeting. There has been no change in the remuneration of any other director.
10. Remuneration paid during the year ended 31st March 2017 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 III of this report.

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

5. Directors and Key Managerial Personnel (KMP)

Change in directors and KMP during the year

Mr. Narain Das Gurnani has been appointed as the Whole –Time Director and CFO w.e.f. September 28th 2016. Mr. Murlidhar Kaurani resigned from his directorship w.e.f. February 13th 2017.The Shareholders of the Company at their 9th Annual General Meeting (AGM) held on 28th September, 2016 re-appointed Ms. Jyoti Gurnani as Director whose office was liable to retire by rotation.

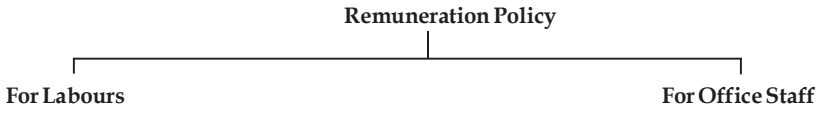
Sr. No.	Name Of Director	Designation	Date of Appointment
1.	Mr. Akshay Kumar Gurnani	Executive Managing Director and CEO	27/08/2014
2.	Mr. Narain Das Gurnani	Whole –Time Director and CFO	28/09/2016
3.	Mr. Mohan Sukhani	Non-executive Independent Director	31/08/2012
4.	Mr. Govind Ram Thawani	Non-executive Independent Director	31/08/2012
5.	Ms. Jyoti Gurnani	Director	27/08/2014

1. Mr. Kanwarjeet Singh has been appointed as the Additional Director Non-executive Independent Director w.e.f. May 6th 2017.

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



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

Five (5) Board meeting were held during the year 2016-2017 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	23rd May 2016
2	2nd August 2016
3	5th Septmber 2016
4	14th November 2016
5	13th February 2017

Declaration by 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 is 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.

Name of Committee	Composition of Committee
Audit Committee	1. Mr. Govind Ram Thawani - Chairman 2. Mr. Mohan Sukhani 3. Mr. Narain Das Gurnani
Nomination and Remuneration Committee1	1. Mr.Govind Ram Thawani – Chairman 2. Mr. Murlidhar Kaurani 3. Mr. Mohan Sukhani
Shareholders'/Investors' Grievance Committee	1. Mr.Govind Ram Thawani - Chairman 2. Mr. Narain Das Gurnani 3. Mr. Mohan Sukhani
Corporate Social Responsibility Committee	1.Mr. Govind Ram Thawani, Chairman 2. Mr. Mohan Sukhani 3. Mr. Narain Das Gurnani
Internal Complaint Committee	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. Murlidhar Kaurani resigned w.e.f 13th February 2017 and Mr. Kanwarjeet Singh was appointed as the additional Non Executive Independent director, and became a member of the Nomination & Remuneration Committee, 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 2017 and state that :

(a) in the preparation of the annual accounts for the financial year ended 31st March 2017, 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 2017 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 transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are audited and a statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval.

The Company has put in place a mechanism for certifying the Related Party Transactions Statements placed before the Audit Committee and the Board of Directors from an Independent Chartered Accountant. The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company viz. www.vetoswitchgears.com. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

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

However, you may refer to Related Party transactions in Note No.34 of the Standalone Financial Statements.

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 .

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. The Board has proposed to appoint M/s. K. M. Tulsian & Associates (Firm Registration No. 111075W), as the Statutory Auditor(s) of the Company for a period of 5 years commencing from the conclusion of the 10th Annual General Meeting till the conclusion of 15th Annual General Meeting to be held in the year 2022 , subject to the ratification by members at every Annual General Meeting to be held subsequent to the 10th Annual General Meeting and subject to their eligibility under Section 141 of the Companies Act, 2013.

The Company has received a letter from Statutory Auditors to the effect that their appointment, if made would have be within the prescribed limits under Section 139 of the Companies Act, 2013 and that they are not disqualifies 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 2017-18. 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 2016-17. The Secretarial Audit Report for the Financial Year ended 31st March 2017 is annexed herewith marked as Annexure VI 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 Annexures 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 regarding assessment order issued and the details have been provided in the Independent Auditors Report.

13. Extract of Annual Return

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

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, all shares post IPO, of the Company is held in demat form.

16. Report under the Prevention of Sexual Harassment Act

As a good corporate citizen, Veto is committed to a gender friendly workplace. It seeks to enhance equal opportunities for men and women, prevent/stop/redress sexual harassment at the workplace and institute good employment practices. Veto has established suitable processes and mechanisms to ensure issues such as sexual harassment, if any, are effectively addressed. Maintaining an open door for repartees, Veto encourages employees to report any harassment concerns and is responsive to complaints about harassment or any other unwelcome and offensive conduct. An Internal Complaints Committee has been constituted to enquire into complaints and recommend appropriate action, wherever required. Veto demands, demonstrates and promotes professional behavior and respectful treatment of all employees. During the year, no complaints of sexual harassment were received.

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 utilizing alternate sources of energy; Energy conservation measures taken Company has taken several steps to conserve energy through its "Sustainability" initiatives. The Company continues its endeavor 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 has 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:

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

- Increased Customer satisfaction & sale ability.
- Improved Brand equity.

- Cost Reduction through Quality & productivity.
- 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 1,64,09,976 INR and the Foreign Exchange outgo in terms of actual outflows (including machinery imported) was 21,73,177 INR. Hence net foreign exchange inflow is 14236799.374 INR. 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

The stock options were granted to the eligible employee at the meeting of Nomination and Remuneration Committee held on 23rd May 2016. The said grant of Stock options has been approved by the Nomination and Remuneration Committee at its meeting and a certified true copy of the resolution passed in the Nomination and remuneration committee meeting along with the list of employees to be granted such options, has been presented before the Board and initialed by the Chairman for the purpose of identification. The eligible employees were granted the Stock Options pursuant to the terms and conditions as set out in the Option Agreement, after being approved by the said committee and an intimation of the same was given to the concerned stock exchange where the Shares of the Company are listed, i.e. Bombay Stock Exchange and National Stock Exchange.

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

Wires and cables play an indispensable role in today's digitally-enriched life and find extensive usage across a number of applications in several industries. The continuously rising set of applications of wires and cables across the burgeoning power, automotive, telecommunication, and construction industries are expected to bode well for the global consumption of wire and cable materials in the next few years. The market for wire and cable materials, thus, is projected to tread along a healthy growth path over the period between 2016 and 2024.

Over the years, the global cables and wires market has been exhibiting strong growth momentum, supported by demand from power supply companies, telecom operators and other end-user industries such as building & construction and industrial segments.

The main customers for the wire and cable industry are the automotive, telecommunication and construction industries. In the past few years, these three have witnessed a rapid expansion and have led to an annual growth of about 25% in India.

The electronics market of India is one of the largest in the world and is anticipated to is 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.

One of the major tax reforms, The Goods and Services Tax (GST) Amendment Bill passed during the year, aims at streamlining the country's complex tax system, reduce fragmentation in markets, lower business costs, and widen the tax base. Robust implementation of these legislative changes will be key to boost prospects of the organised market.

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.

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

ii. Market Overview

The Indian wire and cable industry is growing satisfactorily and getting more and more consolidated and becoming largely organized now. However, slowdown in construction activity has been one of the major factors for a sluggish growth. 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 government's spending in infrastructure, smart cities, real estate boom, and housing explosion.

Initiatives such as excise duty exemption for Ferro-silicon-magnesium and pig iron used for manufacturing components for wind-operated electric power generators and the target set by the Jawaharlal Nehru National Solar Mission to generate more than 1,00,000 MW of solar power by the end of 2022, will boost the demand for electrical wires and cables in this region.

The Central Government's 'Housing for All by 2022' (20mn houses for urban poor and 30mn for rural poor) and Smart Cities (development of 100 cities) missions promise to trigger fast-paced rollout of new homes. This should usher in multi-year growth for electrical products and appliances. Increasing consumer focus on aesthetics and energy efficiency has also resulted in notable shift towards branded products. With its ability to offer competitive pricing, superior product range & quality, upgraded technology and innovations, more safety features, and increased brand awareness, VETO is well placed to offer an enriching consumer experience.

iii. Competition

The market consists of a number of international and regional or local vendors who face intense competition from the unorganized vendors. The regional and unorganized players in the market are offering products at a comparative price which induces the well-established international electric wire and cable manufacturers to focus on differentiating their products to sustain their market shares. In addition to innovative product offerings, cable and wire manufacturers are also following strategies such as mergers and acquisitions to acquire new technologies and expand their customer reach.

The leading vendors in the market are -

- Finolex Cables
- Havells India
- KEI Industries
- Polycab Wires

The other prominent vendors in the market are Cable Corporation of India, Apar Industries Limited, Cords Cable Industries, KEC International, LS Cable India, Shilpi Cable Technologies, Universal Cable, and V-Guard Industries.

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.

Your Company has major earning in the state of Rajasthan and Gujarat. But this year our focus is to widen and cover more and more states of India. Almost 10 stated have become a major part of our distribution Network stating Maharashtra, Punjab, Madhya Pradesh, Haryana, Uttar Pradesh, Jharkhand, Kerela, New Delhi and Assam . 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.

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

vii. Weakness

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

viii. Opportunity

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

ix. Threats

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

In Lacs

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Gaurantee given by bank on behalf of the Company	2,097,000	9,497,000
Disputed Sales Tax Liability	-	660,367
Estimated amount of contracts remaining to be executed on Capital Account (Net of Advance)	9,931,310	30,714,526
Total	12,028,310	40,871,893

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

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

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

for and on behalf of the Board of Directors

Date: 06/09/2017

Place: Jaipur

Sd/-	Sd/-
Akshay Kumar Gurnani	**Narain Das Gurnani**
Managing Director & CEO	**Whole-time Director & CFO**
DIN: 06888193	**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. Jitendra Kumar

* There was a change in composition of Directors in the following year.Mr. Dinesh Gurnani resigned w.e.f., June 23, 2017 and Mr. Akshay Kumar Gurnani was appointed as the Additional Director, thereafter.

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

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

On 23rd 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. 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.

Annexure II

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

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) In the prescribed form AOC-1

Part "A": Subsidiaries

Amounts in INR except % of shareholding

Particulars	**Details**	
Name of the subsidiary	**Veto Overseas Private F.Z.E**	**Veto Electricals Private Limited**
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	**March 31, 2017**	**March 31, 2017**
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	AED 1 = 17.65 INR	-
Share capital	18120000	10,00,000
Reserves & surplus	136,653415	(6204351.79)
Total assets	282060681	49771004.21
Total Liabilities	13,77,84,981	54975356
Investments	0	0.00
Turnover	1,187,358,049	0.00
Profit before taxation	85662481	(3544500.25)
Provision for taxation	0	0.00
Profit after taxation	85662481	(3544500.25)
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, 2017.
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, 2017.
4. Part B of the Annexure is not applicable as there is no associate companies/joint ventures of the Company as on 31st March, 2017.

Date: 06/09/2017
Place: Jaipur

Akshay Kumar Gurnani
Managing Director & CEO
DIN: 06888193

Narain Das Gurnani
Whole Time Director & CFO
DIN: 01970599

Annexure III

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, 2017 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.

2. Our Policy

Our Company has complied with the provisions and other requirements of the SEBI (Listing Obligations and Disclosure Reqirements) 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, Risk Management Committee and the Shareholders'/ Investors Grievance Committee of our Company are given below:

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, 2017:

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.	Mr. Akshay Kumar Gurnani	Managing Director, Chairman / Promoter	-	-
2.	Mr. Narain Das Gurnani	Executive Whole – Time Director	03	-
3.	Ms. Jyoti Gurnani	Director	-	-
4.	Dr. Kanwarjeet Singh	Non-Executive Independent Director	01	-
5.	Mr. Mohan Sukhani	Non-Executive Independent Director	04	-
6.	Mr. Govind Ram Thawani	Non-Executive Independent Director	04	04

Details of directors appointed and resigned during the year under review: During the year Mr. Murlidhar Kaurani resigned from his post and in his place Dr. Kanwar Jeet Singh was appointed as the Non executive independent Director w.e.f. February 13th 2017.

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, Chairman and 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

During the year under review, the Independent Directors met on February 02nd, 2017, inter alia, to :

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-ExecutiveDirectors;
- Evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at this Meeting.

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 28th Sept 2016
		23 may 2016	02 Aug 2016	05 Sept 2016	14 Nov 2016	13 Feb 2017	
1.	Akshay Kumar Gurnani	✓	✓	✓	✓	✓	✓
2.	Narain Das Gurnani	✓	✓	✓	✓	✓	✓
3.	Jyoti Gurnani	✓	✓	✓	✓	✓	✓
4.	Murlidhar Kaurani	Leave of absence	Leave of absence	Leave of absence	Leave of absence	Leave of Absence	Leave of Absence
5.	Mohan Sukhani	✓	✓	Leave of absence	✓	✓	Leave of Absence
6.	Govind Ram Thawani	✓	✓	✓	✓	✓	✓

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. Narain Das 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 134of 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 half-yearly financial statements before submission to the Board for approval.
6. Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow-up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower Mechanism, in case the same exists.
13. Carry out any other function as is mentioned in the terms of reference of Audit Committee

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					
		22/04/2016	23/05/2016	02/08/2016	05/09/2016	14/11/2016	13/02/2017
1.	Mr. Govind Ram Thawani-Chairman	✓	✓	✓	✓	✓	✓
2.	Mr. Mohan Sukhani	✓	✓	✓	✓	✓	✓
3.	Mr. Narain Das 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. Dr. Kanwarjeet Singh
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.

iii. 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		
		23/05/2016	05/09/2016	13/02/2017
1.	Mr. Govind Ram Thawani – Chairman	✓	✓	✓
2.	Mr. Mohan Sukhani	✓	✓	✓
3.	Mr. Murlidhar Kaurani (upto 13.02.2017)	✓	✓	✓
4.	Mr. Kanwarjeet Singh	-	-	✓

iv. 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. Narain Das Gurnani
3. Mr. Mohan Sukhani

The Company Secretary 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	5	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 exemplar of good practice.

Standards of business conduct

- We recognise that good CSR embraces all aspects of sustainable development and the way we affect people through our business operations;
- We will assess which social issues are of most relevance to the contract and decide at what stage in the procurement lifecycle this social policy could most effectively and legally be included;
- We shall operate in a way that safeguards against unfair business practices;
- We believe that a responsible approach to developing relationships between companies and the communities they serve, global or local, is a vital part of delivering business success;
- When carrying out our business, in consultation with our customers, we will determine the environmental, social and economic issues;

- Our contracts will clearly set out the agreed terms, conditions and the basis for our relationship;
- We will continually review our policies and business practices to encourage engagement with small and medium enterprises and to promote the development of the regional supply chain.

Corporate Governance

- We will share and declare information on personal and corporate conflicts of interest and seek guidance from higher authority before acting;
- We are committed to ensuring that our business is conducted in all respects according to rigorous ethical, professional and legal standards;
- All the laws that regulate and apply will be complied with;
- We endeavor 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 endeavor 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 minimize 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 behaviors 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. Narain Das 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.

(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 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 (in Rs.)	Director's Sitting Fees (in Rs.)
1.	Akshay Kumar Gurnani	15,00,000	-
2.	Narain Das Gurnani	8,87,142	-
3.	Jyoti Gurnani	6,00,000	-
4.	Murli dhar Kaurani	-	-
5.	Mohan Sukhani	-	10,000
6.	Govind Ram Thawani	-	12,500
7.	Kanwarjeet Singh	-	-

(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.

On May 23rd 2016, the company has granted 916355 stock options to the eligible employee's convertible into 916355 stock options of Rs. 10 each whereby each option carries the right to the holder for one equity share of the Company at Rs. 50. The Options shall vest in 1 year from the date of Grant. The exercise period shall be 3 years after vesting period. As per the scheme, the exercise price is determined by the Compensation Committee. The fair value of the option is determined at the Market Price based on latest available closing price on a recognised stock exchange on the date immediately prior to the grant date.

(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	Name of person, conducting postal ballot
1	September 28th , 2016	Mumbai, 12:00 P.M.	02	NA	NA
2	August 26th , 2015	Mumbai, 1:00 P.M.	03	NA	NA
3	August 27th , 2014	Mumbai, 12:30 P.M.	06	NA	NA

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

During the year, no resolutions have been passed through postal ballot.

(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. Narain Das Gurnani	Uncle of Mr. Akshay Kumar Gurnani and Ms. Jyoti Gurnani
Ms. Jyoti Gurnani	Sister of Mr. Akshay Kumar 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 Marathi 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 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 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 Share

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 full text of the Code is available on the website of Company under http://www.vetoswitchgears.com/investor/corporate-governance/policies-and-related-documents under the head Code for SEBI (Prohibition of Insider Trading), Regulations, 2015 in the 'Corporate Governance' section.

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 29th May, 2015 and shall become applicable w.e.f 29th 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 if 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, 5th Floor Plot No. B-9, Landmark Building, New Link Road, Andheri (West), Mumbai, Maharashtra-400058.

2. Annual General Meeting

Date	Day	Time	Venue
29/09/2017	Friday	12:00.P.M.	G-05, China 1, Bandra Kurla complex, Bandra East, Mumbai Maharashtra 400051

3. Financial Year: 1st April, 2016 to 31st March, 2017

4. Book Closure

The Book Closure date will be September 27th, 2017 to September 29th, 2017 (both days inclusive) for the purpose of Annual General Meeting.

5. Dividend

The Board of Directors at their Meeting held on May 30th, 2017, recommended dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting of Re. 1/- per share having face value of Rs. 10/- each aggregating to 10% of F.V. , for the financial year ended on 31st March 2017. The Dividend shall be paid to the members whose names appear on Company's Register of Members on September 26th , 2017 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on September 26th , 2017 furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting shall be paid on or after October 3rd, 2017.

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. Tentative Calendar for Financial Year ending March 31st , 2018

The tentative dates for Board Meetings for consideration of quarterly financial results are as follows:

Sr. No.	Particulars of Quarter	Tentative dates
1.	First Quarter Results	In or before the Fourth week of July 2017.
2.	Second Quarter & Half Yearly Results	In or before the Fourth week of October 2017.
3.	Third Quarter & Nine-months Results	In or before the Fourth week of January 2018.
4.	Fourth Quarter & Annual Results	In or before the Fourth week of April 2018.

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 has paid 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
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis,Makwana Road,
Marol, Andheri East,
Mumbai 400059,
Maharashtra. 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, 2017 is as under:

Mode	No. of Shares	%(Percentage)
Shares in Demat mode with NSDL	5008581	27.33
Shares in Demat mode with CDSL	13318514	72.67
Shares in Physical mode	5	0.00
Total	**18327100**	**100**

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 2016-17 are as under:

Month	Price at BSE				Price at NSE		
	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades	High (Rs.)	Low (Rs.)	Total Traded Quantity
April, 2016	102.15	85	424732	4995	102.00	85.15	14,05,833
May, 2016	123.90	91	1728203	16899	124.00	91.00	46,58,759
June, 2016	143.00	109.8	2481021	33086	143.25	109.25	75,41,456
July, 2016	145.00	127.8	2291646	18144	144.30	127.80	37,73,462
August, 2016	144.90	102.55	913656	12267	144.80	119.00	22,94,494
September, 2016	147.90	112.75	1187139	13060	147.70	112.10	26,60,801
October, 2016	170.50	133.9	1049368	16466	169.60	132.20	42,61,269
November, 2016	174.90	126.3	841348	12486	175.00	126.50	24,31,050
December, 2016	138.80	124.15	217933	4541	139.00	124.00	7,73,309
January, 2017	149.40	132.2	318698	6257	149.85	131.90	10,23,885
February, 2017	148.10	127.65	356414	5408	148.30	127.00	10,34,821
March, 2017	155.00	134.5	463283	7044	155.50	134.00	17,16,250

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

Month	BSE closing	NSE Closing	Closing Sensex
April, 2016	96.65	96.25	25606.62
May, 2016	113.45	113.00	26667.96
June, 2016	137.4	137.70	26999.72
July, 2016	137.3	137.80	28051.86
August, 2016	121.35	121.55	28452.17
September, 2016	131.55	131.45	27865.96
October, 2016	161.6	161.35	27930.21
November, 2016	138.4	138.70	26652.81
December, 2016	134.4	133.45	26626.46
January, 2017	144.75	145.45	27655.96
February, 2017	140.8	141.40	28743.32
March, 2017	151.1	150.60	29620.5

Source: BSE, NSE.

13. Distribution of Shareholding and Shareholding Pattern as on March 31, 2017:

(NSDL-CDSL-Physical) **CATEGORYWISE SUMMARY** **As on Date :** 31/03/2017

CATEGORY	Total Shareholders	% Of Shareholders	Total Shares	%
CLEARING MEMBER	127	1.6678	269256	1.4692
CORPORATE BODIES	183	2.4032	750955	4.0975
CORPORATE BODIES (PROMOTER CO)	1	0.0131	9150704	49.9299
CORPORATE BODY NBFC	2	0.0263	38650	0.2109
FOREIGN PORTFOLIO INVESTOR	3	0.0394	1313500	7.1670
NATIONALISED BANKS	1	0.0131	50	0.0003
NON RESIDENT INDIANS	291	3.8214	435064	2.3739
PROMOTERS	8	0.1051	1514170	8.2619
PUBLIC	6999	91.9107	4854751	26.4895
TOTAL	**7615**		**18327100**	**100.0000**

(NSDL-CDSL-Physical) **List of 1.00 % & Above Share Holders** **As on Date :** 31/03/2017

Sr.No	Category	FolioNo / ClientID	Shareholder's Name	Shares	Percentage
1	CORPORATE BODIES (PROMOTER CO)	1201770100771220	VETO ELECTROPOWERS (INDIA) PRIVATE LIM	9150704	49.9299
2	PROMOTERS	1201770100800979	HARISH KUMAR GURNANI	733333	4.0014
3	FOREIGN PORTFOLIO INVESTOR	IN30016710048705	SILVER STALLION LIMITED	534000	2.9137
4	FOREIGN PORTFOLIO INVESTOR	IN30317320024091	SENNA PENDULA	497000	2.7118
5	PROMOTERS	1203460000444189	KISHORE KUMAR GURNANI .	430014	2.3463
6	PUBLIC	IN30115120216669	BRAHMAL VASUDEVAN	413457	2.2560
7	FOREIGN PORTFOLIO INVESTOR	IN30371911036647	KUBER INDIA FUND	282500	1.5414
TOTAL				**12041008**	**65.7006**

(NSDL-CDSL-Physical) **DISTRIBUTION OF SHAREHOLDING (IN RUPEES)** **As on Date :** 31/03/2017

SHAREHOLDING OF NOMINAL RS.	- RS.	NUMBER OF SHAREHOLDERS	PERCENTAGE OF TOTAL	SHARE AMOUNT RS.	PERCENTAGE OF TOTAL
1	5000	6173	81.0637	8770270	4.7854
5001	10000	659	8.6540	5440380	2.9685
10001	20000	291	3.8214	4462060	2.4347
20001	30000	131	1.7203	3380570	1.8446
30001	40000	120	1.5758	4148140	2.2634
40001	50000	59	0.7748	2800970	1.5283
50001	100000	95	1.2475	7169060	3.9117
100001	9999999999	87	1.1425	147099550	80.2634
Total :		**7615**		**183271000**	**100.0000**

ii. Category of shareholders

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

iii. Share Holding pattern

S.NO.	Name	Shares	Percentage of shareholding
I	**Promoter Group**		
A	**Individual**	**1514170**	**8.2619**
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	108867	0.5940
7	ROHIT KISHORE GURNANI	109978	0.6001
8	KANISHAKA KISHORE GURNANI	109978	0.6001
B	**Body Corporate**	**9150704**	**49.9299**
1	Veto Electropowers (India) Private Limited	9150704	49.9299
II	**Public**	7662226	41.81
III	**Non Promoter-Non Public**	0	0.00
IV	**Shares underlying DRs**	0	0.00
V	**Shares held by Employee Trusts**	0	0.00
	TOTAL	**18327100**	**100.00**

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

14. ADDRESS FOR CORESPONDENCE:

- **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 Pvt. Ltd.
  1st Floor, Bharat Tin Works Building,
  Opp. Vasant Oasis, Makwana Road,
  Marol, Andheri East,
  Mumbai 400059,
  Maharashtra.

  Tel.: +91 22-6263 8200
  Facsimile: +91 22-6263 8299
  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 2016-17, 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 Notes toAccounts of the Annual Report.

(b) Details of non-compliance by the Company, penalties, strictures 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 strictures, 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 'Code & Policies' 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: 06/09/2017

Place: Jaipur

Sd/-	**Sd/-**
Akshay Kumar Gurnani	**Narain Das Gurnani**
Managing Director & CEO	***Whole-time Director & CFO***
DIN: 06888193	**DIN: 01970599**

Annexure IV

Annual Report on Corporate Social Responsibilities (CSR) activities for the financial year 2016-2017

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 : Annexure IV Corporate Governance Report
2. Composition of CSR Committee	Refer : Annexure IV Corporate Governance Report
3. Average net profit of the Company for last three financial years	**947.95 Lacs**
4. Prescribed CSR Expenditure i. two percent of the amount mentioned in item 3 above) : **1895910.07** ii. Amount unspent carried forward from last Financial year : Nil	**18.96 Lacs**
5. Details of CSR spent during the Financial year :	
Total amount to be spent for the financial year	9.08
Amount unspent, if any	9.87
Manner in which the amount spent during the financial year	Given Below

Details of Amount spent on CSR Activities during the financial year 2016-2017

[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 Sub-heads: (1)Direct Expenditure on projects or programs (2) Overheads:**	**Cumulative expenditure upto the reporting period.**	**Amount spent:**
1	**Rural Development/Weaker Section**	**Vidhwa Women Help**	**Rajasthan**	**Rs. 1137546(i.e 60% of Projected Yearly Expenditure)**	**33200**	**118850**	**Direct**
		Medical Relief	**Jaipur**		**20000**	**31000**	**Direct**
		Education to Weaker Staff children expense	**Jaipur**		**51900**	**94170**	**Direct**

		Charity & Donations	Jaipur and other parts of Rajasthan		41000	354460	Direct
		Other (Including Natural Calamities)	-		-	1478188	Direct and through Implementing Agency
	Total				146100	2076668	
2	Animal Protection	Cow Expenses	Gaushala , Jaipur	Rs. 379182 (i.e.20% of Projected Yearly Expenditure)	380000	1060957	Direct
	Water Facility to needed People	Water Tanks	Jaipur	Rs. 379182 (i.e.20% of Projected Yearly Expenditure)	382380	1091480	Direct

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

Date: 06/09/2017

Place : Jaipur

Sd/-
Akshay Kumar Gurnani
(Managing Director)
DIN: 06888193

Sd/-
Govind Ram Thawani
(Chairman, CSR Committee)
DIN: 06367093

ANNEXURE V

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31st, 2017

[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)	**CIN**	L31401MH2007PLC171844
ii)	**Registration Date**	20/06/2007
iii)	**Name of the Company**	Veto Switchgears and Cables Limited
iv)	**Category** **Sub-Category of the Company**	Company Limited by Shares Indian Non- Government Company
v)	**Address of the Registered Office and contact details**	506, 5th Floor, Plot No. B-9, Landmark Building,New Link Road, Andheri(West), Mumbai Info@vetoswitchgears.com , cs@vetoswitchgears.com Telephone No.: 0141-4100410 Fax No.: 0141-4100400
vi)	**Whether listed company Yes / No**	Yes
vii)	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri(E) Mumbai-400 072 info@bigshareonline.com

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	Wires and Cables	2732	48.16%
2	Lighting & Fittings	2740	23.41%
3	Electrical Accessories & Others	2710	28.43%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. N0	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Veto Electricals Private Limited Add.: 230, Sindhi Colony, Raja Park, Jaipur-302004	U31300RJ2008PTC026189	Subsidiary	100%	Section 2 (87)
2.	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

Statement Showing Shareholding Pattern										
		No. of Shares held at the beginning of the year: 02/04/2016 00:0				No. of Shares held at the end of the year :31/03/2017				
	Category of Shareholder	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	% Change
(A) Shareholding of Promoter and Promoter Group										
Indian										
(a)	INDIVIDUAL / HUF									
		2500170	0	2500170	13.64	1514170	0	1514170	8.26	(5.38)
(b)	Central / State government(s)									
		0	0	0	0.00	0	0	0	0.00	0.00
(c)	BODIES CORPORATE									
		10650704	0	10650704	58.11	9150704	0	9150704	49.93	(8.18)
(d)	FINANCIAL INSTITUTIONS / BANKS									
		0	0	0	0.00	0	0	0	0.00	0.00
(e)	ANY OTHERS (Specify)									
(i)	GROUP COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
(iii)	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A)(1) :	13150874	0	13150874	71.76	10664874	0	10664874	58.19	(13.56)
Foreign										
(a)	BODIES CORPORATE									
		0	0	0	0.00	0	0	0	0.00	0.00
(b)	INDIVIDUAL									
		0	0	0	0.00	0	0	0	0.00	0.00
(c)	INSTITUTIONS									
		0	0	0	0.00	0	0	0	0.00	0.00
(d)	QUALIFIED FOREIGN INVESTOR									
		0	0	0	0.00	0	0	0	0.00	0.00
(e)	ANY OTHERS (Specify)									
		0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A)(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total holding for promoters									
	(A)=(A)(1) + (A)(2)	13150874	0	13150874	71.76	10664874	0	10664874	58.19	(13.56)
(B) Public shareholding										
Institutions										
(a)	Central / State government(s)									
		0	0	0	0.00	0	0	0	0.00	0.00
(b)	FINANCIAL INSTITUTIONS / BANKS									
		0	0	0	0.00	50	0	50	0.00	0.00
(c)	MUTUAL FUNDS / UTI									

		0	0	0	0.00	0	0	0	0.00	0.00
(d)	VENTURE CAPITAL FUNDS									
		0	0	0	0.00	0	0	0	0.00	0.00
(e)	INSURANCE COMPANIES									
		0	0	0	0.00	0	0	0	0.00	0.00
(f)	FII'S									
		0	0	0	0.00	0	0	0	0.00	0.00
(g)	FOREIGN VENTURE CAPITAL INVESTORS									
		0	0	0	0.00	0	0	0	0.00	0.00
(h)	QUALIFIED FOREIGN INVESTOR									
		0	0	0	0.00	0	0	0	0.00	0.00
(i)	ANY OTHERS (Specify)									
		0	0	0	0.00	0	0	0	0.00	0.00
(j)	FOREIGN PORTFOLIO INVESTOR									
		21451	0	21451	0.12	1313500	0	1313500	7.17	7.05
(k)	ALTERNATE INVESTMENT FUND									
		0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (B)(1) :	21451	0	21451	0.12	1313550	0	1313550	7.17	7.05
Non-institutions										
(a)	BODIES CORPORATE									
		1283737	0	1283737	7.00	750955	0	750955	4.10	(2.91)
(b)	INDIVIDUAL									
(i)	(CAPITAL UPTO TO Rs. 1 Lakh)	1619886	10	1619896	8.84	2958174	5	2958179	16.14	7.30
(ii)	(CAPITAL GREATER THAN Rs. 1 Lakh)	1733562	0	1733562	9.46	1896572	0	1896572	10.35	0.89
(c)	ANY OTHERS (Specify)									
(i)	TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	CLEARING MEMBER	272372	0	272372	1.49	269256	0	269256	1.47	(0.02)
(iii)	NON RESIDENT INDIANS (NRI)	110258	0	110258	0.60	296252	0	296252	1.62	1.01
(iv)	NON RESIDENT INDIANS (REPAT)	0	0	0	0.00	26086	0	26086	0.14	0.14
(v)	NON RESIDENT INDIANS (NON REPAT)	95700	0	95700	0.52	112726	0	112726	0.62	0.09
(vi)	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
(vii)	EMPLOYEE	0	0	0	0.00	0	0	0	0.00	0.00
(viii)	OVERSEAS BODIES CORPORATES	0	0	0	0.00	0	0	0	0.00	0.00
(ix)	UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00
(d)	QUALIFIED FOREIGN INVESTOR									
		0	0	0	0.00	0	0	0	0.00	0.00
		39250	0	39250	0.21	38650	0	38650	0.21	(0.00)

	SUB TOTAL (B)(2) :	5154765	10	5154775	28.13	6348671	5	6348676	34.64	6.51
	Total Public Shareholding									
	(B)=(B)(1) + (B)(2)	5176216	10	5176226	28.24	7662221	5	7662226	41.81	13.56
(C) Shares held by Custodians and against which Depository Receipts have been issued										
(a)	SHARES HELD BY CUSTODIANS									
		0	0	0	0.00	0	0	0	0.00	0.00
(i)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (C)(1) :	0	0	0	0.00	0	0	0	0.00	0.00
	(C)=(C)(1)		0		0.00	0	0	0	0.00	0.00
	Grand Total (A) + (B) + (C)	18327090	10	18327100	100.00	18327095	5	18327100	100.00	0.00
NOTES :										
1) NAME,NUMBER OF SHARES HELD & PERCENTAGE OF ENTITIES / PERSONS HOLDING MORE THAN 1% OF THE TOTAL SHARES OF THE COMPANY IS AS PER ANNEXURE										

(ii)*Shareholding of Promoters*

Sr.No	NAME	Number of Shares	% Shares of the Company	% of Shares Pledged/ encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/ encumbered to total shares	% Change in shareholding during the year
1	PUSHPA DEVI GURNANI	2200	0.0120	0.0000	2200	0.0120	0.0000	0.0000
2	MUKESH GURNANI	6600	0.0360	0.0000	6600	0.0360	0.0000	0.0000
3	NARAIN DAS GURNANI	13200	0.0720	0.0000	13200	0.0720	0.0000	0.0000
4	ROHIT KISHORE GURNANI	109978	0.6001	0.0000	109978	0.6001	0.0000	0.0000
5	KANISHAKA KISHORE GURNANI	109978	0.6001	0.0000	109978	0.6001	0.0000	0.0000
6	KISHORE KUMAR GURNANI .	430014	2.3463	0.0000	430014	2.3463	0.0000	0.0000
7	HARISH KUMAR GURNANI	733333	4.0014	0.0000	733333	4.0014	0.0000	0.0000
8	AKSHAY KUMAR GURNANI	1094867	5.9740	0.0000	108867	0.5940	0.0000	-5.3800
9	VETO ELECTROPOWERS (INDIA) PRIVATE LIMITED	10650704	58.1145	0.0000	9150704	49.9299	0.0000	-8.1846
TOTAL		**13150874**	**71.7564**	**0.0000**	**10664874**	**58.1918**	**0.0000**	**-13.5646**

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

	Shareholding at the beginning of the year (as on 1st April 2016)		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
PUSHPA DEVI GURNANI				
At the begining 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 2017			2200	0.0120
MUKESH GURNANI				
At the begining 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 2017			6600	0.0360
NARAIN DAS GURNANI				
At the begining 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 2017			13200	0.0720
ROHIT KISHORE GURNANI				
At the begining 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 2017			109978	0.6001
KANISHAKA KISHORE GURNANI				
At the begining 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 2017			109978	0.6001
KISHORE KUMAR GURNANI				
At the begining of the year	430014	2.3463	430014	2.3463
Date wise Increase/Decrease in Promoter Shareholding during the year	NO CHANGE			
At the end of the year i.e. 31st March 2017			430014	2.3463
HARISH KUMAR GURNANI				
At the begining 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 2017			733333	4.0014
AKSHAY KUMAR GURNANI				
At the begining of the year	1094867	5.9740	1094867	5.9740
Date wise Increase/Decrease in Promoter Shareholding during the year :				

Market Sale of 586000 shares on 26/05/2016	(586000)	(3.1975)		
Market Sale of 300000 shares on 27/05/2016	(300000)	(1.6369)		
Market Sale of 100000 shares on 14/07/2016	(100000)	(0.5456)		
At the end of the year i.e. 31st March 2017			108867	0.59
VETO ELECTROPOWERS (INDIA) PRIVATE LIMITED				
At the begining of the year	10315930	56.2878	10315930	56.2878
Date wise Increase/Decrease in Promoter Shareholding during the year : Market Sale of 500000 shares on 12/07/2016	(500000)	(2.7282)		
Market Sale of 800000 shares on 13/07/2016	(800000)	(4.3651)		
Market Sale of 200000 shares on 14/07/2016	(200000)	(1.0913)		
At the end of the year i.e. 31st March 2017			9150704	49.9299

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

TOP 10 NON PROMOTER'S MOVEMENT					
		Shareholding at the beginning		**Cumulative shares during end**	
Sl. No.	**NAME**	**SHARES**	**% of Total Shares of company**	**SHARES**	**% of Total Shares of company**
1	**SANTOSH BHANSALI (HUF)**				
	At the beginning of the year				
	01/04/2016	0	0.00	101253	0.55
	15/04/2016	(1000)	(0.01)	100253	0.55
	22/04/2016	(1000)	(0.01)	99253	0.54
	13/05/2016	(2243)	(0.01)	97010	0.53
	20/05/2016	(1757)	(0.01)	95253	0.52
	27/05/2016	(7500)	(0.04)	87753	0.48
	10/06/2016	(4221)	(0.02)	83532	0.46
	17/06/2016	(12000)	(0.07)	71532	0.39
	24/06/2016	(11399)	(0.06)	60133	0.33

		29/07/2016	(1000)	(0.01)	59133	0.32
		05/08/2016	1000	0.01	60133	0.33
		19/08/2016	580	0.00	60713	0.33
		02/09/2016	2000	0.01	62713	0.34
		21/09/2016	(1000)	(0.01)	61713	0.34
		30/09/2016	(2000)	(0.01)	59713	0.33
		14/10/2016	(3000)	(0.02)	56713	0.31
		21/10/2016	(1000)	(0.01)	55713	0.30
		28/10/2016	(3000)	(0.02)	52713	0.29
		04/11/2016	(3495)	(0.02)	49218	0.27
		25/11/2016	1000	0.01	50218	0.27
		30/12/2016	3000	0.02	53218	0.29
		06/01/2017	(1500)	(0.01)	51718	0.28
		27/01/2017	(500)	(0.00)	51218	0.28
		24/02/2017	(1000)	(0.01)	50218	0.27
		24/03/2017	(1000)	(0.01)	49218	0.27
		31/03/2017	(1000)	(0.01)	48218	0.26
		At the end of the year				
	2	**HEM CHAND JAIN**				
		At the beginning of the year				
		01/04/2016	0	0.00	100000	0.55
		08/04/2016	10000	0.05	110000	0.60
		27/05/2016	20000	0.11	130000	0.71
		10/06/2016	(10000)	(0.05)	120000	0.65
		22/07/2016	25000	0.14	145000	0.79
		06/01/2017	(47000)	(0.26)	98000	0.53

		27/01/2017	(26000)	(0.14)	72000	0.39
		03/02/2017	(1000)	(0.01)	71000	0.39
		At the end of the year				
	3	**VIJAY KUMAR PAMNANI**				
		At the beginning of the year				
		01/04/2016	0	0.00	72600	0.40
		At the end of the year				
	4	**ASHIKA STOCK BROKING LTD. - CLIENT A/C**				
		At the beginning of the year				
		01/04/2016	0	0.00	88213	0.48
		15/04/2016	(15000)	(0.08)	73213	0.40
		22/04/2016	170	0.00	73383	0.40
		29/04/2016	(15444)	(0.08)	57939	0.32
		06/05/2016	7483	0.04	65422	0.36
		13/05/2016	(30541)	(0.17)	34881	0.19
		20/05/2016	(18489)	(0.10)	16392	0.09
		27/05/2016	(15492)	(0.08)	900	0.00
		03/06/2016	(800)	(0.00)	100	0.00
		10/06/2016	2460	0.01	2560	0.01
		17/06/2016	(2510)	(0.01)	50	0.00
		24/06/2016	9402	0.05	9452	0.05
		30/06/2016	(4115)	(0.02)	5337	0.03
		01/07/2016	(100)	(0.00)	5237	0.03
		08/07/2016	(1000)	(0.01)	4237	0.02
		15/07/2016	(2766)	(0.02)	1471	0.01
		22/07/2016	3066	0.02	4537	0.02

		29/07/2016	4166	0.02	8703	0.05
		05/08/2016	4947	0.03	13650	0.07
		12/08/2016	12739	0.07	26389	0.14
		19/08/2016	(184)	(0.00)	26205	0.14
		26/08/2016	2270	0.01	28475	0.16
		02/09/2016	6955	0.04	35430	0.19
		09/09/2016	4050	0.02	39480	0.22
		16/09/2016	4594	0.03	44074	0.24
		21/09/2016	(1649)	(0.01)	42425	0.23
		23/09/2016	(3000)	(0.02)	39425	0.22
		28/09/2016	(7525)	(0.04)	31900	0.17
		30/09/2016	(1500)	(0.01)	30400	0.17
		07/10/2016	(605)	(0.00)	29795	0.16
		14/10/2016	(27550)	(0.15)	2245	0.01
		21/10/2016	(1855)	(0.01)	390	0.00
		28/10/2016	2315	0.01	2705	0.01
		04/11/2016	(1810)	(0.01)	895	0.00
		11/11/2016	26823	0.15	27718	0.15
		18/11/2016	15705	0.09	43423	0.24
		25/11/2016	(381)	(0.00)	43042	0.23
		02/12/2016	1530	0.01	44572	0.24
		09/12/2016	(196)	(0.00)	44376	0.24
		16/12/2016	(125)	(0.00)	44251	0.24
		23/12/2016	(44151)	(0.24)	100	0.00

		06/01/2017	250	0.00	350	0.00
		13/01/2017	(249)	(0.00)	101	0.00
		20/01/2017	(1)	(0.00)	100	0.00
		17/02/2017	200	0.00	300	0.00
		10/03/2017	1424	0.01	1724	0.01
		17/03/2017	400	0.00	2124	0.01
		24/03/2017	(1924)	(0.01)	200	0.00
		31/03/2017	(100)	(0.00)	100	0.00
		At the end of the year				
	5	**MAHALAXMI BROKERAGE (INDIA) PRIVATE LIMITED**				
		At the beginning of the year				
		10/06/2016	0	0.00	18383	0.10
		31/03/2017	88471	0.48	106854	0.58
		At the end of the year				
	6	**INDIANIVESH SECURITIES LIMITED**				
		At the beginning of the year				
		01/04/2016	0	0.00	31000	0.17
		22/04/2016	1050	0.01	32050	0.17
		13/05/2016	(1000)	(0.01)	31050	0.17
		20/05/2016	31720	0.17	62770	0.34
		27/05/2016	(45260)	(0.25)	17510	0.10
		03/06/2016	(2590)	(0.01)	14920	0.08
		10/06/2016	99940	0.55	114860	0.63
		17/06/2016	16050	0.09	130910	0.71
		24/06/2016	48300	0.26	179210	0.98
		30/06/2016	(50934)	(0.28)	128276	0.70

		01/07/2016	(900)	(0.00)	127376	0.70
		08/07/2016	(4210)	(0.02)	123166	0.67
		15/07/2016	(9651)	(0.05)	113515	0.62
		22/07/2016	(7600)	(0.04)	105915	0.58
		29/07/2016	4700	0.03	110615	0.60
		05/08/2016	3401	0.02	114016	0.62
		12/08/2016	(3500)	(0.02)	110516	0.60
		19/08/2016	(2500)	(0.01)	108016	0.59
		26/08/2016	(5700)	(0.03)	102316	0.56
		02/09/2016	5091	0.03	107407	0.59
		09/09/2016	6259	0.03	113666	0.62
		16/09/2016	(4900)	(0.03)	108766	0.59
		21/09/2016	(6570)	(0.04)	102196	0.56
		23/09/2016	2020	0.01	104216	0.57
		28/09/2016	84	0.00	104300	0.57
		30/09/2016	(4229)	(0.02)	100071	0.55
		07/10/2016	11529	0.06	111600	0.61
		14/10/2016	(16755)	(0.09)	94845	0.52
		21/10/2016	49700	0.27	144545	0.79
		28/10/2016	(150)	(0.00)	144395	0.79
		04/11/2016	(975)	(0.01)	143420	0.78
		11/11/2016	(49900)	(0.27)	93520	0.51
		18/11/2016	250	0.00	93770	0.51
		25/11/2016	75	0.00	93845	0.51
		02/12/2016	2725	0.01	96570	0.53

	16/12/2016	6265	0.03	102835	0.56
	23/12/2016	(200)	(0.00)	102635	0.56
	30/12/2016	(635)	(0.00)	102000	0.56
	03/03/2017	5070	0.03	107070	0.58
	10/03/2017	(7733)	(0.04)	99337	0.54
	17/03/2017	(5400)	(0.03)	93937	0.51
	24/03/2017	(29077)	(0.16)	64860	0.35
	31/03/2017	780	0.00	65640	0.36
	At the end of the year				
7	**SUBHASH PHOOTARMAL RATHOD**				
	At the beginning of the year				
	01/04/2016	0	0.00	130140	0.71
	20/05/2016	(3434)	(0.02)	126706	0.69
	27/05/2016	(58072)	(0.32)	68634	0.37
	16/12/2016	(68625)	(0.37)	9	0.00
	At the end of the year				
8	**KARVY STOCK BROKING LTD (BSE)**				
	At the beginning of the year				
	01/04/2016	0	0.00	270000	1.47
	08/04/2016	(20000)	(0.11)	250000	1.36
	15/04/2016	(50000)	(0.27)	200000	1.09
	22/04/2016	(40000)	(0.22)	160000	0.87
	06/05/2016	(25000)	(0.14)	135000	0.74
	13/05/2016	(16000)	(0.09)	119000	0.65
	20/05/2016	(30000)	(0.16)	89000	0.49
	At the end of the year				

9	GLOBE FINCAP LIMITED				
	At the beginning of the year				
	01/04/2016	0	0.00	80010	0.44
	27/05/2016	(80000)	(0.44)	10	0.00
	At the end of the year				
10	VARDHAMANGLOBAL SHARECOM PVT LTD				
	At the beginning of the year				
	22/07/2016	0	0.00	150000	0.82
	31/03/2017	(50000)	(0.27)	100000	0.55
	At the end of the year				
11	BRAHMAL VASUDEVAN				
	At the beginning of the year				
	16/09/2016	0	0.00	130048	0.71
	21/09/2016	153409	0.84	283457	1.55
	28/09/2016	130000	0.71	413457	2.26
	At the end of the year				
12	MAHIMA STOCKS PRIVATE LIMITED				
	At the beginning of the year				
	01/04/2016	0	0.00	87952	0.48
		(18113)	(0.10)	69839	0.38
	08/04/2016				
	At the end of the year				
13	SUMAN BANG				
	At the beginning of the year				
	01/04/2016	0	0.00	90000	0.49
	03/06/2016	(17508)	(0.10)	72492	0.40
	15/07/2016	(46441)	(0.25)	26051	0.14
	02/09/2016	(7419)	(0.04)	18632	0.10
	At the end of the year				

14	**KISHORE M.BANG**				
	At the beginning of the year				
	01/04/2016	0	0.00	130000	0.71
	02/09/2016	(9991)	(0.05)	120009	0.65
	09/09/2016	(91828)	(0.50)	28181	0.15
	At the end of the year				
15	**MINDSET SECURITIES PRIVATE LIMITED**				
	At the beginning of the year				
	01/04/2016	0	0.00	115880	0.63
	09/09/2016	(8569)	(0.05)	107311	0.59
	At the end of the year				
16	**BHUPENDRA SHAH**				
	At the beginning of the year				
	24/02/2017	0	0.00	34601	0.19
	03/03/2017	65399	0.36	100000	0.55
	At the end of the year				
17	**SNEHAL BHUPENDRA SHAH**				
	At the beginning of the year				
	11/11/2016	0	0.00	50000	0.27
	03/02/2017	50000	0.27	100000	0.55
	17/02/2017	50000	0.27	150000	0.82
	At the end of the year				
18	**ALKA BHARGAVA**				
	At the beginning of the year				
	01/04/2016	0	0.00	51150	0.28
	At the end of the year				

19	NARESH KUMAR BHARGAVA				
	At the beginning of the year				
	01/04/2016	0	0.00	42900	0.23
	31/03/2017	7100	0.04	50000	0.27
	At the end of the year				

(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	Date	No. of shares	% of total shares of the company
1.	At the beginning of the year	01/04/2017	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):	26/05/2016	(586000)	(3.1975)	26/05/2016	508867	2.78
		27/05/2016	(300000)	(1.6369)	27/05/2016	208867	1.14
		14/07/2016	(100000)	(0.5456)	14/07/2016	108867	0.59
	At the End of the year				31/03/2017	108867	0.59

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	825.09			825.09
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	825.09			825.09

Change in Indebtedness during the financial year				
.Addition	153.49			153.49
·Reduction	223.55			223.55
Net Change	-70.06			-70.06
Indebtedness at the end of the financial Year				
i) Principal Amount	754.49			754.49
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ ii+ iii)	754.49			754.49

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	Narain Das 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	4,67,142	6,00,000	25,67,142
	(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 - as % of profit - other, specify….	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (A)	15,00,000	4,67,142	6,00,000	25,67,142
	Ceiling as per the Act	5% Of net profit	5% of net profit	1% of net profit	10% of Net Profit

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total
		Murlidhar Kaurani	Govind Ram Thawani	Mohan Sukhani	
	1. Independent Directors · Fee for attending board committee meetings (Per Meeting Rs.2500/-) · Commission · Others, please specify	0	12,500	10,000	22,500
	Total (1)	0	12,500	10,000	22,500
	2. Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	0	0	0	0
	Total (2)	0	0	0	0
	Total (B)=(1+2)	0	12,500	10,000	22,500
	Total Managerial Remuneration				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Ms. Shilpi Keswani, Company Secretary [2]	CFO[3]	Total
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,49,852	-	2,49,852
(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	-	-	-
	Total	2,49,852	-	2,49,852

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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Date: 06/09/2017

Place: Jaipur

for and on behalf of the Board of Directors

Sd/-	**Sd/-**
Akshay Kumar Gurnani	**Narain Das Gurnani**
Managing Director & CEO	**Whole-time Director & CFO**
DIN: 06888193	**DIN: 01970599**

NISHA AGARWAL

Company Secretary

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

Annexure VI

Secretarial Audit Report

For the Financial Year 2016-17:

[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 **31.03.2017**, 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 **31.03.2017** 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 9th Annual General Meeting held on 28th September, 2016;
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. 15.05.2017, the statutory audit report by M/s. SGCO & Co. dtd. 30.05.2017 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 30th, 2017

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

Annexure-VII

Affirmation by Chairman

Declaration for Compliance with Code of Conduct

To,
The Board of Directors,
Veto Switchgears and Cables Limited,
506, 5th 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 31st March, 2017.

Sd/-
Akshay Kumar Gurnani
DIN: 06888193
Chairman of the Board

Place: Mumbai
Date: March 31st, 2017

Annexure VIII

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 31st March, 2017 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.

Place: Jaipur
Date: August 30th 2017

Nisha Agarwal
Company Secretary in Practice
M.No. FCS: 8345, C.P. No. 8584

Annexure IX

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.

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2017 and that to the best of our knowledge and belief:
   1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. 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.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2016-2017 which are fraudulent, illegal or violative of the Company's code of conduct.

C. 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

Sd/-
Akshay Kumar Gurnani
Managing Director
DIN: 06888193
Pan : AYOPG9890J

Sd/-
Narain Das Gurnani
Chief Financial Officer
DIN 06888193
Pan: AERPG5958A

Place : Jaipur
Date : May 30th, 2017

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 comprises the Balance Sheet as at March 31, 2017, 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 2017, 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 section143 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31 2017, 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. 30 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 were required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 40.

For S G C O & Co. LLP
Chartered Accountants
Firm Reg. No 112081W/W100184

Suresh Murarka
Partner

Mem. No. 44739

Place: Mumbai
Date: 30th May 2017

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 2017.

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) 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 amount 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 Companybut 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 there are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2017 for a period more than six months from the date they became payable.

b) According to the information and explanations given to us there are no 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.

(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.

(ix) 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. LLP
Chartered Accountants
Firm Reg. No. 112081W/W100184

Suresh Murarka
Partner
Mem No : 44739

Place: Mumbai.
Date: 30th May, 2017

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 2017.

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, 2017 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2017, 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 S G C O & Co. LLP
Chartered Accountants
Firm Reg. No. 112081W/W100184

Suresh Murarka
Partner
Mem. No. 44739

Place: Mumbai
Date: 30th May, 2017

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

Balance Sheet as at 31st March, 2017

(Amount in Rs.)

Particulars	Notes	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABLITIES			
Shareholders' Funds			
Share capital	2	183,271,000	183,271,000
Reserves & surplus	3	715,640,754	573,282,283
		898,911,754	**756,553,283**
Non-current Liabilities			
Long-term borrowings	4	53,293,681	60,153,521
Long-term provisions	5	1,241,571	1,080,439
		54,535,252	**61,233,960**
Current Liabilities			
Short-term borrowings	6	233,559,607	340,143,272
Trade payables	7	81,241,094	102,588,228
Other current liabilities	8	59,420,761	72,960,659
Short term provisions	9	5,670,541	33,087,746
		379,892,003	**548,779,905**
		1,333,339,009	**1,366,567,148**
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	10	179,062,467	189,691,400
Intangible assets		14,988	32,188
Capital work in progress		50,256,614	21,039,692
Non - current investments	11	19,269,000	19,269,000
Deferred tax asset (net)	12	10,871,518	8,226,582
Long - term loans and advances	13	260,557,497	348,270,704
Other non - current assets	14	1,989,511	1,114,518
		522,021,595	**587,644,084**
Current Assets			
Current investments	15	-	2,940,000
Inventories	16	337,191,765	336,728,198
Trade receivables	17	426,284,547	401,770,519
Cash and cash equivalents	18	19,327,780	21,173,707
Short - term loans and advances	19	28,513,322	16,310,640
		811,317,414	**778,923,064**
		1,333,339,009	**1,366,567,148**
See Accompanying notes to the financial statements	1 to 41		

As per our report of even date attached

For S G C O & Co.
Chartered Accountants
Firm Reg. No. 112081W / W100184

Suresh Murarka
Partner
Mem. No. 44739

Place: Mumbai
Date : 30th May, 2017

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

Akshay Kumar Gurnani
Managing Direcor
DIN : 06888193

Narain Das Gurnani
Whole Time Director & CFO
DIN : 01970599

Shilpi Keswani
Company Secretary

Place: Jaipur
Date : 30th May, 2017

Veto Switchgears and Cable Limited

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Email: info@vetoswitchgears.com

Statement of Profit and Loss for the year ended 31st March,2017

(Amount in Rs.)

Particulars	Notes	Year ended 31st March, 2017	Year ended 31st March, 2016
INCOME			
Revenue from operation	20	1,203,392,820	1,120,947,800
Other income	21	44,469,938	7,809,941
Total Revenue		**1,247,862,758**	**1,128,757,741**
EXPENSES			
Cost of materials consumed	22	444,443,517	483,557,689
Purchases of stock-in-trade	23	369,130,911	263,243,330
Changes in inventories of finished goods and stock in trade	24	11,916,577	(46,340,867)
Employee benefits expense	25	110,512,022	71,955,514
Finance costs	26	41,030,711	45,477,479
Depreciation	10	16,644,051	19,745,846
Other expenses	27	100,721,989	149,612,115
		1,094,399,778	**987,251,106**
Profit / (Loss) before exceptional items and tax		**153,462,981**	**141,506,634**
Less : Exceptional Items (refer note no. 33)		-	42,102,609
Profit before tax		**153,462,981**	**99,404,025**
Less : Tax expenses			
- Current tax		31,520,000	20,303,000
- MAT Credit (Entitlement)/Utilised		2,723,007	8,934,662
- Tax for earlier years		408	39,186
- Deferred tax liability / (asset)		(2,644,936)	(6,427,362)
Net Profit for the year		**121,864,502**	**76,554,539**
Earnings per equity share	28		
(Nominal value of share Rs.10 each			
- Basic		6.65	4.18
- Diluted		6.50	4.18
See Accompanying notes to the financial statements	1 to 41		

As per our report of even date attached

For S G C O & Co. LLP
Chartered Accountants
Firm Reg. No. 112081W / W100184

Suresh Murarka
Partner
Mem. No. 44739

Place: Mumbai
Date : 30th May, 2017

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

Akshay Kumar Gurnani
Managing Direcor
DIN : 06888193

Narain Das Gurnani
Whole Time Director & CFO
DIN : 01970599

Shilpi Keswani
Company Secretary

Place: Jaipur
Date : 30th May, 2017

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Cash Flow Statement For the year ended 31st March, 2017

(Amount in Rs.)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
A. Cash flow from operating activities		
Net profit before taxation	153,462,981	99,404,025
Adjustments for:		
Depreciation on fixed assets	16,644,051	19,745,846
Diminution / (Reversal) in value of current investments	(2,310,000)	1,957,560
Interest expense	41,030,711	45,477,479
Provision for doubtful debt	6,384,798	2,018,947
Profit on sale of fixed assets	(12,620)	(218,589)
Subsidy received	(2,730,609)	-
Dividend Received from Subsidiary	(20,000,000)	-
Provisions for ESOP	45,256,260	-
Profit on sale of Investment	(394,309)	-
CWIP Written Off	79,516	-
Interest income	(17,378,541)	(5,834,742)
Operating profit before working capital changes	**220,032,237**	**162,550,526**
Adjustments for :		
(Increase) / Decrease in inventories	(463,567)	(86,714,403)
(Increase) / Decrease in Long term Provision	161,132	325,939
(Increase) / Decrease in trade receivables	(30,898,826)	(69,823,707)
(Increase) / Decrease in other assets	-	166,902,709
Increase / (Decrease) in trade payable	(21,347,134)	(419,433)
Increase / (Decrease) in short term provisions	795,134	-
Increase / (Decrease) in other current liabilities	(13,539,898)	38,999,147
Cash generated from / (used in) operations	**154,739,078**	**211,820,778**
Direct taxes paid	(26,670,003)	(26,033,019)
Cash (Outflow) before Prior Period Adjustment	**128,069,075**	**185,787,759**
Prior Period adjustments	-	-
Net cash flow from operating activities	**128,069,075**	**185,787,759**
B. Cash flow from investing activities		
Purchase of fixed assets	(4,845,831)	(11,010,489)
Additions to capital work in progress	(30,448,905)	(20,973,134)
Sale proceeds from fixed assets	13,000	245,000
Sale proceeds from Investment	5,644,309	-
Investment in Subsidiary Company	-	(18,120,000)
Loans & advances received back / (given)	69,838,130	(140,712,511)
Dividend from foreign subsidiary company	20,000,000	-
Redemption / maturity of bank deposits	(196,170)	2,832,267
Interest received	17,378,541	5,834,742
Net cash flow from / (used in) investment activities	**77,383,074**	**(181,904,125)**

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Cash Flow Statement For the year ended 31st March, 2017

C. Cash Flow from Financing Activities		
Proceeds / (Repayment) of borrowings	(113,443,505)	54,179,678
Proceeds from Capital Grant Received	2,730,609	-
Dividend Paid (including dividend distribution tax)	(54,875,646)	(9,163,550)
Interest paid	(41,030,711)	(45,477,479)
Net cash flow from / (used in) financing activities	**(206,619,253)**	**(461,351)**
Net increase / (decrease) in cash and cash equivalents	**(1,167,104)**	**3,422,283**
Cash and cash equivalents at the beginning of the year	19,311,070	15,888,787
Cash and cash equivalents at the end of the year	**18,143,966**	**19,311,070**

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 31st March, 2017**	**As at 31st March, 2016**
Cash on hand	429,955	1,835,555
Balances with bank on current account	17,714,011	17,475,516
	18,143,966	**19,311,070**

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 S G C O & Co. LLP
Chartered Accountants
Firm Reg. No. 112081W / W100184

Suresh Murarka
Partner
Mem. No. 44739

Place: Mumbai
Date : 30th May, 2017

For and on behalf of the Board

Akshay Kumar Gurnani
Managing Direcor
DIN : 06888193

Narain Das Gurnani
Whole Time Director & CFO
DIN : 01970599

Shilpi Keswani
Company Secretary

Place: Jaipur
Date : 30th May, 2017

Veto Switchgears and Cables Limited

Accompanying notes to the financial statements for the year ended 31st March 2017

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 Compay 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 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 Employee Stock Option Scheme

The Company applies the Guidance Note on "Accounting for Employee Share based Payments" issued by the Institute of Chartered Accountants of India ('ICAI') to account for costs related to the stock option plan. Accordingly, compensation expense as determined on the date of the grant is amortised over the vesting period. The Company follows fair value method to calculate the value of the stock options.

L 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.

M 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 monetory 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 .

N 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.

O 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.

Veto Switchgears and Cable Limited

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Accompanying notes to the financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 2 : Share capital

Particulars	As at 31st March, 2017	As at 31st March, 2016
Authorised		
2,00,00,000 (PY 2,00,00,000) Equity shares of Rs.10/- each	200,000,000	200,000,000
	200,000,000	**200,000,000**
Issued, Subscribed and Fully Paid Up		
1,83,27,100 (PY 1,83,27,100) Equity shares of Rs. 10/- each fully paid up	183,271,000	183,271,000
	183,271,000	**183,271,000**

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

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
At the beginning of the year	18,327,100	183,271,000	18,327,100	183,271,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**18,327,100**	**183,271,000**	**18,327,100**	**183,271,000**

Shares allotted for a consideration other than Cash *

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

* Refer note no. 38 for disclosure relating to Employee Stock Option Plan

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.

The Company declare and pays dividend in Indian Rupees. Each equity shareholder has the same right of dividend.

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

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Veto Electropowers (India) Private Limited	-	-	10,650,704	106,507,040

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	% holding	No. of Shares	% holding
Veto Electropowers (India) Private Limited	9,150,704	49.93%	10,650,704	58.11%
Akshay Gurnani	108,867	0.59%	1,094,867	5.97%

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Accompanying notes to the financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 3 : Reserve & surplus

Particulars	As at 31st March, 2017	As at 31st March, 2016
Securities Premium Account		
Balance at the beginning of the year	159,471,817	159,471,817
Add: On further issue of shares	-	-
Balance at the end of the year	**159,471,817**	**159,471,817**
Foreign Currency Translation Reserves *		
Balance at the beginning of the year	(2,517,035)	-
Add : Addition during the year	(2,974,389)	(2,517,035)
Balance at the end of the year	**(5,491,424)**	**(2,517,035)**
Surplus / (deficit) in the statement of profit and loss		
Balance at the beginning of the year	416,327,500	383,889,743
Add : Profit for the year	121,864,500	76,554,537
Less : Appropriations :		
Proposed Dividend	-	27,490,650
Interim Dividend	18,327,100	9,163,550
Dividend Distribution Tax	3,460,800	7,462,579
Balance at the end of the year	**516,404,100**	**416,327,501**
Employee Stock Option Outstanding Account		
At the commencement of the year	-	-
Employee stock compensation expense for the year	45,256,260	-
Balance at the end of the year	**45,256,260**	**-**
	715,640,754	**573,282,283**

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

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Accompanying notes to the financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 4 : Long-term borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016
Secured		
Term loans from banks	71,701,976	76,375,935
Less: Current maturities of long term debt	20,000,000	20,000,000
	51,701,976	56,375,935
Hire purchase loans from banks	3,746,536	6,133,208
Less: Current maturities of long term debt	2,154,831	2,355,623
	1,591,705	3,777,586
	53,293,681	**60,153,521**

Additional information pursuant to long term borrowings :

a) Term loan amounting to Rs. 7,17,01,976 (PY Rs. 7,63,75,935) from Indian Oversease Bank carries interest of Base Rate + 2% 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 Veto Electropowers (India) Private Limited (formerly Holding Company).

b) Hire Purchase Loans amounting to Rs. 37,46,536 (PY Rs. 61,33,208) 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.

Note 5 : Long-term provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for Warranty	1,241,571	1,080,439
	1,241,571	**1,080,439**

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, 2017	As at 31st March, 2016
At the beginning of the year	1,080,439	754,500
Arising during the year	161,132	325,939
Utilised during the year	-	-
Unused amount reversed	-	-
At the end of the year	**1,241,571**	**1,080,439**

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Accompanying notes to the financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 6 : Short-term borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016
(Secured)		
Cash Credit Facility		
From Bank	233,559,607	340,143,272
	233,559,607	**340,143,272**

Additional information pursuant to secured short term borrowing :

Cash credit facility amounting to Rs. 23,35,59,607 (PY Rs. 34,01,43,272) from indian oversease bank carries interest rate of base rate + 1.75% p.a. The loan is sercured 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 Veto Electropowers (India) Private Limited (Formerly Holding Company).

Note 7 : Trade payables

Particulars	As at 31st March, 2017	As at 31st March, 2016
Due to Micro, Small & Medium Enterprises	417,160	189,485
Due to Others	80,823,934	102,398,743
	81,241,094	**102,588,228**

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
The principal amount remaining unpaid to any supplier as at the end of accounting year;	417,160	189,485
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	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the	-	-
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	-	-

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 31st March, 2017	As at 31st March, 2016
Current maturities of loan term debt	22,154,831	22,355,623
Trade deposits	7,376,259	8,926,833
Salary & Wages Payable	4,934,553	4,604,070
Duties & taxes payable	16,832,458	16,534,057
Provision for Expenses	5,933,663	5,881,216
Advance from debtors	1,796,656	14,658,860
Unpaid Dividend	392,341	-
	59,420,761	**72,960,659**

Note 9 : Short term provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for gratuity	795,134	
Provision for taxation (Net of advance tax & TDS)	4,875,407	-
Proposed Dividend	-	27,490,650
Tax on Proposed Dividend	-	5,597,096
	5,670,541	**33,087,746**

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Accompanying notes to the financial statement for the year ended 31st March, 2017

Note 10 : Fixed assets

(Amount in Rs.)

Description	Gross Block				Depreciation				Net Block	
	As At 01.04.2016	Additions during the year	Deductions during the year	As At 31.03.2017	Upto 31.03.2016	Provided upto 31.03.2017	Adjustments	Upto 31.03.2017	As At 31.03.2017	As At 31.03.2016
Intangible Assets										
Goodwill	540,000	-	-	540,000	540,000	-	-	540,000	-	-
Trade Mark	112,000	-	-	112,000	79,812	17,200	-	97,012	14,988	32,188
Sub Total	**652,000**	**-**	**-**	**652,000**	**619,812**	**17,200**	**-**	**637,012**	**14,988**	**32,188**
Tangible Assets				-				-	-	-
Leasehold Land	118,621,732	-	-	118,621,732	1,026,294	130,523	-	1,156,817	117,464,915	117,595,438
Factory Building	38,680,805	-	-	38,680,805	19,281,562	2,112,469	-	21,394,031	17,286,774	19,399,243
Leasehold Improvement	4,646,066	-	-	4,646,066	1,579,441	1,512,007	-	3,091,448	1,554,618	3,066,625
Plant & Machinery	84,742,101	5,814,395		90,556,496	50,041,780	7,878,798	-	57,920,578	32,635,918	34,700,321
Office Equipments	3,179,162	-	-	3,179,162	2,330,045	385,256	-	2,715,301	463,861	849,117
Furniture & Fixtures	10,890,236	112,053	-	11,002,289	6,166,012	1,322,872	-	7,488,884	3,513,405	4,724,224
Computers	2,324,443	8,850	-	2,333,293	1,956,164	229,209	-	2,185,373	147,920	368,279
Vehicles	25,222,539	63,000	43,914	25,241,625	16,234,386	3,055,717	43,534	19,246,569	5,995,056	8,988,153
Sub Total	**288,307,084**	**5,998,298**	**43,914**	**294,261,467**	**98,615,683**	**16,626,851**	**43,534**	**115,199,000**	**179,062,467**	**189,691,400**
Grand Total	**288,959,084**	**5,998,298**	**43,914**	**294,913,467**	**99,235,495**	**16,644,051**	**43,534**	**115,836,012**	**179,077,455**	**189,723,588**
Previous Year	**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**	**-**
Capital Work in Progress										
Office Building at Airport Plaza *	20,158,444	30,098,170	-	50,256,614	-	-	-	-	50,256,614	20,158,444
Leasehold Improvements **	79,516	-	79,516	-	-	-	-	-	-	79,516
Plant & Machineary ***	801,732	350,735	1,152,467	-	-	-	-	-	-	801,732
Total	**21,039,692**	**30,448,905**	**1,231,983**	**50,256,614**	**-**	**-**	**-**	**-**	**50,256,614**	**21,039,692**
Previous Year	**66,558**	**20,973,134**	**-**	**21,039,692**	**-**	**-**	**-**	**-**	**21,039,692**	**-**

* Additions during the year includes borrowing cost amounting to Rs. 25,19,192 (PY Rs. 5,12,958/-)

** Deductions represents amount written off during the year.

*** Deductions represents amount capitalised during the year.

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Accompanying notes to the financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 11 : Non - current investments

Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade, Quoted (At cost, unless stated otherwise)		
Investment in Equity Instruments		
Investment in Subsidiaries		
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		
Investment in Foreign Subsidiaries		
Veto Overseas Private FZE	18,120,000	18,120,000
10,00,000 (PY 10,00,000) Equity Shares of 1 AED each fully paid up		
Others		
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		
	19,269,000	**19,269,000**
Aggregate market value of quoted investments	-	-
Aggregate book value of quoted investments	-	-
Aggregate value of unquoted investments	19,269,000	19,269,000

Note 13 : Deferred tax Asset (Net)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Deferred Tax Assets / (Liabilities)		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	6,572,094	5,663,694
Deferred Tax Assets / (Liabilities)		
Employee Benefits	263,110	(137,282)
Other Provisions	4,036,314	2,700,170
Deferred Tax Asset (Net)	**10,871,518**	**8,226,582**

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Accompanying notes to the financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 14 : Other non - current assets

(Unsecured, Considered Good)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Capital Advances	19,292,593	35,737,780
Security Deposits	31,041,674	131,294,795
Loans & Advances to related parties	194,577,074	164,124,384
MAT credit entitlement	5,376,240	8,099,247
Advance Tax & TDS (net of provisions)	2,111,318	2,086,318
VAT Receivables	8,158,597	6,928,181
	260,557,497	**348,270,704**
Loans and advances to related party includes :		
- Subsidiary company		
Veto Electricals Private Limited	49,960,570	29,950,845
Veto Overseas Private FZE	144,616,504	134,173,539

Particulars	As at	As at
Fixed Deposits (Maturity Period of more than 12 Months) - Held as Margin Money	1,989,511	1,114,518
	1,989,511	**1,114,518**

Note 15 : Current investments

Particulars	As at 31st March, 2017	As at 31st March, 2016
Non-Trade, Quoted (valued at lower of cost or market value)		
Investment in Equity Instruments		
Hindustan Construction Co. Limited	-	5,449,110
150000 (PY 150000) Equity Shares of Re. 1 Each fully paid		
Less : Provision for Dimunition in value of Investment	-	2,509,110
	-	**2,940,000**
Aggregate market value of quoted investments	-	2,940,000
Aggregate book value of quoted investments	-	5,449,110
Aggregate value of unquoted investments	-	-

Note 16 : Inventories

(valued at lower of cost or net realisable value)

Particulars	As at	As at
Finished goods	73,010,719	72,223,139
Stock in trade	110,060,476	122,764,633
Raw materials	144,952,600	132,589,534
Packing materials	9,167,970	9,150,892
	337,191,765	**336,728,198**

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Accompanying notes to the financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 17 : Trade receivables

(Unsecured, considered good)

Particulars	As at	As at
Unsecured		
Due for a period exceeding six months from the date they are due for payment		
Considered Good	48,791,947	46,032,551
Considered Doubtful	12,197,987	5,813,189
	60,989,933	51,845,740
Less :- Provision for Doubtful Debts	12,197,987	5,813,189
	48,791,947	46,032,551
Other debts	377,492,600	355,737,967
	426,284,547	**401,770,519**
Trade receivables includes due from related parties :		
Other debts		
Key Mangerial Prsonnel and Enterprises under significant influence of key management personnel	54,736	33,409
	54,736	**33,409**

Note 18 : Cash and cash equivalents

Particulars	As at	As at
Cash and cash equivalents		
Balances with banks:		
In current accounts	17,714,011	17,475,516
Cash in hand	429,955	1,835,555
Other bank balances		
Balance with banks to the extent held as margin money	3,173,325	2,977,155
Less : Deposits with maturity for more than 12 months		
	1,989,511	1,114,518
	1,183,814	1,862,637
	19,327,780	**21,173,707**

Note 19 : Short - term loans and advances

(Unsecured Considered Good)

Particulars	As at	As at
Advance to creditors		
- Related parties	2,740,173	-
- Others	18,115,546	8,735,809
Staff Advances	5,391,697	5,449,537
Prepaid Expenses	359,544	302,955
Other Advances	1,906,361	1,822,339
	28,513,321	**16,310,640**
Loans and advances to related parties includes :		
Amount due from relative of key management personnel and enterprises under significant influence of key	2,740,173	-
	2,740,173	**-**

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Accompanying notes to the financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 20 : Revenue from operation

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Revenue from operations (Gross)		
Sale of Products *	1,203,042,099	1,119,425,567
Other Operating Revenue		
Scrap Sale	350,721	437,685
Export benefits & incentives	-	627,720
Gain on Foreign Exchange Fluctuations (Net)	-	456,828
	1,203,392,820	**1,120,947,800**

*** Details of Products Sold**

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Finished Goods		
Accessories & Others	291,324,226	325,939,478
Wire & Cables	482,065,104	496,410,655
	773,389,330	**822,350,133**
Traded Goods		
Accessories & Others	50,738,366	32,016,457
Wire & Cables	97,283,695	38,597,758
Lighting & Fittings	281,630,707	226,461,219
	429,652,769	**297,075,434**
	1,203,042,099	**1,119,425,567**

Note 21 : Other income

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest Income	17,378,541	5,834,742
Profit on sale of fixed assets	12,620	218,589
Profit on sale of current Investment	394,309	-
Dividend received from wholly owned foreign subsidiary	20,000,000	-
Subsidy received	2,730,609	
Reversal of Diminution in Value of Investments	2,310,000	-
Miscellaneous Income	1,643,859	1,756,610
	44,469,938	**7,809,941**

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Note 22 : Cost of materials consumed

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Opening stock	132,589,534	91,661,996
Add: Purchases	456,806,583	524,485,227
Less: Closing stocks	144,952,600	132,589,534
	444,443,517	**483,557,689**

* Purchases are stated net of discounts and rate difference.

Details of Material Consumed

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Copper	254,255,978	257,137,382
Alluminium	14,821,973	15,072,312
PVC Compound	38,030,836	38,629,335
Others	137,334,730	172,718,660
	444,443,517	**483,557,689**

Details of Inventory

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Copper	88,475,207	69,877,831
Alluminium	-	702,029
PVC Compound	6,431,009	3,610,955
Others	50,046,385	58,398,719
	144,952,600	**132,589,534**

Note 23 : Purchases of stock-in-trade

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Purchase of stock in trade	369,130,911	263,243,330
	369,130,911	**263,243,330**

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

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Finished goods		
Opening stock		
- Accessories & Others	44,758,002	34,847,701
- Wire & Cables	27,465,137	41,475,692
	72,223,139	76,323,393
Closing stock		
- Accessories & Others	41,400,980	44,758,002
- Wire & Cables	31,609,739	27,465,137
	73,010,719	72,223,139
Changes in inventories of finished goods (A)	**787,580**	**(4,100,254)**
Stock in trade		
Opening stock		
- Accessories & Others	16,162,633	11,544,544
- Wire & Cables	9,073,366	13,027,003
- Lighting & Fittings	97,528,634	47,751,965
	122,764,633	72,323,512
Closing stock		
- Accessories & Others	16,494,879	16,162,633
- Wire & Cables	7,072,480	9,073,366
- Lighting & Fittings	86,493,117	97,528,634
	110,060,476	122,764,633
Changes in inventories of stock in trade (B)	**(12,704,157)**	**50,441,121**
	(11,916,577)	**46,340,867**

Veto Switchgears and Cable Limited

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Accompanying notes to the financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 25 : Employee benefits expense

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Salary, wages and other allowances	55,051,880	62,077,677
Directors Remuneration	2,687,142	2,420,000
Employee Stock Option Compensation Expense	45,256,260	-
Provision for Gratuity	1,782,265	573,823
Contribution to provident fund and other funds	4,547,464	5,085,938
Staff welfare expenses	1,187,011	1,798,076
	110,512,022	**71,955,514**

Note 26 : Finance costs

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest expense to:		
Banks	39,223,470	41,490,553
Others	844,504	476,637
Other Borrowing Cost	962,737	3,510,288
	41,030,711	**45,477,479**

Note 27 : Other expenses

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Manufacturing expenses		
Consumption of :		
- Consumable & stores	155,842	646,847
- Power & fuel	7,402,445	8,917,460
Job Charges	6,558,144	11,273,062
Repairs & Maintenance :		
- Plant & machinery	1,835,390	3,936,245
- Factory building	54,015	808,460
Freight & transportation	2,370,318	3,238,795
Other factory expenses	1,242,005	1,993,201
	19,618,158	**30,814,069**
Administration, Selling and Distribution expenses		
Rent	1,964,681	1,644,481
Insurance	1,166,853	1,243,652
Rates & taxes	708,479	1,366,425
Repairs & maintenance		
- Building	-	105,155
- Others	1,449,707	1,137,983
Legal and professional fees	3,338,620	4,957,462
Auditor's remuneration *	933,073	933,283
Travelling & conveyance	8,257,710	8,461,355
Communication costs	2,011,251	2,504,586
Printing & stationery	574,175	1,385,427
Water & electricity charges	1,596,391	1,761,398
Commission	4,475,633	4,939,217
Packing material consumed	24,274,129	30,526,905
Advertising & sales promotion	7,149,255	27,418,163
Provision for doubtful debt	6,384,798	2,018,947
Transportation, freight & handling charges	12,098,820	17,552,613
Expendture on CSR activities	908,480	1,934,630
Provision for dimunition in value of investment	-	1,957,560
Provison for Warranties	161,132	325,939
Miscellaneous expenses	3,650,645	6,622,865
	100,721,989	**149,612,115**

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Accompanying notes to the financial statement for the year ended 31st March, 2017

(Amount in Rs.)

*** Payment to Auditor includes**

Particulars	31st March, 2017	31st March, 2016
Audit fees	392,150	251,900
Tax Matters	351,565	396,868
Other services	189,358	284,515
	933,073	**933,283**

Note 28 : Earnings per equity share

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

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Weighted average number of Equity Shares of Rs. 10/- each		
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	420,227	-
Total number of Equity share for calculating Diluted Earning Per Share	18,747,327	18,327,100
Net Profit after Tax available for Equity shareholders	121,864,502	76,554,539
Basic Earning Per Share (in Rs.)	6.65	4.18
Diluted Earning Per Share (in Rs.)	6.50	4.18

Note 29 : 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

Note 30 : Contingent Liabilities

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Gaurantee given by bank on behalf of the Company	2,097,000	9,497,000
Disputed Sales Tax Liability	-	660,367
Estimated amount of contracts remaining to be executed on Capital Account (Net of Advance)	9,931,310	30,714,526
Total	**12,028,310**	**40,871,893**

Note 31 : Disclosure pursuant to Accounting Standard – 15 'Employee Benefits'

Actuarial assumption:

Services Rendered	Year ended 31st March, 2017	As at 31st March, 2016
Salary Growth *	7.00%	7.00%
Discount Rate	7.15%	7.80%
Expected Return	7.15%	8.00%

* The estimates of future salary increases, considered in a actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such

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

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Present value of obligation as at the beginning of the year:	3,908,595	3,182,224
Interest cost	302,723	244,552
Current service cost	1,334,077	1,147,155
Benefits paid	(701,404)	(194,631)
Actuarial (gain) / loss on obligation	483,514	(470,705)
Closing Present value of obligation	5,327,505	3,908,595

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

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Present value of obligation as at the end of the year	5,327,505	3,908,595
Fair Value of plan assets as at the end of the year	4,532,371	4,331,717
Net (assets) / liability recognised in balance sheet	795,134	(423,122)

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

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Accompanying notes to the financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Current service cost	1,334,077	1,147,155
Past service cost	-	-
Interest cost	302,723	244,552
Expected return on plan assets	(310,713)	(378,797)
Net actuarial (gain) / loss recognized in the year	456,178	(439,087)
Expenses recognised in the statement of profit and loss*	1,782,265	573,823

Status of Planned Asets & Obligation :

Particulars	As at 31st March,	As at 31st March,	As at 31st	As at 31st March,	As at 31st March,
Obligation at the year end	5,327,505	3,908,595	3,182,224	1,205,353	2,083,877
Plan Assets at the year end - At fair value	4,532,371	4,331,717	4,179,169	3,834,100	3,525,609
Funded Status	795,134	(423,122)	(996,945)	(2,628,747)	(1,441,732)
Expected Return on Plan Assets	(310,713)	(378,797)	(368,857)	(308,491)	(181,098)
Acturial (Gain) / Loss on Plan Assets	456,178	(439,087)	(198,389)	(1,970,812)	(1,456,479)

Note 32 : Segmental Reporting :

During the year, The Company has identified three primary reportable business segments namely (a) Wire & Cables, (b) Lighting & Fittings and (c)

Particulars	For the year	For the year
A. Segment Revenue		
Wire & Cables	579,348,800	535,008,413
Lighting & Fittings	281,630,707	226,461,219
Accessories & Others	342,062,592	357,955,935
Total Revenue	**1,203,042,099**	**1,119,425,568**
B. Segment Results		
Wire & Cables	155,991,420	145,986,574
Lighting & Fittings	46,796,326	91,076,880
Accessories & Others	106,795,351	99,095,912
	309,583,097	**336,159,366**
Less : Unallocable Expenses	143,266,015	138,761,580
Less : Depreciation	16,644,051	19,745,846
Operating Profit	149,673,031	177,651,940
Less : Finance Cost	41,030,711	45,477,479
Add : Other Income	44,820,659	9,332,173
Profit Before Tax & Exceptional Items	153,462,979	141,506,634
Less : Exceptional Expenses	-	42,102,609
Profit Before Tax	**153,462,979**	**99,404,025**
Less : Tax expense (Net)	31,598,479	22,849,486
Profit After Tax	**121,864,500**	**76,554,539**
C. Segments Assets		
Wire & Cables	94,906,216	74,190,816
Lighting & Fittings	86,493,117	97,528,634
Accessories & Others	50,046,385	58,398,720
Unallocated	1,101,893,292	1,136,448,978
Total Capital Employed	**1,333,339,009**	**1,366,567,148**
D. Segments Liabilities		
Wire & Cables	-	-
Lighting & Fittings	-	-
Accessories & Others	-	-
Unallocated	434,427,255	610,013,865
	434,427,255	**610,013,865**
E. Non Cash Expenditures		
Wire & Cables	-	-
Lighting & Fittings	-	-
Accessories & Others	161,132	325,939
Unallocated	16,644,051	19,745,846
Total	**16,805,183**	**20,071,785**

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Accompanying notes to the financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 33 : During the financial year 2015-16, the Company had received Rs. 11,19,23,304 towards full and final settlement for fire insurance claim lodged

Note 34 : Related Party Disclosure:-

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

a.List of related parties

(i) Key Managerial Personnel

Name of the Party	Relationship
Akshay Gurnani	Managing Director
Naraindas Gurnani	Whole time Director & Chief Financial Officer (From 24.05.2016)
Dinesh Gurnani	Whole time Director & Chief Financial Officer (Upto 23.05.2016)
Jyoti Gurnani	Director
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 (Upto 14-07-2016)

(iii) Ultimate Holding Company

Gurnani Holdings Private Limited (Upto 14-07-2016)

(iv) Subsidiary Companies

Veto Electricals Private Limited
Veto Overseas Private FZE

(v) Enterprises owned or significantly influanced by Key Managerial Personnel and or their relatives

Vimal Power Cables Private Limited
Pinkcity Buildhome Private Limited
Pink Square Real Estate Private Limited

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Accompanying notes to the financial statement for the year ended 31st March, 2017

(Amount in Rs.)

b. Transactions with Related Parties :

Name of Party	Nature of Transaction	Year ended March 31, 2017	Year ended March 31, 2016
Akshay Gurnani	Remuneration	1,500,000	1,500,000
	Sales (Net)	21,327	11,235
Dinesh Gurnani	Remuneration	120,000	720,000
	Advance received back	-	316,500
	Advance Granted	-	66,500
Naraindas Gurnani	Remuneration	467,142	-
Chavi Rawat	Remuneration	-	153,324
Shilpi Keshwani	Remuneration	249,852	15,262
Jyoti Gurnani	Remuneration	600,000	200,000
Veto Electricals Pvt. Ltd.	Sales (Net)	151,519	24,350
	Interest Income	3,033,382	2,045,383
	Advance Granted	16,639,301	9,400,000
Veto Overseas Private FZE	Loan Granted	-	133,344,118
	Interest Income	13,417,354	3,346,456
	Investments in Equity	-	18,120,000
Vimal Power Cables Private Limited	Purchases	14,259,213	15,560,457
	Rent	177,500	-
	Advance against Purchases	2,740,173	4,932,225
	Advances received back	-	4,932,225
	Sales (Net)	19,386	-
	Purchases	-	-
Pinkcity Buildhome Private Limited	Sales (Net)	90,216	196,493
	Service Taken	47,237	3,342,078
	Loan Granted	1,350,000	-
	Loan Received Back	1,350,000	-
Veto Electropower (India) Private Limited	Sales (Net)	3,168	1,918
	Loan Taken	26,001,823	-
	Loan Repaid	26,001,823	-
Pink Square Real Estate Private Limited	Sales (Net)	90,537	-

ESOP Granted during the year and outstanding as on 31st March, 2017

Akshay Gurnani	6,69,855
Jyoti Gurnani	900

c. Balance Outstanding of Related Parties :

Name of Party	Receivable / Payable	Year ended March 31, 2017	Year ended March 31, 2016
Akshay Gurnani	Remuneration Payable	105,000	105,000
	Trade Recievables	32,562	11,235
Dinesh Gurnani	Remuneration Payable	-	56,500
Naraindas Gurnani	Remuneration Payable	85,000	-
Shilpi Keshwani	Remuneration Payable	-	15,262
Jyoti Gurnani	Remuneration Payable	50,000	46,000
Pinkcity Buildhome Private Limited	Other Payables	4,591	590,852
Vimal Power Cabels Private Limited	Advance to Creditor	2,740,173	-
Tulsi Palace Resort Pvt. Ltd. Jaipur	Trade Recievables	22,174	22,174
Veto Electrical Private Limited	Loans Receivable	49,960,570	29,950,845
Veto Overseas FZE	Loans Receivable	144,616,504	134,173,539

Note 35 : 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 :

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Accompanying notes to the financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Name of the Subsidiary	During the year	Closing Balance	Interest Rate
Veto Electricals Private Limited	16,639,301	49,960,570	10%
Veto Overseas FZE	-	144,616,504	10%
TOTAL	**16,639,301**	**194,577,074**	

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

Note 36 : 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, 2017 :

Name of the Subsidiary	Closing Balance	Maximum Outstanding
Veto Electricals Private Limited	49,960,570	49,960,570
Veto Overseas FZE	144,616,504	144,616,504

Note 37 : Corporate Social Responsibility

During the vear the Company has incurred expenditure towards CSR activities and has spent Rs. 9,08,480 (as stated below) as against Rs. 18,95,890 as

Sl. No.	Particulars	In Cash / Bank	Yet to be paid in	Total
1	Construction / acquisition of any assets	-	-	-
2	On purpose other than 1 above	908,480	-	908,480
Total		908,480	-	908,480

Note 38 : Employee Stock Option Plan

Veto Switchgears and Cables Limited Employees stock option plan ('ESOP') 2015

The Board of Directors of the Company in their meeting held on 23rd July, 2015 and the shareholders of the Company in their general meeting held on 26th During the period upto March 31, 2017, the Company has granted options on the following dates:

Grant date	No of options
23-May-16	916,355
Total	**916,355**

The Options shall vest in 1 year from the date of Grant. The exercise period shall be 3 years after vesting period. As per the scheme, the exercise price is

Employee stock option activity under the Scheme is as follows:

Particulars	For the year ended 31 March 2017	
	Number of options	Weighted Average Exercise price
Outstanding at beginning of the year	-	-
Granted during the year	916,355	50.00
Forfeited during the year	100,000	50.00
Exercised during the year	-	Not Applicable
Outstanding at the end of the year	816,355	50.00
Vested and exercisable at the end of the year	-	

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Accompanying notes to the financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Disclosure related to stock options outstanding at year end

Exercise price	Shares arising out of	Weighted average
23-May-16	816,355	3.11 Years
	816,355	

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, 2017		Year ended March 31, 2016	
	In %	Amount Rs	In %	Amount Rs
Raw Material				
Imported	-	-	-	-
Indigenous	100.00	444,443,517	100.00	483,557,689
Total	**100.00**	**444,443,517**	**100.00**	**483,557,689**
Stores & Spares				
Imported	-	-	-	-
Indigenous	100.00	155,842	100.00	646,847
Total	**100.00**	**155,842**	**100.00**	**646,847**

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
C.I.F. Value of Imports		
Capital Goods - Fixed Assets	-	1,343,618
Capital Goods - Work in Progress	5,376,406	-
Stock in Trade	7,549,583	29,625,327
Expenditure in Foreign Exchange		
Travelling Expenses	101,400	-
Earnings in Foreign Exchange		
F.O.B. Value of Exports	16,409,976	37,196,238

Note 40 : The details of Specified Bank Notes(SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as per

Particulars	SBNs	Other denomination Notes	Total
Closing cash in hand as on 08.11.2016	2,761,000	1,078,680	3,839,680
(+) Permitted receipts	-	1,679,490	1,679,490
(-) Permitted payments	-	2,237,135	2,237,135
(-) Amount deposited in Banks	2,761,000	200	2,761,200
Closing cash in hand as on 30.12.2016	-	520,835	520,835

Note 41 : The board of directors has proposed the final dividend of Re. 1/- per equity share, subject to the approval of shareholders of the Company.

Note 42 : Previous year's figure's have been re-grouped, re-arranged & re-classified, wherever considered necessary, to confirm the current periord figures.

As per our report of even date attached
For S G C O & Co. LLP
Chartered Accountants
Firm Reg. No. 112081W / W100184

Suresh Murarka
Partner
Mem. No. 44739

Place: Mumbai
Date : 30th May, 2017

For and on behalf of the Board

Akshay Kumar Gurnani
Managing Direcor
DIN : 06888193

Narain Das Gurnani
Whole Time Director & CFO
DIN : 01970599

Shilpi Keswani
Company Secretary
Place: Jaipur
Date : 30th May, 2017

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, 2017, 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 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, 2017, 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. 11,62,84,706 as at 31st March, 2017, total revenues of Rs. 118,73,58,049/- and net cash flows amounting to Rs. 2,07,088 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, 2017 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, 2017 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 A"; 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 30 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.

Iv The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Group and as produced to us by the Management – Refer Note 38.

For S G C O & Co. LLP
Chartered Accountants
Firm Reg. No. 112081W/W100184

Suresh Murarka
Partner
Mem. No. 44739

Place: Mumbai
Date: 30th May, 2017

Annexure - A 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 2017, we have audited the internal financial controls over financial reporting of **Veto Switchgears and Cables Limited** (hereinafter referred to as "the Holding Company") andits 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 andits 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 company 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 2017, 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 company incorporated in India, 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 **S G C O & Co. LLP**
Chartered Accountants
Firm Reg. No. 112081W/W100184

Suresh Murarka
Partner
Mem. No. 44739

Place : Mumbai
Date:30th May, 2017

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

Consolidated Balance Sheet as at 31st March, 2017

(Amount in Rs.)

Particulars	Notes	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABLITIES			
Shareholders' Funds			
Share capital	2	183,271,000	183,271,000
Reserves & surplus	3	826,119,912	625,619,382
		1,009,390,912	**808,890,382**
Non-current Liabilities			
Long-term borrowings	4	53,293,681	60,153,521
Long-term provisions	5	1,241,571	1,080,439
		54,535,252	**61,233,960**
Current Liabilities			
Short-term borrowings	6	233,559,607	340,143,272
Trade payables	7	86,476,776	106,416,617
Other current liabilities	8	59,990,627	73,200,527
Short term provisions	9	5,670,541	33,087,746
		385,697,551	**552,848,162**
		1,449,623,715	**1,422,972,504**
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	10	198,734,685	209,363,618
Intangible assets		14,988	32,188
Capital work in progress		77,671,218	28,611,323
Goodwill on Consolidation		10,778	10,778
Non - current investments	11	149,000	149,000
Deferred tax asset (net)	12	10,871,518	8,226,582
Long - term loans and advances	13	66,675,403	185,191,762
Other non - current assets	14	1,989,511	1,114,518
		356,117,101	**432,699,769**
Current Assets			
Current investments	15	-	2,940,000
Inventories	16	390,969,843	351,262,181
Trade receivables	17	565,942,986	417,792,411
Cash and cash equivalents	18	97,905,767	154,018,512
Short - term loans and advances	19	38,688,018	64,259,631
		1,093,506,614	**990,272,735**
		1,449,623,715	**1,422,972,504**
See Accompanying notes to the financial statements	1 to 40		

As per our report of even date attached

For S G C O & Co. LLP
Chartered Accountants
Firm Reg. No. 112081W / W100184

Suresh Murarka
Partner
Mem. No. 44739

Place: Mumbai
Date : 30th May, 2017

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

Akshay Kumar Gurnani
Managing Direcor
DIN : 06888193

Narain Das Gurnani
Whole Time Director & CFO
DIN : 01970599

Shilpi Keswani
Company Secretary

Place: Jaipur
Date : 30th May, 2017

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Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in Rs.)

Particulars	Notes	Year ended 31st March, 2017	Year ended 31st March, 2016
INCOME			
Revenue from operation	20	2,390,750,869	1,767,421,179
Other income	21	7,318,035	2,418,102
Total Revenue		**2,398,068,904**	**1,769,839,281**
EXPENSES			
Cost of materials consumed	22	444,443,517	483,557,689
Purchases of stock-in-trade	23	1,479,096,297	857,300,035
Changes in inventories of finished goods and stock in trade	24	(27,327,528)	(60,874,850)
Employee benefits expense	25	122,709,297	76,181,957
Finance costs	26	41,237,799	45,501,382
Depreciation	10	16,644,051	19,745,846
Other expenses	27	107,371,280	152,547,242
		2,184,174,713	**1,573,959,301**
Profit / (Loss) before exceptional items and tax		**213,894,191**	**195,879,980**
Less : Exceptional Items (refer note no.33)		-	42,102,609
Profit before tax		**213,894,191**	**153,777,370**
Less : Tax expenses			
- Current tax		31,520,000	20,303,000
- MAT Credit (Entitlement)/Utilised		2,723,007	8,934,662
- Tax for earlier years		408	39,186
- Deferred tax liability / (asset)		(2,644,936)	(6,427,362)
Net Profit for the year		**182,295,713**	**130,927,884**
Earnings per equity share	28		
(Nominal value of share Rs.10 (PY Rs.10)			
- Basic		9.95	7.14
- Diluted		9.72	7.14
See Accompanying notes to the financial statements	1 to 40		

As per our report of even date attached

For S G C O & Co. LLP
Chartered Accountants
Firm Reg. No. 112081W / W100184

Suresh Murarka
Partner
Mem. No. 44739

Place: Mumbai
Date : 30th May, 2017

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

Akshay Kumar Gurnani
Managing Direcor
DIN : 06888193

Narain Das Gurnani
Whole Time Director & CFO
DIN : 01970599

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Consolidated Cash Flow Statement For the year ended 31st March 2017

(Amount in Rs.)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
A. Cash flow from operating activities		
Net profit before taxation	213,894,191	153,777,370
Adjustments for:		
Depreciation on fixed assets	16,644,051	19,745,846
Diminution in value of current investments	-	1,957,560
Reversal of Provision for diminution in value of investments	(2,310,000)	-
Provision for ESOP	45,256,260	-
Subsidy received	(2,730,609)	
Interest expense	41,237,799	45,501,382
Provision for doubtful debt	6,384,798	2,018,947
Profit on sale of fixed assets	(12,620)	(218,589)
Profit on sale of Investment	(394,309)	-
Interest income	(226,638)	(442,903)
Operating profit before working capital changes	**317,742,923**	**222,339,613**
Adjustments for :		
(Increase) / Decrease in inventories	(39,707,662)	(101,248,386)
(Increase) / Decrease in Long term Provisior	161,132	325,939
(Increase) / Decrease in trade receivables	(159,798,916)	(90,297,838)
(Increase) / Decrease in other assets	-	166,902,709
Increase / (Decrease) in trade payable	(19,939,841)	3,408,956
Increase / (Decrease) in short term provisions	795,134	-
Increase / (Decrease) in other current liabilities	(13,209,900)	39,232,724
Cash generated from / (used in) operations	**86,042,870**	**240,663,717**
Direct taxes paid	(26,670,001)	(26,033,016)
Cash (Outflow) before Prior Period Adjustment	**59,372,869**	**214,630,701**
Prior Period adjustments	-	-
Net cash flow from operating activities	**59,372,869**	**214,630,701**
B. Cash flow from investing activities		
Purchase of fixed assets	(4,766,315)	(11,200,369)
Additions to capital work in progress	(50,291,878)	(28,502,648)
Sale proceeds from fixed assets	13,000	245,000
Loans & advances received back / (given)	141,389,966	(41,775,526)
Redemption / maturity of bank deposits	(70,817,250)	2,832,267
Sale Proceeds from Investments	5,644,309	-
Interest received	226,638	442,903
Net cash flow from / (used in) investment activities	**21,398,469**	**(77,958,373)**
C. Cash Flow from Financing Activities		
Proceeds / (Repayment) of borrowings	(113,443,505)	54,179,678
Proceeds from Subsidy Received	2,730,609	-
Dividend Paid (including dividend distribution tax)	(54,875,646)	(9,163,550)
Interest paid	(41,237,799)	(45,501,382)
Net cash flow from / (used in) financing activities	**(206,826,341)**	**(485,254)**
Net increase / (decrease) in cash and cash equivalents	**(126,055,003)**	**136,187,074**
Cash and cash equivalents at the beginning of the year	152,155,875	15,968,801
Cash and cash equivalents at the end of the year	**26,100,872**	**152,155,875**

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Consolidated Cash Flow Statement For the year ended 31st March 2017

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 31.03.2017**		**As at 31.03.2016**
Cash on hand		452,091		1,882,838
Balances with bank on current accoun		25,648,782		150,273,037
		26,100,872		**152,155,875**

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 S G C O & Co. LLP
Chartered Accountants
Firm Reg. No. 112081W / W100184

Suresh Murarka
Partner
Mem. No. 44739

Place: Mumbai
Date : 30th May, 2017

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

Akshay Kumar Gurnani
Managing Direcor
DIN : 06888193

Narain Das Gurnani
Whole Time Director & CFO
DIN : 01970599

Shilpi Keswani
Company Secretary

Place: Jaipur
Date : 30th May, 2017

Veto Switchgears and Cables Limited

Notes to consolidated financial statements for the year ended 31st March 2017

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 Compay 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.

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:

a) 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.

b) 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.

c) 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 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.

F 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"

G 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.

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.

H 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.

I 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.

J 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.

K 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.

L Employee Stock Option Scheme

The Company applies the Guidance Note on "Accounting for Employee Share based Payments" issued by the Institute of Chartered Accountants of India ('ICAI') to account for costs related to the stock option plan. Accordingly, compensation expense as determined on the date of the grant is amortised over the vesting period. The Company follows fair value method to calculate the value of the stock options.

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 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, 2017

(Amount in Rs.)

Note 2 : Share capital

Particulars	As at 31st March, 2017	As at 31st March, 2016
Authorised		
2,00,00,000 (PY 2,00,00,000) Equity shares of Rs.10/- each	200,000,000	200,000,000
	200,000,000	**200,000,000**
Issued, Subscribed and Fully Paid Up		
1,83,27,100 (PY 1,83,27,100) Equity shares of Rs. 10/- each fully paid up	183,271,000	183,271,000
	183,271,000	**183,271,000**

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, 2017		As at 31st March, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
At the beginning of the year	18,327,100	183,271,000	18,327,100	183,271,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**18,327,100**	**183,271,000**	**18,327,100**	**183,271,000**

ii) Shares allotted for a consideration other than Cash

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

* Refer note no. 38 for disclosure relating to Employee Stock Option Plan

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.

The Company declare and pays dividend in Indian Rupees. Each equity shareholder has the same right of dividend.

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, 2017		As at 31st March, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Veto Electropowers (India) Private Limited	-	-	10,650,704	106,507,040

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	% holding	No. of Shares	% holding
Veto Electropowers (India) Private Limited	9,150,704	49.93%	10,650,704	58.11%
Akshay Gurnani	108,867	0.59%	1,094,867	5.97%

Note 3 : Reserve & surplus

Particulars	As at 31st March, 2017	As at 31st March, 2016
Securities Premium Account		
Balance at the beginning of the year	159,471,817	159,471,817
Add: On further issue of shares	-	-
Balance at the end of the year	**159,471,817**	**159,471,817**
Foreign Currency Translation Reseves		
Balance at the beginning of the year	(4,452,237)	-
Add : Additions during the year	(5,263,543)	(4,452,237)
Balance at the end of the year	**(9,715,780)**	**(4,452,237)**

Veto Switchgears and Cable Limited

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Accompanying notes to the consolidated financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Surplus / (deficit) in the statement of profit and loss		
Balance at the beginning of the year	470,599,802	383,788,697
Add : Profit for the year	182,295,713	130,927,884
Less : Appropriations :		
Proposed Dividend	-	27,490,650
Interim Dividend	18,327,100	9,163,550
Dividend Distribution Tax	3,460,800	7,462,579
Statutory Reserves	8,391,249	-
Balance at the end of the year	**622,716,366**	**470,599,802**
Statutory Reserves *		
Balance at the beginning of the year	**-**	**-**
Add : Additions during the year	**8,391,249**	**-**
Balance at the end of the year	**8,391,249**	**-**
Employee Stock Option Outstanding Account		
Balance at the commencement of the year	**-**	**-**
Employee stock compensation expense for the year	**45,256,260**	**-**
Balance at the end of the year	**45,256,260**	**-**
	826,119,912	**625,619,382**

* represents transfer of 10% of Profit to Statutory Reserves by the Veto Overseas Private FZE, a subsidiary Company, as per requirement of laws prevelling in UAE.

Note 4 : Long-term borrowings

Particulars	**As at 31st March, 2017**	**As at 31st March, 2016**
Secured		
Term loans from banks	71,701,976	76,375,935
Less: Current maturities of long term debt	20,000,000	20,000,000
	51,701,976	56,375,935
Hire purchase loans from banks	3,746,536	6,133,208
Less: Current maturities of long term debt	2,154,831	2,355,623
	1,591,705	3,777,586
	53,293,681	**60,153,521**

Additional information pursuant to long term borrowings :

a) Term loan amounting to Rs. 7,17,01,976 (PY Rs. 7,63,75,935) from Indian Oversease Bank carries interest of Base Rate + 2% 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 Veto Electropower (India) Private Limited (formerly Holding Company).

b) Hire Purchase Loans amounting to Rs. 37,46,536 (PY Rs. 61,33,208) 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.

Note 5 : Long-term provisions

Particulars	**As at 31st March, 2017**	**As at 31st March, 2016**
Provision for Warranty	1,241,571	1,080,439
	1,241,571	**1,080,439**

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, 2017**	**As at 31st March, 2016**
At the beginning of the year	1,080,439	754,500
Arising during the year	161,132	325,939
Utilised during the year	-	-
At the end of the year	**1,241,571**	**1,080,439**

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Accompanying notes to the consolidated financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 6 : Short-term borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016
(Secured)		
Cash Credit Facility		
From Bank	233,559,607	340,143,272
	233,559,607	**340,143,272**

Additional information pursuant to secured short term borrowing :

Cash credit facility amounting to Rs. 23,35,59,607 (PY Rs. 34,01,43,272) from indian oversease bank carries interest rate of base rate + 1.75% p.a. The loan is sercured 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 Veto Electropower (India) Private Limited (formerly Holding Company).

Note 7 : Trade payables

Particulars	As at 31st March, 2017	As at 31st March, 2016
Due to Micro, Small & Medium Enterprises	417,160	189,485
Due to Others	86,059,616	106,227,132
	86,476,776	**106,416,617**

Note 8 : Other current liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016
Current maturities of loan term debt	22,154,831	22,355,623
Trade deposits	7,376,259	8,926,833
Salary & Wages Payable	4,948,331	4,604,070
Duties & taxes payable	17,207,938	16,773,928
Provision for Expenses	6,114,270	5,881,216
Advance from debtors	1,796,656	14,658,857
Unpaid Dividend	392,341	-
	59,990,627	**73,200,527**

Note 9 : Short term provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for Gratuity	795,134	-
Provision for taxation (Net of advance tax & TDS)	4,875,407	-
Proposed Dividend	-	27,490,650
Tax on Proposed Dividend	-	5,597,096
	5,670,541	**33,087,746**

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Accompanying notes to the consolidated financial statement for the year ended on 31st March, 2017

Note 10 : Fixed assets **(Amount in Rs.)**

Description	Gross Block				Depreciation				Net Block	
	As At 01.04.2016	Additions during the year	Deductions during the year	As At 31.03.2017	As At 01.04.2016	For the Year	Adjustments	As At 31.03.2017	As At 31.03.2017	As At 31.03.2016
Tangible Assets										
Leasehold Land	118,621,732	-	-	118,621,732	1,026,294	130,523	-	1,156,817	117,464,915	117,595,438
Freehold Land	19,672,218	-	-	19,672,218	-	-	-	-	19,672,218	19,672,218
Factory Building	38,680,805	-	-	38,680,805	19,281,562	2,112,469	-	21,394,031	17,286,773	19,399,242
Leasehold Improvement	4,646,066	-	-	4,646,066	1,579,441	1,512,007	-	3,091,448	1,554,618	3,066,625
Plant & Machinery	84,742,101	5,814,395	-	90,556,496	50,041,780	7,878,798	-	57,920,578	32,635,918	34,700,321
Office Equipments	3,179,162	-	-	3,179,162	2,330,045	385,256	-	2,715,301	463,861	849,117
Furniture & Fixtures	10,890,236	112,053	-	11,002,289	6,166,011	1,322,872	-	7,488,883	3,513,406	4,724,225
Computers	2,324,443	8,850	-	2,333,293	1,956,164	229,209	-	2,185,373	147,920	368,279
Vehicles	25,222,539	63,000	43,914	25,241,625	16,234,386	3,055,717	43,534	19,246,569	5,995,056	8,988,153
Sub Total	**307,979,302**	**5,998,298**	**43,914**	**313,933,685**	**98,615,684**	**16,626,851**	**43,534**	**115,199,001**	**198,734,685**	**209,363,618**
Intangible Assets										
Goodwill	540,000	-	-	540,000	540,000	-	-	540,000	-	-
Trade Mark	112,000	-	-	112,000	79,812	17,200	-	97,012	14,988	32,188
Sub Total	**652,000**	**-**	**-**	**652,000**	**619,812**	**17,200**	**-**	**637,012**	**14,988**	**32,188**
Grand Total	**308,631,302**	**5,998,298**	**43,914**	**314,585,685**	**99,235,496**	**16,644,051**	**43,534**	**115,836,013**	**198,749,673**	**209,395,806**
Previous Year	**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**	**-**
Capital Work in Progress										
SEZ Unit	7,571,631	10,421,367		17,992,998	-	-	-	-	17,992,998	7,571,631
Office Building at Airport Plaza (CWIP) *	20,158,444	28,411,400	-	48,569,844	-	-	-	-	48,569,844	20,158,444
Leasehold Improvements **	79,516	-	79,516	-	-	-	-		-	79,516
Plant & Machineary (CWIP) ***	801,732	11,459,111	1,152,467	11,108,376	-	-	-	-	11,108,376	801,732
Total	**28,611,323**	**50,291,878**	**1,231,983**	**77,671,218**	**-**	**-**	**-**	**-**	**77,671,218**	**28,611,323**
Previous Year	**108,675**	**28,502,648**	**-**	**28,611,323**	**-**	**-**	**-**	**-**	**28,611,323**	**-**

* Additions during the year includes borrowing cost amounting to Rs. 25,19,192 (PY Rs. 5,12,958/-

** Deductions represents amount written off during the year

*** Deductions represents amount capitalised during the year

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Accompanying notes to the consolidated financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 11 : Non - current investments

Particulars	As at 31st March, 2017	As at 31st March, 2016
Investment in Equity Instruments		
Trade, Unquoted (At cost, unless stated otherwise)		
Others		
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
	149,000	**149,000**

Particulars	As at 31st March, 2017	As at 31st March, 2016
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, 2017	As at 31st March, 2016
Deferred Tax Assets / (Liabilities)		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	6,572,094	5,663,694
Employee Benefits	263,110	(137,282)
Other Provisions	4,036,314	2,700,170
Deferred Tax Asset (Net)	**10,871,518**	**8,226,582**

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
Capital Advances	19,544,866	36,248,821
Security Deposits		
- To others	31,484,381	131,829,196
MAT credit entitlement	5,376,240	8,099,247
Advance Tax & TDS (net of provisions)	2,111,318	2,086,318
VAT Receivables	8,158,597	6,928,181
	66,675,403	**185,191,762**

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
Fixed Deposits (Maturity Period of more than 12 Months) - Held as Margin Money	1,989,511	1,114,518
	1,989,511	**1,114,518**

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Accompanying notes to the consolidated financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 15 : Current investments

Particulars	As at 31st March, 2017	As at 31st March, 2016
Non Trade, Quoted (At cost, unless stated otherwise)		
Investment in Equity Instruments		
Hindustan Construction Co. Limited	-	5,449,110
Nil (PY 150000) Equity Shares of Rs. 10 Each fully paid		
Less : Provision for Dimunition in value of Investment	-	2,509,110
	-	**2,940,000**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Aggregate market value of quoted investments	-	2,940,000
Aggregate book value of quoted investments	-	5,449,110
Aggregate value of unquoted investments	-	-

Note 16 : Inventories

(Valued at lower or net realisable value)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Finished goods	73,010,719	72,223,139
Stock in trade	163,838,554	137,298,616
Raw materials	144,952,600	132,589,534
Packing materials	9,167,970	9,150,892
	390,969,843	**351,262,181**

Note 17 : Trade receivables

(Unsecured, considered good)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured		
Due for a period exceeding six months from the date they are due for payment		
Considered Good	48,791,947	46,032,551
Considered Doubtful	12,197,987	5,813,189
	60,989,933	51,845,740
Less :- Provision for Doubtful Debts	12,197,987	5,813,189
	48,791,947	46,032,551
Other debts	517,151,039	371,759,860
	565,942,986	**417,792,411**
Trade receivables includes due from related parties :		
Other debts		
Key Mangerial Prsonnel and Enterprises under significant influence of key management personnel	54,736	33,409
	54,736	**33,409**

Note 18 : Cash and cash equivalents

Particulars	As at 31st March, 2017	As at 31st March, 2016
Cash and cash equivalents		
Balances with banks:		
In current accounts	25,648,782	150,273,037
Cash in hand	452,091	1,882,838
Other bank balances		
Fixed Deposits	73,794,405	2,977,155
Less : Deposits with maturity for more than 12 months	(1,989,511)	(1,114,518)
	71,804,894	1,862,637
	97,905,767	**154,018,512**

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Accompanying notes to the consolidated financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 19 : Short - term loans and advances

(Unsecured Considered Good)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Advance to creditors		
- Related parties	2,740,173	-
- Others	28,002,823	56,511,621
Staff Advances	5,391,697	5,449,537
Prepaid Expenses	601,553	302,955
Other Advances	1,951,772	1,995,518
	38,688,018	**64,259,631**
Loans and advances to related parties includes : Amount due from relative of key management personnel and enterprises under significant influence of key management personnel	2,740,173	-
	2,740,173	**-**

Note 20 : Revenue from operation

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Revenue from operations (Gross)		
Sale of Products *	2,390,400,148	1,765,898,947
Other Operating Revenue		
Scrap Sale	350,721	437,685
Export benefits & incentives	-	627,720
Gain on Foreign Exchange Fluctuations (Net)	-	456,828
	2,390,750,869	**1,767,421,179**

*** Details of Products Sold**

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Finished Goods		
Accessories & Others	291,324,226	325,939,478
Wire	482,065,104	496,410,655
	773,389,330	**822,350,133**
Traded Goods		
Accessories & Others	1,238,096,415	431,218,113
Wire	97,283,695	285,869,483
Lighting & Fittings	281,630,707	226,461,219
	1,617,010,818	**943,548,814**
	2,390,400,148	**1,765,898,947**

Note 21 : Other income

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest Income	226,638	442,903
Profit on sale of fixed assets	12,620	218,589
Dividend Income	-	
Subsidy received	2,730,609	-
Reversal of Provision for Diminution in Value of Investments	2,310,000	-
Miscellaneous Income	1,643,859	1,756,610
	7,318,035	**2,418,102**

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Accompanying notes to the consolidated financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 22 : Cost of materials consumed

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Opening stock	132,589,534	91,661,996
Add: Purchases	456,806,583	524,485,227
Less: Closing stocks	144,952,600	132,589,534
	444,443,517	**483,557,689**

* Purchases are stated net of discounts and rate difference.

Details of Material Consumed

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Copper	254,255,978	257,137,382
Alluminium	14,821,973	15,072,312
PVC Compound	38,030,836	38,629,335
Others	137,334,730	172,718,660
	444,443,517	**483,557,689**

Details of Inventory

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Copper	88,475,207	69,877,831
Alluminium	-	702,029
PVC Compound	6,431,009	3,610,955
Others	50,046,385	58,398,719
	144,952,600	**132,589,534**

Note 23 : Purchases of stock-in-trade

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Purchase of stock in trade	1,479,096,297	857,300,035
	1,479,096,297	**857,300,035**

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

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Finished goods		
Opening stock		
- Accessories & Others	44,758,002	34,847,701
- Wires & Cables	27,465,137	41,475,692
	72,223,139	76,323,393
Closing stock		
- Accessories & Others	41,400,980	44,758,002
- Wires & Cables	31,609,739	27,465,137
	73,010,719	72,223,139
Changes in inventories of finished goods (A)	**787,580**	**4,100,254**
Stock in trade		
Opening stock		
- Accessories & Others	20,058,611	11,544,544
- Wires & Cables	19,711,372	13,027,003
- Lighting & Fittings	97,528,634	47,751,965
	137,298,616	72,323,512
Closing stock		
- Accessories & Others	52,731,927	20,058,611
- Wires & Cables	7,146,796	19,711,372
- Lighting & Fittings	103,959,841	97,528,634
	163,838,564	137,298,616
Changes in inventories of stock in trade (B)	**26,539,948**	**(64,975,104)**
Total (A+B)	**27,327,528**	**(60,874,850)**

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Accompanying notes to the consolidated financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 25 : Employee benefits expense

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Salary, wages and other allowances	67,241,196	66,304,120
Directors Remuneration	2,687,142	2,420,000
Employee Stock option Compensation Expense	45,256,260	-
Provision for Gratuity	1,782,265	573,823
Contribution to provident fund and other funds	4,547,464	5,085,938
Staff welfare expenses	1,187,011	1,798,076
Leave Encashment	7,959.00	-
	122,709,297	**76,181,957**

Note 26 : Finance costs

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest expense to:		
Banks	39,223,470	41,490,553
Others	911,849	476,637
Other Borrowing Cost	1,102,480	3,534,192
	41,237,799	**45,501,382**

Note 27 : Other expenses

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Manufacturing expenses		
Consumption of :		
- Consumable & stores	155,842	646,847
- Power & fuel	7,402,445	8,917,460
Job Charges	6,558,144	11,273,062
Repairs & Maintenance :		
- Plant & machinery	1,835,390	3,936,245
- Factory building	54,015	808,460
Freight & transportation	2,370,318	3,238,795
Other factory expenses	1,242,005	1,993,201
	19,618,158	**30,814,069**
Administration, Selling and Distribution expenses		
Rent	2,177,633	1,779,994
Insurance	1,166,853	1,243,652
Rates & taxes	751,679	1,907,525
Repairs & maintenance		
- Building	-	105,155
- Others	1,449,707	1,137,983
Legal and professional fees	4,005,292	4,975,562
Auditor's remuneration *	936,293	936,521
Travelling & conveyance	9,829,871	8,975,986
Communication costs	2,725,285	2,745,968
Printing & stationery	722,366	1,479,885
Water & electricity charges	2,508,954	1,931,721
Commision	4,475,633	4,939,217
Packing material consumed	24,274,129	30,526,905
Advertising & sales promotion	7,149,255	27,418,163
Provision for doubtful debt	6,384,798	2,018,947
Transportation, freight & handling charges	12,103,220	17,552,613
Expendture on CSR activities	908,480	1,934,630
Provision for dimunition in value of investment	-	1,957,560
Provision for Warranties	161,131	325,939
Miscellaneous expenses	6,022,544	7,839,246
	107,371,280	**152,547,242**

*** Payment to Auditor includes**

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Audit fees	392,150	179,776
Tax Matters	351,565	223,598
Other services	192,578	83,708
	936,293	**487,082**

Note 28 : Earnings per equity share

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

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Weighted average number of Equity Shares of Rs. 10/- each		
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	420,227	-
Total number of Equity share for calculating Diluted Earning Per Share	18,747,327	18,327,100
Net Profit after Tax available for Equity shareholders	182,295,713	130,927,884
Basic Earning Per Share (in Rs.)	9.95	7.14
Diluted Earning Per Share (in Rs.)	9.72	7.14

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

Subsidiaries

Name of Company	Date of Becoming Subsidiary	Country of Incorporation	% Voting Power held As on 31.03.2017	% Voting Power held As on 31.03.2016
Veto Electricals Private Limited	22-Feb-10	India	100.00	100.00
Veto Overseas Private FZE	11-Oct-15	UAE	100.00	100.00

Veto Switchgears and Cable Limited

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Accompanying notes to the consolidated financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 30 : Contingent Liabilities

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Gaurantee given by bank on behalf of the Company	2,097,000	9,497,000
Disputed Sales Tax Liability	-	660,367
Estimated amount of contracts remaining to be executed on Capital Account (Net of Advance)	9,931,310	30,714,526
Total	**12,028,310**	**40,871,893**

Note 31 : Disclosure pursuant to Accounting Standard – 15 'Employee Benefits'
Actuarial assumption:

Services Rendered	Year ended 31st March, 2017	Year ended 31st March, 2016
Salary Growth *	7.00%	7.00%
Discount Rate	7.15%	7.80%
Expected Return	7.15%	8.00%

* The estimates of future salary increases, considered in a actuarial valuation, takes account of inflation, seniority, promotion and other relevant

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

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Present value of obligation as at the beginning of the year:	3,908,595	3,182,224
Interest cost	302,723	244,552
Current service cost	1,334,077	1,147,155
Benefits paid	(701,404)	(194,631)
Actuarial (gain) / loss on obligation	483,514	(470,705)
Closing Present value of obligation	5,327,505	3,908,595

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

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Present value of obligation as at the end of the year	5,327,505	3,182,224
Fair Value of plan assets as at the end of the year	4,532,371	4,331,717
Net (assets) / liability recognised in balance sheet	795,134	(1,149,493)

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

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Current service cost	1,334,077	1,147,155
Past service cost	-	-
Interest cost	302,723	244,552
Expected return on plan assets	(310,713)	(378,797)
Net actuarial (gain) / loss recognized in the year	456,178	(439,087)
Expenses recognised in the statement of profit and loss	1,782,265	573,823

Status of Planned Asets & Obligation :

Particulars	As at 31st March, 2017	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	5,327,505	3,908,595	3,182,224	1,205,353	2,083,877
Plan Assets at the year end - At fair value	4,532,371	4,331,717	4,179,169	3,834,100	3,525,609
Funded Status	795,134	(423,122)	(996,945)	(2,628,747)	(1,441,732)
Expected Return on Plan Assets	(310,713)	(378,797)	(368,857)	(308,491)	(181,098)
Acturial (Gain) / Loss on Plan Assets	456,178	(439,087)	(198,389)	(1,970,812)	(1,456,479)

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Accompanying notes to the consolidated financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 32 : Segmental Reporting :

During the year, The Company has identified three primary reportable business segments namely (a) Wire & Cables, (b) Lighting & Fittings and (c)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A. Segment Revenue		
Wire & Cables	1,038,195,422	782,280,137
Lighting & Fittings	332,476,417	226,461,219
Accessories & Others	1,019,728,305	757,157,590
Total Revenue	**2,390,400,145**	**1,765,898,947**
B. Segment Results		
Wire & Cables	202,945,966	171,937,064
Lighting & Fittings	51,187,856	91,076,880
Accessories & Others	172,086,039	140,096,079
	426,219,861	**403,110,024**
Less : Unallocable Expenses	162,112,576	145,923,151
Less : Depreciation	16,644,051	19,745,846
Operating Profit	247,463,235	237,441,027
Less : Finance Cost	41,237,799	45,501,382
Add : Other Income	7,668,756	3,940,334
Profit Before Tax & Exceptional Items	213,894,192	195,879,979
Less : Exceptional Expenses	-	42,102,609
Profit Before Tax	**213,894,192**	**153,777,370**
Less : Tax expense (Net)	31,598,479	22,849,486
Profit After Tax	**182,295,713**	**130,927,884**
C. Segments Assets		
Wire & Cables	38,756,536	47,176,509
Lighting & Fittings	103,959,841	97,528,634
Accessories & Others	94,132,907	64,816,613
Unallocated	1,212,774,432	1,213,450,749
Total	**1,449,623,715**	**1,422,972,504**
D. Segments Liabilities		
Wire & Cables	-	-
Lighting & Fittings	-	-
Accessories & Others	-	-
Unallocated	440,232,803	614,082,122
Total	**440,232,803**	**614,082,122**
E. Non Cash Expenditures		
Wire & Cables	-	-
Lighting & Fittings	-	-
Accessories & Others	161,131	325,939
Unallocated	16,644,051	19,745,846
Total	**16,805,182**	**20,071,785**

Note 33 : During the financial year 2015-16, the Company had received Rs. 11,19,23,304 towards full and final settlement for fire insurance claim

Note 34 : Related Party Disclosure:-

As required under Accounting Standard 18 "Related Party Disclosure" (AS-18), following are the details of transactions during the year with the

a.List of related parties

(i) Key Managerial Personnel

Name of the Party	Relationship
Akshay Gurnani	Managing Director
Naraindas Gurnani	Whole time Director & Chief Financial Officer (From 24.05.2016)
Dinesh Gurnani	Whole time Director & Chief Financial Officer (Upto 23.05.2016)
Jyoti Gurnani	Director
Ms. Chavi Rawat	Company Secretary (Upto 09.02.2016)
Ms. Shilpi Keshwani	Company Secretary (From 05.03.2016)

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Accompanying notes to the consolidated financial statement for the year ended 31st March, 2017

(Amount in Rs.)

(ii) Holding Company

Veto Electropower (India) Private Limited (Upto 14-07-2016)

(iii) Ultimate Holding Company

Gurnani Holdings Private Limited (Upto 14-07-2016)

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

Vimal Power Cables Private Limited
Pinkcity Buildhome Private Limited
Pink Square Real Estate Private Limited

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	1,500,000
	Sales (Net)	21,327	11,235
Dinesh Gurnani	Remuneration	120,000	720,000
	Advance received back	-	316,500
	Advance Granted	-	66,500
Naraindas Gurnani	Remuneration	467,142	-
Chavi Rawat	Remuneration	-	153,324
Shilpi Keshwani	Remuneration	249,852	15,262
Jyoti Gurnani	Remuneration	600,000	200,000
Vimal Power Cables Private Limited	Purchases	14,259,213	15,560,457
	Rent	177,500	-
	Advance against Purchases	2,740,173	4,932,225
	Advances received back	-	4,932,225
	Sales (Net)	19,386	-
	Purchases	-	-
Pinkcity Buildhome Private Limited	Sales (Net)	90,216	196,493
	Service Taken	47,237	3,342,078
	Loan Granted	1,350,000	-
	Loan Received Back	1,350,000	-
Veto Electropower (India) Private Limited	Sales (Net)	3,168	1,918
	Loan Taken	26,001,823	-
	Loan Repaid	26,001,823	-
Pink Square Real Estate Private Limited	Sales (Net)	90,537	-

ESOP Granted during the year and outstanding as on 31st March, 2017

Akshay Gurnani	6,69,855
Jyoti Gurnani	900

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	105,000
	Trade Recievables	32,562	11,235
Dinesh Gurnani	Remuneration Payable	-	56,500
Naraindas Gurnani	Remuneration Payable	85,000	-
Shilpi Keshwani	Remuneration Payable	-	15,262
Jyoti Gurnani	Remuneration Payable	50,000	46,000
Pinkcity Buildhome Private Limited	Other Payables	4,591	590,852
Vimal Power Cabels Private Limited	Advance to Creditor	2,740,173	-
Tulsi Palace Resort Pvt. Ltd. Jaipur	Trade Recievables	22,174	22,174

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Accompanying notes to the consolidated financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 35 : Corporate Social Responsibility

During the year the Company has incurred expenditure towards CSR activities and has spent Rs. 9,08,480 (as stated below) as against Rs.18,95,890 as

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	908,480	-	908,480
Total		**908,480**	**-**	**908,480**

Note 36 : Employee Stock Option Plan

Veto Switchgears and Cables Limited Employees stock option plan ('ESOP') 2015

The Board of Directors of the Company in their meeting held on 23rd July, 2015 and the shareholders of the Company in their general meeting held on 26th August, 2015 have approved the ESOP 2015 ('the Scheme'), which covers the employees of the Company and the its subsidiaries, if any, but excludes promoters and directors directly or indirectly holding 10% of the issued and subscribed shares of the Company. The Scheme is administered and supervised by the Compensation Committee of the Company. Each option shall entitle the the holder of option to one equity share on vesting of the option as per the terms and conditions of the scheme.

During the period upto March 31, 2017, the Company has granted options on the following dates:

Grant date	No of options
23-May-16	916,355
Total	**916,355**

Employee stock option activity under the Scheme is as follows:

Particulars	For the year ended 31 March 2017	
	Number of options	Weighted Average Exercise price
Outstanding at beginning of the year	-	-
Granted during the year	916,355	50.00
Forfeited during the year	100,000	50.00
Exercised during the year	-	Not Applicable
Outstanding at the end of the year	816,355	50.00
Vested and exercisable at the end of the year	-	

Disclosure related to stock options outstanding at year end

Exercise price	Shares arising out of the option	Weighted average remaining contractual term in years
23-May-16	816,355	3.11 Years
	816,355	

Note : 37 : Additional information as required under schedule III of Companies Act, 2013, of enterprises conolidated as Subsidiary :.

Name of the Enterprises	Consolidated Net Assets i.e. Total assets minus total liabilities		Share in Profit or loss	
	%	Amount	%	Amount
Parent				
Veto Switchgears And Cables Limited	100%	853,655,494	100%	100,177,729
Subsidiaries				
Veto Overseas Private FZE	100%	81,438,124	100%	85,662,485
Veto Electricals Private Limited	100%	(6,367,488)	100%	(3,544,500)

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Accompanying notes to the consolidated financial statement for the year ended 31st March, 2017

(Amount in Rs.)

Note 38 : The details of Specified Bank Notes(SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as per

Particulars	SBNs	Other denomination Notes	Total
Closing cash in hand as on 08.11.2016	2,761,000	1,083,381	3,844,381
(+) Permitted receipts	-	1,699,490	1,699,490
(-) Permitted payments	-	2,239,405	2,239,405
(-) Amount deposited in Banks	2,761,000	200	2,761,200
Closing cash in hand as on 30.12.2016	-	543,266	543,266

Note 39 : The board of directors has proposed the final dividend of Re. 1/- per equity share, subject to the approval of shareholders of the Company.

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

As per our report of even date attached

For S G C O & Co. LLP
Chartered Accountants
Firm Reg. No. 112081W / W100184

Suresh Murarka
Partner
Mem. No. 44739

Place: Mumbai
Date : 30th May, 2017

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

Akshay Kumar Gurnani
Managing Direcor
DIN : 06888193

Narain Das Gurnani
Whole Time Director & CFO
DIN : 01970599

Shilpi Keswani
Company Secretary

Place: Jaipur
Date : 30th May, 2017

Ten Years at a Glance								Rs. In Lakhs		
Particulars	Years									
	2007-08	2008- 09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Gross Sales/ Revenue from Operations	2497.22	3892.45	4700.4	5314.89	6860.29	7413.99	9447.72	9730.22	11209.48	12033.93
Other Income	429.43	335.69	164.92	6.19	9.53	27.8	87.46	53.64	78.1	444.7
Total Revenue	2926.65	4228.14	4865.32	5308.15*	6869.82	7441.79	9535.18	9783.86	11287.58	12478.628
Earning Before Interest and Tax	251.42	341.88	478.85	612.62	996.65	995.53	1027.71	1359.2	1557.8	1,935.31
Profit Before Tax	243.2	269.44	408.89	491.91	753.92	761.72	843.63	975.56	994.04	1,534.63
Profit After Tax	194.27	221.33	364.86	603.51	722.41	587.64	608.97	714.54	765.54	1,218.65
Net Worth	447.87	684.46	1280.06	1982.76	2710.15	5944.66	6553.67	7266.33	7565.53	8,989.12
No. of Equity Shares	25.36	26.91	49.99	53.32	58.3	116.6	183.27	183.27	183.27	183.27
Paid up Equity to Capital	253.6	269.14	499.9	533.23	538.21	1666.1	1832.71	1832.71	1832.71	1,832.71
Secured Loan										
Term Loan	178.81	303.91	227	191.8	23.25	14.54	605.54	600	563.75	571.02
Working Capital	223.04	385.3	727.67	1053.54	1865.09	362.79	2909.94	2834.53	3401.43	2335.6
Hire Purchase Loan	6.53	15.97	21.29	17.45	47.36	48.92	29.4	26.64	37.78	15.91
Dividend Paid	0	0	0	0	0	0	0	0	366.54**	183.27
Book Value	17.66	25.44	25.61	37.19	46.49	50.98	35.76	39.65	41.28	49.05
EPS	7.66	8.22	9.85	12.07	6.47	4.47	3.32	3.9	4.18	6.65

* Decrease in stock
**Exclusive of DDT

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 th e 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 2016-17.



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VETO SWITCHGEARS AND CABLES LTD.

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Factory : (Haridwar) Plot, No. 65-67, 74-77, Sector-2E, Sidcual, Ranipur, Haridwar - 24403 (UK) India
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