Red Herring Prospectus
November 20, 2012
Please read section 60B of the Companies Act, 1956
Book Building Issue

VETO SWITCHGEARS AND CABLES LIMITED

Our Company was originally incorporated as a partnership firm on June 26, 2003 under the name and style "Veto Industries". On April 1, 2007 the name of the firm was changed to "Veto Switchgears and Cables". Subsequently, on June 20, 2007, the partnership firm was converted in to the private limited company under the name and style "Veto Switchgears and Cables Private Limited" under part IX of the Companies Act, 1956. The name of our Company was further changed to the present name, pursuant to which a fresh certificate of incorporation dated August 3, 2012 was issued by Registrar of Companies, Maharshtra, Mumbai. The Corporate Identification Number is U3140MH2007PLC171844. For further details, please see section "History and Other Corporate Matters" on page 71 of this Red Herring Prospectus.

Registered Office: D-2, First Floor, Malad Industrial Estate, Ramchandra Lane Extn. Kanchpada, Malad (West), Mumbai 400064.
Tel: +91 22 2880 7704; **Fax**: +91 22 2888 4104
Corporate Office: 230, Sindhi Colony, Raja Park, Jaipur 302004 **Tel:** +91 141 4100410; **Fax**: +91 141 4100415
Contact Person: Ms. Vandana Ravi, Company Secretary and Compliance Officer; **E-mail**: cs.vandana@vetoswitchgears.com;
Group Chief Financial Officer: Mr. P.V. Sharma; Email: cfo@vetoswitchgears.com; **Website**: www.vetoswitchgears.com

PUBLIC ISSUE OF [●] EQUITY SHARES OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING UPTO ₹ 2,500 LACS (THE "ISSUE") BY OUR COMPANY, OF WHICH [●] EQUITY SHARES WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER(S) TO THE ISSUE ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

FOR FURTHER DETAILS, PLEASE SEE "TERMS OF THE ISSUE" ON PAGE 195 OF THIS RED HERRING PROSPECTUS.

PRICE BAND: ₹ 48.00 TO ₹ 50.00 PER EQUITY SHARE

THE ISSUE PRICE IS 4.8 TIMES OF THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND 5 TIMES OF THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional working days after such revision of the Price Band, subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding/Issue Period, if applicable, shall be widely disseminated by notification to the National Stock Exchange of India Limited ("NSE") and by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager ("BRLM") and the Co-BRLM and at the terminals of the Syndicate Member(s).

The Issue is being made through a Book Building Process & in accordance with Chapter XB (applicable to issue of specified Securities by Small & Medium Enterprises (SME)) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10/- and the Floor Price is 4.8 times of the face value and the Cap Price is 5 times of the face value. The Issue Price (as determined and justified by our Company, the BRLM and the Co-BRLM as stated under the section titled "Basis for Issue Price" on page 40 of Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page xi of this Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of this Issue; that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the SME Platform of the NSE i.e., "EMERGE" and traded in the SME Normal market. In –principle approval from NSE for listing the Equity Shares has been received pursuant to its letter no. NSE/LIST/184672-5 dated October 25, 2012. The NSE shall be the Designated Stock Exchange.

IPO GRADING

The Issue has been graded by CRISIL and has assigned the CRISIL SME fundamental grade of '**SME 4/5**' (pronounced '**SME four on five**') vide its report dated October 19, 2012. This SME fundamental grade indicates that the fundamentals of the Company are superior compared to other SMEs in India. For further details and rationale and grading report please refer page no. 19 and 262 respectively.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
KEYNOTE	इण्डियन ओवरसीज़ बैंक Indian Overseas Bank	BIGSHARE SERVICES PVT.LTD. Attentive. Able. Adaptive
Keynote Corporate Services Limited The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400028 **Tel:** +91–22– 30266000-3 **Fax:** +91–22– 3026 6088 **E-mail:** project.switchgears@keynoteindia.net **Website:** www.keynoteindia.net **Contact Person:** Mr. Chintan Hefa/ Ms. Girija Sangole **SEBI Registration No.:** INM 000003606	**Indian Overseas Bank** Merchant Banking Division, Central Office, 6th Floor, Annex Building, 763 Anna Salai, Chennai-600 002 **Tel:** +91–44–28889367; **Fax:** +91–44–28519548; **E-mail:**mbd@iobnet.co.in **Website:**www.iob.in **Contact Person:** Mr. R. Ramachandran **SEBI Registration No:**INM 000001386	**Bigshare Services Private Limited** E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai 400 072 **Tel.:** +91 22 404 30 200 **Facsimile:** +91 22 2847 5207 **Email:** ipo@bigshareonline.com **Website:** www.bigshareonline.com **Contact Person:** Mr. Ashok Shetty **SEBI Registration No.:** INR 000001385

BID/ ISSUE PROGRAMME

ISSUE OPENS ON	ISSUE CLOSES ON
Monday, December 3, 2012	**Wednesday, December 5, 2012**

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Definitions

In this Red Herring Prospectus, unless the context otherwise requires, the terms defined and abbreviations expanded herein below shall have the same meaning as stated in this section.

In this Red Herring Prospectus, unless otherwise indicated or the context otherwise requires, all references to "Veto Switchgears and Cables Limited", "Veto", the/our "Company", "we", "our", "us" or similar terms are to Veto Switchgears and Cables Limited or, as the context requires, and references to "you" are to the equity shareholders and/ or prospective investors in the Equity Shares.

Conventional/ General Terms

Term	Description
Act/ Companies Act	The Companies Act, 1956 and amendments thereto
Depositories Act	The Depositories Act, 1996 and amendments thereto
EPS	Earnings Per Share
IT Act	The Income Tax Act, 1961 and amendments thereto
Indian GAAP	Generally Accepted Accounting Principles In India
NAV	Net Asset Value per share
PAT	Profit After Tax
RONW	Return on Net Worth
SEBI Act, 1992	Securities and Exchange Board of India Act, 1992 and amendments thereto
SEBI Regulations/ SEBI ICDR Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments thereto
Securities Act	United States Securities Act of 1933, as amended
Takeover Code/ Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto
Wealth Tax Act	The Wealth Tax Act, 1957 and amendments thereto.

Issue related terms

Term	Description
Allotment/ Allot/ Allotted	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to this Issue to successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are allotted
Applications Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) used compulsorily by QIB and those investors who have applied for Equity Shares for a cumulative amount of more than ₹ 2 lacs and optionally by Retail Individual Investors to make an application authorizing the SCSB to block the amount payable on application in their specified bank account
ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the appropriate Bid Amount of the ASBA Bidder, as specified in the ASBA Bid cum Application Form
ASBA Bidder(s)/ Investor(s)	Prospective investors in this Issue who Bid/ apply through the ASBA process. Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, non- retail Investors i.e. QIBs and Non-Institutional Investors participating in the Issue are required to mandatorily use the ASBA facility to submit their Bids. The ASBA facility is optional in case of Retail individual investor(s).
ASBA Bid cum Application Form / ASBA Form/ ASBA Bid cum Application Form	The form, whether physical or electronic, used by an ASBA Bidder to submit a Bid, which contains an authorization to block the Bid Amount in an ASBA Account and would be considered as an application for Allotment to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus Pursuant to SEBI circular number CIR/CFD/DIL/7/2010 dated July 13, 2010, ASBA Bid cum Application Forms are available for download from the respective website of

Term	Description
	the Stock Exchange
ASBA Revision Form	The form used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Bid cum Application Forms or any previous ASBA Revision Form(s) Pursuant to SEBI circular number CIR/CFD/DIL/7/2010 dated July 13, 2010, ASBA Revision Forms are available for download from the website of the Stock Exchange
Banker(s) to the Issue / Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Escrow Account will be opened and in this case being Axis Bank Limited, HDFC Bank Limited and Indian Overseas Bank
Banker(s) to the Company	Such banks which are disclosed as bankers to our Company in the chapter titled "General Information" on page 15
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described under section titled "Issue Procedure" on page 204
Bid(s)	An indication to make an offer during the Bid/ Issue Period by a Bidder pursuant to submission of the Bid cum Application Form to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid in this Issue and in the case of ASBA Bidders, the amount mentioned in the ASBA Bid-cum-Application Form.
Bid-cum-Application Form	The form used by a Bidder to make a Bid including the ASBA Bid cum Application Form (as applicable), which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bid/ Issue Closing Date	the date after which the members of the Syndicate and the designated branches of the SCSBs shall not accept any Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a regional newspaper, where the Registered Office of our Company is situated, each with wide circulation.
Bid/ Issue Opening Date	The date on which the Syndicate and the SCSBs shall start accepting Bids for the Issue, which shall be the date notified in two national daily newspapers (one each in English and Hindi) and one regional language daily newspaper, where the Registered Office of our Company is situated, each with wide circulation
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof.
Book Building Process/ Book Building Method	The book building route as provided under Schedule XI of the SEBI ICDR Regulations, in terms of which this Issue is being made
BSE	Bombay Stock Exchange Limited
BRLM/ Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Keynote Corporate Services Limited
Business Day	Any day on which commercial banks in Mumbai are open for business
Brokers to this Issue	Brokers registered with any recognized Stock Exchange, appointed by the Members of the Syndicate.
Cap Price	The higher end of the Price Band above which the Issue Price will not be finalized and above which no Bids will be accepted
Co-Book Running Lead Manager/ Co-BRLM	Co-Book Running Lead Manager to the Issue, in this case being Indian Overseas Bank
Compliance Officer	The Company Secretary of our Company, Ms. Vandana Ravi
Controlling Branches	Such branches of the SCSBs which coordinate Bids under this Issue by the ASBA Bidders with the BRLM, the Co-BRLM, the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Cut-off Price	Any price within the Price Band finalised by our Company in consultation with the BRLM and Co–BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding ₹ 2 lacs. No other category of Bidders are entitled to Bid at the Cut-off Price

Term	Description
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details
Depositories	NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
Designated Branch(s)	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form used by ASBA Bidders and a list of which is available on http://www.sebi.gov.in/pmd/scsb/html
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the Refund Account, as appropriate, or the amount blocked by the SCSBs is transferred from the bank account specified by the ASBA Bidder to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Market Maker	Keynote Capitals Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations
Designated Stock Exchange	The NSE
Draft Red Herring Prospectus/ DRHP	The Draft Red Herring Prospectus dated September 10, 2012 issued in accordance with Section 60B of the Companies Act and SEBI ICDR Regulations, filed with SEBI and which does not contain complete particulars of the price at which the Equity Shares would be issued and the number of Equity Shares which may be allotted pursuant to the Issue
Eligible NRIs	NRIs from such jurisdiction outside India where it is not unlawful for our Company to make this Issue or an invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depositary participants
Equity Share(s)	Equity Shares of our Company of face value of ₹ 10/- each, fully paid-up, unless otherwise specified in the context thereof.
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the BRLM, Co – BRLM, the Syndicate Member(s) and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding ASBA Bidders) on the terms and conditions thereof
First/ Sole Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form.
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted
HSL	Hem Securities Limited
IOB	Indian Overseas Bank
Issue / The Issue / This Issue/ Issue Size	Public Issue of [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating upto ₹ 2,500 lacs. Of which [●] equity shares will be reserved for subscription by Market Maker(s) to the Issue ("Market Maker Reservation Portion"). The Issue less the Market Maker Reservation Portion i.e. Issue of [●] Equity Shares of ₹ 10 each is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute [●] % and [●] %, respectively of the post issue paid up Equity Share capital of the Company.
Issue Agreement	The agreement dated September 5, 2012 entered into among our Company, the BRLM and the Co-BRLM pursuant to which certain arrangements are agreed to in

Term	Description
	relation to the Issue
Issue Price	The final price at which the Equity Shares will be issued and allotted in terms of the Red Herring Prospectus (subject to Retail Discount, if any). The Issue Price will be decided by our Company in consultation with the BRLM and the Co - BRLM on the Pricing Date
Issue Proceeds	Proceeds from the Issue that will be available to our Company being upto ₹ 2,500 lacs.
KCL	Keynote Capitals Limited
Keynote	Keynote Corporate Services Limited
LCAPL	Ladderup Corporate Advisory Private Limited
Listing Agreement	The model Listing Agreements for SME Exchanges to be entered into with the NSE by our Company
Market Maker	A market maker is a company, or an individual, that quotes both a buy and a sell price in a financial instrument or commodity held in inventory, hoping to make a profit on the bid-offer spread, or turn. Market makers are net sellers of an option to be adversely selected at a premium proportional to the trading range at which they are willing to provide liquidity, in this case being KCL.
Market Maker Reservation Portion	The Reserved portion of [●] Equity shares of ₹ 10/- each at an Issue Price of ₹ [●] (including share premium of ₹[●]) per Equity Share aggregating to ₹ [●] lacs for Designated Market Maker in the Public Issue of our Company
Key Management Personnel	The personnel listed as key management personnel in "Management" on page 77
Mutual Funds	A Mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Fund Portion	5% of the Net QIB Portion or [●] Equity Shares available for allocation to Mutual Funds, out of the Net QIB Portion
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of face value of ₹ 10/- each at ₹ [●] (including share premium of ₹[●]) per Equity Share aggregating to ₹ [●] (Rupees [●] lacs Only) by our Company
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further information about use of the Issue Proceeds and the Issue expenses, see "Objects of the Issue" on page 34
Non-Institutional Bidders	As defined in the SEBI ICDR Regulations and includes all Bidders including sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Bidders who have Bid for Equity Shares for a cumulative amount more than ₹ 2 lacs (but not including NRIs other than eligible NRIs)
Non-Institutional Portion	The portion of the Net Issue being not less than 40% of the Issue, consisting of [●] Equity Shares, available for Allocation to Non-Institutional Bidders on a proportionate basis, subject to receipt of valid Bids at or above the Issue Price
NR/ Non-Resident	A person resident outside India, as defined under FEMA including eligible NRIs and FIIs
NRI(s)/ Non-Resident Indian	A "person resident outside India", as defined under FEMA and who is a citizen of India or is a person of Indian origin (as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended)
OCB(s)/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue
Payment through electronic transfer of funds	Payment through NECS, Direct Credit or NEFT, as applicable
Pay-in-Period/ Pay-in Period	The period commencing on the Bid/ Issue Opening Date and continuing till the Bid/ Issue Closing Date

Term	Description
PLPL	Prabhudas Lilladher Private Limited
Price Band	Price band of a minimum price (Floor Price) of ₹ 48.00 and the maximum price (Cap Price) of ₹ 50.00 and includes revisions thereof.
Pricing Date	The date on which our Company in consultation with the BRLM and the Co-BRLM, finalises the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue by our Company to receive monies from the Escrow Account and the SCSBs from the bank accounts of the ASBA Bidders on the Designated Date
Qualified Institutional Buyers/ QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
QIB Portion	The portion of the Net Issue being not more than 25% of the Issue, consisting of not more than [●] Equity Shares, available for Allocation to QIBs, subject to valid Bids being received at or above the Issue Price
Qualified Foreign Investors/ QFIs	Non-resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies.
Qualified Foreign Investors Depository Participant/ QFIs DP	Depository Participant for Qualified Foreign Investors
Red Herring Prospectus/ RHP	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are Issued and the number of Equity Shares Issued. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/ Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account maintained by the Refund Bank(s) to which the surplus money shall be transferred and from which refunds of the whole or part of the Bid Amount (excluding the ASBA Bidders), if any, shall be made
Refund Bank(s)/ Refund Banker(s)	The bank(s) which have been appointed / designated for the purpose of refunding the amount to investors either through the electronic mode as prescribed by SEBI and/ or physical mode in accordance with the procedure contained in the section titled "Issue Procedure" on page 204
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through NECS, Direct Credit, NEFT, RTGS, as applicable
Registrar to the Issue	Registrar to this Issue, Bigshare Services Private Limited
Resident Retail Individual Investor / Resident Retail Individual Bidder	A Retail Individual Bidder who is a "person resident in India" (as defined in FEMA)
Retail Individual Bidder(s)	Individual Bidders who have Bid for Equity Shares for an amount not more than ₹ 2 lacs in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs other than Eligible NRIs)

Term	Description
Retail Portion	The portion of the Net Issue being not less than 35% of the Issue, consisting of [●] Equity Shares, available for Allocation to Retail Individual Bidders on a proportionate basis
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid-cum-Application Forms or any previous Revision Form(s)
Rule 144A	Rule 144A under the U. S. Securities Act of 1933, as amended from time to time
Self Certified Syndicate Bank/ SCSB	Self Certified Syndicate Bank is a Banker to an Issue registered with SEBI which offers the facility of making an Application Supported by Blocked Amount and recognised as such by SEBI, a list of which is available on http://www.sebi.gov.in/pmd/scsb/html
SME Normal market	SME securities being traded in the normal market segment
Stock Exchange	The NSE
Sub-Syndicate Member(s)	A SEBI registered member of NSE appointed by the BRLM, the Co - BRLM and/ or the Syndicate Member to act as a Sub-Syndicate Member in the Issue
Syndicate	The BRLM, the Co-BRLM, the Syndicate Member(s) and our Company in relation to the collection of Bids in this Issue
Syndicate Agreement	The agreement to be entered into among the BRLM, the Co–BRLM, the Syndicate Members and our Company in relation to the collection of Bids in this Issue
Syndicate Member(s)	KCL, LCAPL, HSL and PLPL
SME Platform of NSE	The SME Platform of NSE i.e., EMERGE which is approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI ICDR Regulations.
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Member(s) to the Bidder as proof of registration of the Bid
Underwriters	The BRLM, Co-BRLM and the Syndicate Member(s).
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into on or after the Pricing Date.
Working Day	All days other than a Sunday or a public holiday (except during the Bid/ Issue Period where a working day means all days other than a Saturday, Sunday or a public holiday), on which commercial banks in Mumbai are open for business

Company and Industry Related Terms

Term	Description
CEA	Central Electricity Authority
CFL	Compact Fluorescent Lamp
HSD	High Speed Diesel
IEA	International Energy Agency
KVA	Kilo Watt Ampere
KYC	Know Your Customer
MCB	Main Circuit Breaker
MNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MTPA	Metric Ton Per Annum
MW	Mega Watt
RGGVY	Rajiv Gandhi Grameen Vidhyutikaran Yojana

Abbreviations

Term	Description
AED	United Arab Emirates Dirham
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assesment Year

Term	Description
BRLM	Book Running Lead Manager
CAGR	Compound Annual Growth Rate
CAN	Confirmation of Allocation Note
CB	Controlling Branch
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CIDC	Construction Industry Development Council
CIN	Corporate Identification Number
DB	Designated Branch
DIN	Director's Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Tax, Depreciation and Amoritsation
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting of the shareholders
EME	Emerging Market Economies
EPS	Earnings per Equity Share
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the rules and regulations issued thereunder
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FII	Foreign Institutional Investor [as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time] registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FIs	Financial Institutions
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
FY	Financial Year
GAAP	Generally Accepted Accounting Principles
GBS	Gross Budgetary Support
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI / Government	Government of India
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IEBR	Internal & Extra Budgetary Resources
IIP	Index of Industrial Production
IMF	International Monetary Fund
INR	Indian National Rupee
IPO	Initial Public Offering
IT Act	Income Tax Act, 1961, as amended
Ltd.	Limited
MAPIN	Market Participant and Investor Database
M&A	Mergers & Acquisitions
NEFT	National Electronic Fund Transfer
NS-EW	North South – East West
NR	Non-Resident
NRE Account	Non Resident (External) Account
NRI	Non-Resident Indian
NRO Account	Non Resident (Ordinary) Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited

Term	Description
OCB	Overseas Corporate Body
P/E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PIA	Project Implementation Agency
RBI	The Reserve Bank of India
RoNW	Return on Net Worth
R&D	Research & Development
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self Certified Syndicate Bank
SEB	State Electricity Board
SSI	Small Scale Industry
STT	Securities Transaction Tax
SME	Small and Medium Enterprises
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TRS	Transaction Registration Slip
WDV	Written Down Value
w.e.f.	With effect from

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

In this RHP, unless otherwise indicated or the context otherwise requires, all references to "Veto Switchgears and Cables Limited, "Veto", the/our "Company", "we", "our", "us" or similar terms are to Veto Switchgears and Cables Limited or, as the context requires, and references to "you" are to the prospective investors in the Equity Shares.

Unless stated otherwise, the financial data in this RHP is derived from the audited financial information of our Company which has been prepared in accordance with Indian GAAP and are included in the RHP. The financial year of our Company commences on April 1 and ends on March 31.

In this RHP, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

All references in the RHP to "Rupees", "Rs.", "₹", "Indian Rupees" and "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "U.S.$", "U.S. Dollar", "USD" or "$" are to United States Dollars, the official currency of the United States of America and all references to "AED" are to United Arab Emirates Dirham, the official currency of United Arab Emirates.

Please Note:

One million is equal to 1,000,000/10 lacs;
One billion is equal to 1,000 million/100 crores;
One lac is equal to 100 thousand;
One crore is equal to 10 million/100 lacs

Unless stated otherwise, industry data used throughout this RHP has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this RHP is reliable, it has not been independently verified.

Fluctuations in the exchange rate between the Rupee and the U.S. Dollar and Rupee and AED will affect the U.S. Dollar and AED respectively equivalent of the Rupee price of the Equity Shares on the Stock Exchange. These fluctuations will also affect the conversion into U.S. Dollars and/ or AED of any cash dividends paid in Rupees on the Equity Shares.

FORWARD LOOKING STATEMENTS

We have included statements in this RHP which contain words or phrases such as "will", "may", "aim", "is likely to result", "believe", "expect", "continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "pursue" and similar expressions or variations of such expressions, that are "forward looking statements".

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to:

- General economic conditions
- Changes in political and social conditions in India
- The outcome of legal or regulatory proceedings that we are or might become involved in
- Contingent liabilities, environmental problems and uninsured losses
- Increasing competition in the industry;
- Developments affecting the Indian economy
- Changes in laws and regulations that apply to the industry
- Uncertainty in global financial markets

For a further discussion of factors that could cause the actual results to differ, see "Risk Factors" on page xi of this RHP. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the BRLM and Co-BRLM nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and Stock Exchange requirements, our Company, BRLM and Co-BRLM shall ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

SECTION II - RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The financial and other implications of material impact of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However there are a few risk factors where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. The ordering of the risk factors has been done based on materiality and does not in any manner indicate the importance of one risk factor over the other. To obtain a complete understanding, you should read this section in conjunction with the chapters titled "Business Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the section titled "Financial Information" on page 54, 168 and 109 respectively as well as the other financial and statistical information contained in this Red Herring Prospectus.

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Equity Shares have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus.

The occurrence of any of the following events could have a material adverse effect on our business, results of operations, financial condition and prospects and cause the market price of the Equity Shares to fall significantly, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations. The following factors have been considered for determining the materiality:

1. Some events may not be material individually but may be found material collectively;
2. Some events may have material impact qualitatively instead of quantitatively;
3. Some events may not be material at present but may have material impact in future.

RISKS ASSOCIATED WITH OUR BUSINESS

1. We, our Promoter(s) and our certain Group Companies are currently involved in certain legal proceedings and any adverse decision in such proceedings may have a material adverse effect on our business, result of operations and financial condition.

Our Company, our Promoter(s) and our Group Companies are currently involved in certain legal proceedings and claims in India which are pending at different levels of adjudication before various authorities. The table below sets forth summary of information with respect to legal proceedings that are against us:

Particulars	Criminal proceedings	Civil proceedings	Tax proceedings	Labour cases	Consumer cases	Total approximate amount involved (₹ in Lacs)
Against our Company	-	1	-	1	-	21.72
By our Company	12	-	-	-	-	20.78
Against our Promoter(s)	-	-	1	-	-	369.11
By our Promoter(s)	-	-	3	-	-	2.81
Against our Group Company(ies)	-	-	1	1	-	0.49
By our Group Company(ies)	1	1	-	-	-	8.84

Additionally, should any new development arise, such as a change in the Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which may reduce our profitability. We can give no assurance that these legal proceedings will be decided in our favour. Any adverse outcome in any or all of these proceedings may have a material adverse effect on our business, results of operations and financial condition.

For further information relating to these proceedings, please see the section titled "Outstanding Litigations and Defaults" on page 175.

2. ***The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. Any variation between the estimation and actual expenditure on the objects could result in execution delays or influence our profitability adversely.***

The objects for which the funds are being raised have not been appraised by any bank or financial institution. The estimate of costs is based on quotations received from vendors and management estimates. Though these quotes/ estimates have been taken recently, they are subject to change and may result in cost escalation. The requirement of working capital has been determined based on our Company's estimates in-line with the past trends and is not appraised by our Working Capital Banker IOB. Presently, as on the date of this RHP, we have a sanctioned working capital limit of ₹ 2,250.00 lacs from IOB. Any change in estimates of working capital requirement by our Banker may affect our Objects of the Issue. Any change or cost escalation can significantly increase the cost of the machineries as stated in "Objects of the Issue" on page 34.

3. ***We have not yet placed orders for plant & machinery required for our proposed modernization of Hardwar facility.***

We intend to purchase plant & machinery including dies aggregating to approx. ₹ 300 lacs for our modernization of Hardwar facility. We have not yet placed orders for plant & machinery (including dies) and thus are subject to risks which may arise on account of inflation in price of plant & machinery. Our Company has received quotations for these machineries. The details of quotations received appear under the Section titled 'Objects of the Issue' on page 34. The purchase of plant and machinery would require us to consider factors including but not limited to pricing, delivery schedule and after-sales maintenance. There may also be a possibility of delay at the suppliers' end in providing timely delivery of these machineries, which in turn may delay the implementation of the project.

4. ***In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section "Objects of the Issue" on page 34. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may face time and cost overruns and this may affect our revenues and results of operations.

5. ***We do not own the registered office and certain other premises from which we operate. Any dispute in relation to the lease of our premises would have a material adverse effect on our business and results of operations.***

We do not own the premises on which our registered office and corporate office is situated. The registered office of our Company is leased from Smt. Santosh Ashok Gupta and our corporate office is leased from one of our Promoters namely, Mr. Vishnu Kumar Gurnani. If any of the owners of these premises do not renew the agreements under which we occupy the premises or renew such agreements on terms and conditions that are unfavorable to our Company, it may suffer a disruption in our operations or have to pay increased rentals which could have a material adverse effect on our business, financial condition and results of operations. For more information, see "Business Overview" on page 54. Further the leave and license agreement of our registered office is yet to be registered.

6. ***In past there are certain instances of non- compliances with certain provisions of the Companies Act, 1956.***

- As per the Auditor's report FY 2009-10 and FY 2010-11, the cost audit was not conducted as prescribed under section 209(1)(d) of the Act. Though we have been maintaining cost records as required under the Act, separate cost audit was not done for the said years. However, during FY 2011-12 we have complied with the provisions of the Act and the certificate from the cost auditor has been obtained.

- Our Company came into existence from June 20, 2007. We had followed the policy of accounting the gratuity on cash basis till FY 2011-12. However we have been informed that the same is not in conformity with AS 15 prescribed by ICAI in relation to disclosure of present value of obligations with respect to the retirement/ future benefits to be paid to the employees and is in contravention of section 211(3C) of the Act. The Accounting Standard stipulates that these liabilities should be accounted for in the books of accounts on accrual basis. Our Company has now created a gratuity fund of ₹ 346.36 Lacs taking into account prescribed Accountiung

Standard and has obtained a gratuity bond dated August 28, 2012 from Life Insurance Corporation of India and thus presently we are in compliance with prescribed Accounting Standard.

- The paid up share capital of our Company has increased beyond ₹ 500.00 lacs w.e.f. March 31, 2011. In terms of section 383A of the Act, we are required to appoint company secretary. We could not appoint the company secretary in-spite of our best efforts during the FY 2011-12 but we have obtained compliance certificate from the qualified practicing company secretary for the said year as required. However we have now appointed a whole time company secretary w.e.f. May 01, 2012.

7. Our promoters and directors may have certain conflict of interests.

Our Promoters and directors have interests in our Group Companies which share similar business objectives. There may arise a potential conflict of interests which may favor our Group Companies and thus shall affect the business operations and financial results of our Company. As on the date of this RHP, our holding company i.e., VEIPL is engaged in the similar line of business activity for manufacturing wires and cables. Since VEIPL is a 100% EOU, the products manufactured by VEIPL are sold only in international markets. None of the products manufactured by VEIPL are sold or have been sold in domestic markets where our Company has presence. The business conducted by our Company and VEIPL is on arms-length basis. We shall be subject to certain level of competition for our products which we sell in international markets.

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

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

₹ *in Lacs*

Particulars	As of June 30, 2012	As of March 31, 2012
Guarantee given by banks on behalf of the Company	4.50	4.50
Estimated amount of contracts remaining to be executed on capital account	-	5.25
Total	4.50	**9.75**

If these liabilities materialise, it could have an adverse effect on our results of operations. For further information on our contingent liabilities, see "Financial Information – Annexure XVI" on page 166.

9. Our business is dependent on the availability/ supply and cost of raw materials. Any significant increase in the prices or decrease in the availability of these raw materials may adversely affect our results of operations.

Our main raw materials are namely copper, PVC resin, Brass part and moulding powder. As on date we do not have any long term tie-up or agreements for supply of these raw materials. Any decrease in the availability of these raw materials for whatever reason, including climatic change, could adversely affect our sales and profitability. Further, any price volatility of these raw materials and our inability to adjust to the same could adversely affect our results of operations and profitability.

10. Our Company does not have any long-term contracts with our customers which may adversely affect our results of operations.

Our Company has not entered into long-term contracts with any of our dealers nor do we have any marketing tie-up for our products with any of our customers. We follow a standard set of procedures in appointing our dealers. These procedures include KYC form to verify the details of the dealer alongwith the security deposit in form of cheque which is based on the credit limit fixed upon by us. Any change in the buying pattern of our customers can adversely affect the business of our Company. Our inability to sell our existing products as well as products to be produced after our proposed modernisation of Hardwar facility, may adversely affect our business and profitability in future.

11. Our business and future results of operations depend, to a significant extent, upon our ability to successfully commercialize our R&D efforts by way of cost and time efficiencies or the development of new products.

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.

12. We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.

The market for our products is competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes such as technical competence, quality of products, distribution network, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

13. As a manufacturing business, our success depends on the smooth supply and transportation of our products from our plants to our customers. Supply and transportation are subject to various uncertainties and risks, and delays in delivery or non delivery may result in rejected or discounted deliveries.

We depend on transportation services to deliver our products from our manufacturing facilities to our customers. We rely on third parties to provide such services. Disruptions of transportation services because of weather related problems, strikes, lock-outs, inadequacies in road infrastructure or other events could impair our procurement of raw materials and our ability to supply our products to our customers There is no assurance that such disruptions will not occur in the future. While we can claim compensation from the transportation service providers, under the terms of their engagement, for any delay in the timely delivery of our products, any such delays may adversely affect our relationship with our customers and consequently our goodwill. Any such disruptions could materially adversely affect our business, financial condition and results of operations.

14. We are dependent on our Individual Promoters, Mr. Vishnu Kumar Gurnani, Mr. Mohan Das Gurnani and Mr. Narayan Das Gurnani, for their expertise and market goodwill. Our separation, if any, from our Promoters may adversely affect our business.

We are dependent on our Individual Promoters, Mr. Vishnu Kumar Gurnani, Mr. Mohan Das Gurnani and Mr. Narayan Das Gurnani, for their expertise and market goodwill and our separation from our Promoters may adversely affect our business. We believe that our Promoters lend strength to the trust and reliability reposed in us and enables us to attract and retain fresh talent. Our separation, if any, with our Promoters for any reasons whatsoever shall adversely affect our business and results of operations.

15. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.

Operating and managing a business involves many risks that may adversely affect our operations and the availability of insurance is therefore important to our operations. In addition, our Company cannot be certain that the existing coverage will be available in sufficient amounts to cover one or more large claims, or that our insurers will not disclaim coverage as to any claims. A successful assertion of one or more large claims against our Company that exceeds our available insurance coverage or that leads to adverse changes in our insurance policies, including premium increases or the imposition of a large deductible or coinsurance requirement, could adversely affect our financial condition and results of operations. Our Company has not availed key man insurance policies and business interruption / loss of profits insurance cover.

16. Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.

We employ significant number of employees at our units. We are unable to assure you that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may lead to strikes, lock - outs or increased wage demands. Such issues could have an adverse effect on our business, and results of operations.

17. We have in past entered into related party transactions and may continue to do in future.

We have, in the course of our business, entered into transactions with related parties including entities forming part of our group companies, key managerial personnel and their relatives. Out of the total purchases of ₹5,099.70 lacs and ₹ 1178.17 lacs for the year ended March 31, 2012 and 3 months period ended June 30, 2012 respectively, the purchases made from related parties were ₹202.74 lacs and ₹ 46.14 lacs respectively which form 3.98% and 3.91% of the total purchases made during the said period and, out of the total sales of our Company amounting to ₹6,860.28 lacs and ₹ 1753.90 lacs during March 31, 2012 and June 30, 2012 respectively, sales to related parties were ₹102.87 lacs and ₹38.71 lacs respectively which forms 1.50 % & 2.21% of the total sales during the said period. Though aggregate percentage of related party transactions is less, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties.

Such related party transactions may give rise to potential conflicts of interest with respect to dealings between us and the related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

For details of related party transactions entered into by us, please see "Financial Information- Annexure XII" on page 132.

18. We are subject to the restrictive loan covenants of banks in respect of the term loans and working capital facilities availed from them.

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lenders, regarding, among other things, reorganisation, amalgamation or merger, incurrence of additional indebtedness, disposition of assets, expansion of our business, declaration of dividends and certain capital expenditures. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in certain of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details on the term loans and working capital borrowings, please see "Financial Information – Annexure VI" on page 128.

As on June 30, 2012 & March 31, 2012, our Company has availed term loans of Rs. 85.86 lacs & ₹ 107.19 lacs respectively and working capital borrowings of Rs. 1,977.66 lacs & ₹ 1,865.08 lacs respectively from IOB. Our Company has obtained no-objection for this Issue from all the bankers from whom the credit facilities are availed. There are no restrictive covenants in this regard from our bankers. Moreover, as on the date of the Red Herring Prospectus, our Company has not entered into any agreement with any of the shareholders.

19. We may require certain approvals and registrations in in our ordinary course of business, the failure to renew or obtain them in a timely manner may adversely affect our operations.

We require certain approvals and registrations in our ordinary course of business. Additionally, we may need to apply for renewal of certain approvals which expire from time to time and as and when required in the ordinary course. The details of approvals, licenses, registrations and permits required by us are mentioned under the chapter titled "Government and Other Approvals" on page 188. Our failure to receive such approvals within the time frames anticipated or at all could result in interruption of our operations and may have an adverse material effect on our business and financial position.

20. Any inability to manage our growth could disrupt our business and reduce our profitability.

Our revenues from operations have grown to ₹ 6,860.28 lacs for the FY 2011-12 at a three year CAGR of 20.81%. Any future organic growth and other acquisitions may place significant demands on our operational, financial and internal controls across the organization. It may also impose significant added responsibilities on members of management, including the need to identify, recruit, maintain and integrate additional employees; adhering to our high quality and process execution standards; maintaining high levels of client satisfaction; integrating expanded operations while preserving our culture, values and entrepreneurial environment; and developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, and other internal

systems. We may, thus, face difficulties in executing our strategy including the proposed modernization plans and any future growth strategy. If we are unable to manage our growth, it could have an adverse effect on our business, results of operations and financial condition. Our future financial performance and our ability to commercialize our products and to compete effectively will depend, in part, on our ability to manage any growth effectively, and our failure to do so could adversely affect our business, financial condition, results of operations and growth prospects.

For further details on our financial performance please refer to the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 168.

21. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Further, we cannot assure you that for the financing secured by us we will be able to continue servicing the principal amount, interest or both.

We may require additional funds in connection with future business expansion and development initiatives. In addition to the Issue proceeds and our internally generated cash flow, we may need additional sources of funding to meet these requirements, which may include entering into new debt facilities with lending institutions or raising additional debt in the capital markets. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of any of our business development plans and this may affect our business and future results of operations.

22. We have not entered into any definitive arrangements to monitor the utilization of the Issue Proceeds.

As per the SEBI ICDR Regulation, appointment of monitoring agency is required only for Issue size above ₹ 50,000 lacs. Hence we have not appointed any monitoring agency and the deployment of Issue Proceeds as stated in the "Objects of the Issue" on page 34 of the RHP is not subject to monitoring by any independent agency. Major portion of being raised through this Issue will be utilized for working capital requirements. Our working capital limits are regularly assessed by our banker, Indian Overseas Bank and to that extent monitoring of funds is ensured.

23. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.

Our revenues are dependent on various factors such as future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.

Our business is capital intensive and we may plan to make additional capital expenditures for our objects of the Issue or to undertake new projects. Our ability to pay dividends is also restricted under certain financing arrangements that we have entered into and expect to enter into.

The combination of these factors may result in significant variations in our revenues and profits and thereby may impact our ability to pay dividends. Therefore, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indicative of our future performance. If in the future our results of operations are below market expectations, the price of our Equity Shares could decline.

24. 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.

RISKS ASSOCIATED WITH INDIA AND INVESTMENTS IN INDIAN COMPANIES

25. Our business is substantially affected by prevailing economic conditions in India.

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

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal Stock Exchange(s);
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India or the industries in which we operate.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business and financial performance and the price of the Equity Shares.

26. Any downgrading of India's sovereign debt rating or a decline in India's foreign exchange reserves may adversely affect our ability to raise additional debt financing.

Any adverse revisions by international rating agencies to the credit ratings of the Indian national government's sovereign domestic and international debt may adversely affect our ability to raise additional financing by resulting in a change in the interest rates and other commercial terms at which we may obtain additional financing. This could have a material adverse effect on our capital expenditure plans, business and financial performance. A downgrading of the Indian national government's debt rating may occur, for example, upon a change of government tax or fiscal policy outside our control.

27. The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.

We may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, GoI in January 2010. The convergence of certain Indian Accounting Standards with IFRS was notified by the Ministry of Corporate Affairs on February 25, 2011. The date of implementing such converged Indian accounting standards has not yet been determined, and will be notified by the Ministry of Corporate Affairs in due course after various tax-related and other issues are resolved.

Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP. This may have a material effect on the amount of income recognised during that period and in the corresponding period in the comparative period. In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems.

28. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Imposition of any other taxes by the Central and the State Governments may adversely affect our results of operations.

29. A significant change in the Government of India's economic liberalization and deregulation policies could disrupt our business and cause the price of the Equity Shares to decline.

Our assets and customers are located in India. The government of India has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. Its economic policies have had and could continue to have a significant effect on private sector entities, including us, and on market conditions and prices of Indian securities, including the Equity Shares. The present Indian government is headed by the Indian National Congress and is a coalition of several political parties. Any significant change in the government's policies or any political instability in India could adversely affect business and economic conditions in India and could also adversely affect our business, our financial performance and the price of the Equity Shares.

30. Investing in securities that carry emerging market risks can be affected generally by volatility in the emerging markets.

The markets for securities bearing emerging market risks, such as risks relating to India, are, to varying degrees, influenced by economic and securities market conditions in other emerging market countries. Although economic conditions differ in each country, investors' reactions to developments in one country may affect securities of issuers in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India, which could adversely affect the Indian financial sector in particular. Any such disruption could have an adverse effect on our Company's business, future financial performance, financial condition and results of operations, and affect the price of the Equity Shares. Accordingly, the price and liquidity of the Equity Shares may be subject to significant fluctuations, which may not necessarily be directly or indirectly related to our financial performance.

RISKS ASSOCIATED WITH THE EQUITY SHARES AND THIS ISSUE

31. There has been no public market for our Equity Shares prior to this Offer. The Offer Price therefore may not be indicative of the value of our Equity Shares.

Prior to this Offer, there has been no public market for our Equity Shares in India or elsewhere. The Offer Price as determined by our Company in consultation with the the BRLM and Co-BRLM could differ significantly from the price at which our Equity Shares will trade subsequent to completion of this Offer. There can be no assurance that even after our Equity Shares have been approved for listing on the Stock Exchange, any active trading market for our Equity Shares will develop or be sustained after this Offer, or that the offering price will correspond to the price at which our Equity Shares will trade in the Indian public market subsequent to this Offer.

32. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company, including our Equity Shares, are generally taxable in India. Any gain realised on the sale of listed Equity Shares on the Stock Exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("**STT**") has been paid on the transaction. STT will be levied on and collected by the domestic Stock Exchange on which our Equity Shares are sold. Any gain realised on the sale of Equity Shares held for more than 12 months to an Indian resident, which are sold other than on the recognised stock exchanges and on which no STT has been paid, will be subject to long term capital gains tax in India. Furthermore, any gain realised on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of our Equity Shares. For further details, see the section titled "Statement of Tax Benefits" on page 42.

33. You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading approvals

The Equity Shares will be listed on the SME platform of the NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence,

within the time periods specified above. Any delay in obtaining the approvals would restrict your ability to dispose of the Equity Shares.

Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 73 of the Companies Act, in the event that the permission of listing the Equity Shares is denied by the Stock Exchange, we are required to refund all monies collected to investors.

34. ***After this Issue, the price of the Equity Shares may be highly volatile.***

The prices of the Equity Shares on the Indian Stock Exchange may fluctuate after this Issue as a result of several factors, including:

1. volatility in the Indian and global securities market or in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
2. our profitability and performance;
3. perceptions about our future performance or the performance of Indian auto component manufacturers in forging in general;
4. performance of our competitors in the Indian forging industry and the perception in the market about investments in the forging industry;
5. adverse media reports on us or the Indian forging industry;
6. changes in the estimates of our performance or recommendations by financial analysts;
7. significant developments in India's economic liberalisation and deregulation policies; and
8. significant developments in India's fiscal, environmental and other regulations.

There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the prices at which our Equity Shares have historically traded will correspond to the price at which the Equity Shares are offered in this Issue or the prices at which the Equity Shares will trade in the market subsequent to this Issue. The Indian stock markets have witnessed significant volatility in the past and the Equity Share price may be volatile and may decline post listing.

PROMINENT NOTES

1. Our Company was originally incorporated as a partnership firm on June 26, 2003 under the name and style "Veto Industries". On April 1, 2007 the name of the firm was changed to "Veto Switchgears and Cables". Subsequently, on June 20, 2007, the partnership firm was converted in to a private limited company under the name and style "Veto Switchgears and Cables Private Limited" under part IX of the Companies Act, 1956. The name of our Company was further changed to the present name, pursuant to which a fresh certificate of incorporation dated August 3, 2012 was issued by Registrar of Companies, Maharshtra, Mumbai.

2. Public Issue of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating upto ₹ 2,500 lacs by our Company, of which [●] Equity Shares will be reserved for subscription by Market Makers to the Issue ("Market Maker Reservation Portion") The Issue less the Market Maker Reservation Portion i.e. Issue of [●] Equity Shares is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute [●]% and [●]%, respectively of the post issue paid up Equity Share Capital of the Company.

3. Our Company's net worth, on standalone and consolidated basis, as of June 30, 2012 was Rs. 3,268.07 lacs and Rs. 3267.26 lacs respectively.

4. Our Company's net worth, on standalone and consolidated basis, as of March 31, 2012 was ₹ 2,710.16 lacs and ₹ 2,709.32 lacs respectively.

5. The average cost of acquisition per Equity Share for Veto Electropowers (India) Private Limited and Mr. Narayan Das Gurnani is ₹ 5/- each. Our other Promoters do not hold any shares in the Company.

6. The net asset value per Equity Share as on June 30, 2012 on standalone and consolidated basis was ₹ 28.03 and ₹ 28.02 respectively.

7. The net asset value per Equity Share as on March 31, 2012 on standalone and consolidated basis was ₹ 50.36 and ₹ 50.34 respectively.

8. We have, in the course of our business, entered into transactions with related parties including our associate companies, key managerial personnel and their relatives. For details of related party transactions entered into by us please see "Financial Information- Annexure XII" on page 132 of this Red Herring Prospectus.

9. There has been no financing arrangement whereby the Directors and/ or their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this RHP with Stock Exchange.

10. All information shall be made available by the BRLM and Co-BRLM and our Company to the public and investors at large and no selective or additional information would be available only to a section of investors in any manner whatsoever.

Investors may contact the Lead Manager for any complaint, clarifications and information pertaining to the Issue. Any clarification or information relating to this Issue shall be made available by the Lead Manager to the public and investors at large and no selective or additional information would be made available only to a section of the investors in any manner. All grievances relating to ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the applicants, application number, number of Equity Shares applied for, application amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form has been submitted by the ASBA Investor. For contact details please see "General Information" on page 15.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

The information presented in this section has been obtained from publicly available documents from various sources, including officially prepared materials from the Government of India and its various ministries, industry websites and publicly available industry reports. Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry, market and government data used in this Red Herring Prospectus is reliable, it has not been independently verified.

Accordingly, our Company and the BRLM and Co-BRLM do not take any responsibility for the data, projections, forecasts, conclusions or any other information contained in this section. Certain information contained herein pertaining to prior years is presented in the form of estimates as they appear in the respective reports/ source documents. The actual data for those years may vary significantly and materially from the estimates so contained.

Overview of the Indian Economy

India, the world's largest democracy with an estimated population of 1.205 billion people, had a GDP on a purchasing power parity basis of an estimated US $4.463 trillion in 2011. This GDP made the Indian economy the fourth largest in the world after the European Union, the United States and China. *(Source: CIA Factbook)*

The Indian economy rebounded strongly in fiscal 2011 from the moderation induced by the global downturn. India registered real GDP growth of 9.2% in fiscal 2008, 6.8% in fiscal 2009, an estimated 8.0% in fiscal 2010 and an estimated 8.5% in fiscal 2011. According to the CIA Factbook, India's economy was the third fastest growing economy, among the largest fifty economies in the world in terms of GDP on a purchasing power parity basis, after China and Argentina in Calendar 2011. In its Third Quarter Review of Monetary Policy 2011-12, the RBI expects baseline GDP growth of around 7.0% for fiscal 2012, revised downwards from 8.0% as of the forecast for the previous quarter. *(Sources: RBI Annual Report, 2009-10; RBI, Annual Report 2010-11; RBI, Macroeconomic and Monetary Developments Third Quarter Review 2011-12; CIA Factbook)*

Although India's economic growth has moderated and there are downside risks, including an increase in global uncertainty and, in India, weak industrial growth, slowdown in investment activity and deceleration in the resource flow to the commercial sector, the RBI anticipates a modest recovery in fiscal 2013, with growth being slightly faster than that during fiscal 2012. India's medium-term growth outlook is positive due to a young population and correspondingly low dependency ratio, healthy savings and investment rates, as well as increasing integration into the global economy. *(Sources: RBI, Third Quarter Review of Monetary Policy 2011-12; CIA Factbook)*

Consumption pattern in India

India's consumption story presents a compelling opportunity to understand the great Indian consumer, at a time when there is so much negativity in regard to the near-term focus on growth and interest rates. The factors that would drive the consumption patterns are given hereunder:

- India to add 171 mn urban population; the country to add 170 mn working age population by 2025;
- India's middle class to grow by 387 mn during FY2010-FY 2026;
- India's real GDP to grow 3.2x by 2025; Real GDP per capita to grow 2.7x by 2025
- Discretionary spends to continue growing by 15-20%

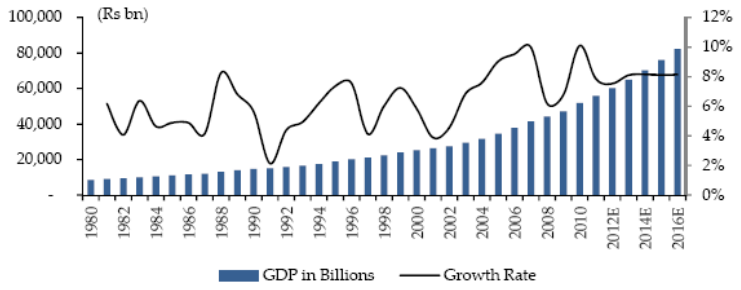
Source: Industry reports

Macro Economic Scenario

India may become fourth-largest country in terms of Real GDP

India's real GDP grew 6x, 3.5x, and 2x during 1980-2010, 1990-2010 and 2000-2010, respectively. The real GDP grew at a CAGR of 7.4% during the last decade and 5.6% during 1980-1990 and 1990-2000. According to the estimates of the US Department of Agriculture, India's real GDP (in 2005 USD terms) is likely to grow 3.2x by 2025. In terms of real GDP, that would make India the fourth-largest country in the world.

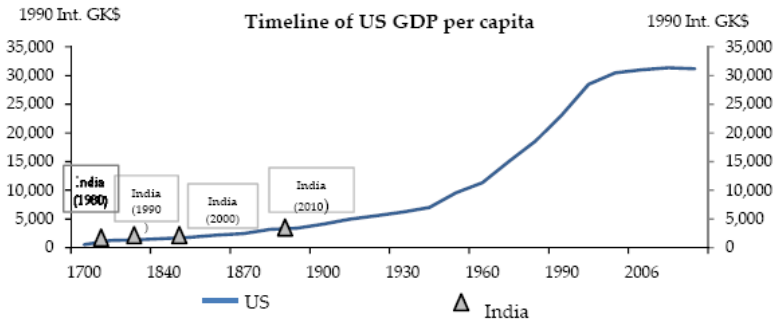
India's GDP at Constant Prices rose 6x during 1980-2010



Source: IMF and Industry reports

According to the 1990 International Geary-Khamis Dollar's GDP data, India's GDP growth over each decade is equivalent to three decades of US GDP growth. It is estimated by global economists that India will become the third-largest economy in terms of nominal GDP by 2050, after China & the US.

India's GDP Growth every Decade is Equal to 3 Decades of US growth

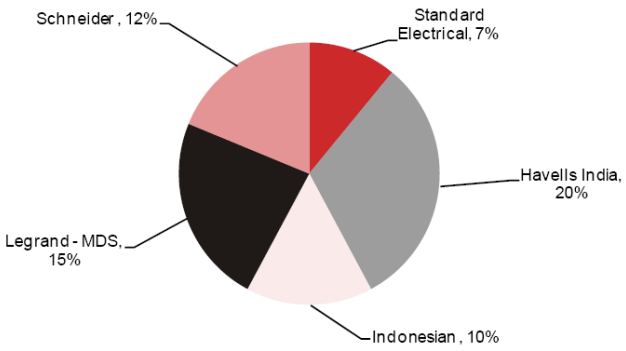


Source: Angus Maddison Data, Industry reports

Switchgears

This market is mainly dominated by branded players and there is not much competition from un-branded players. Modular switches, which is consumer facing, is the fastest growing market compared to domestic switchgears and industrial switchgears market. Domestic switchgear market is growing at 12-15% while industrial switchgear is growing at ~ 12%, as per company.

Market Share of major players in domestic switchgears



Source: Industry reports

Wire and Cable business

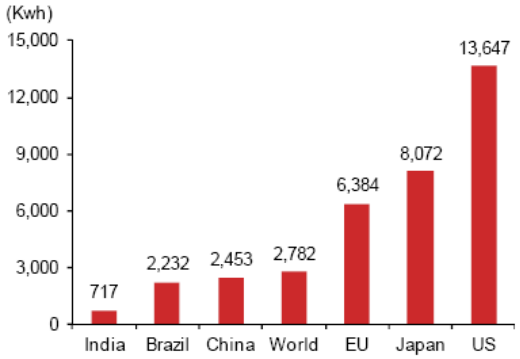
This segment is a low entry barrier business and has many players. In this business, ~40-50 brands are there. Most of these brands are only in wire and cable business. The government is the main customer in this segment and L1 (lowest bid) rule is used. Players who sell to the government face margin pressure and volatile earnings.

Electrical goods in India

Electricity penetration and consumption still low in India

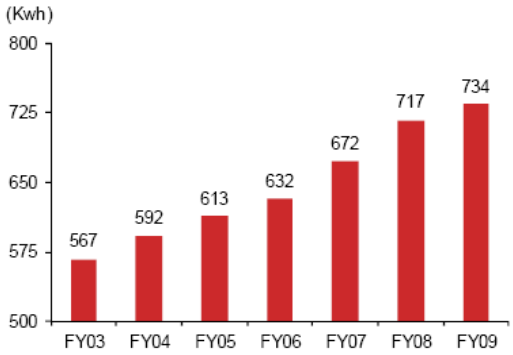
The per capita electricity consumption is still very low in India when compared to countries such as China, Brazil, the US, and the world average as shown below. This has been on account of low power generation apart from poor transmission and distribution system in India.

Per capita electricity consumption - India still low compared to other developed & developing countries

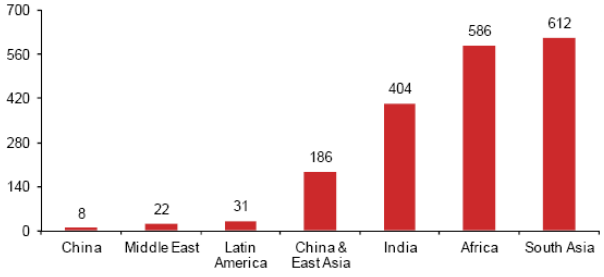


Source: CEA, IEA, Industry reports

Per capita electricity consumption in India



Population without electricity



Source: CEA, IEA, Industry reports

The government has an ambitious mission of "Power for all by 2012". As per the ministry of power, this mission would require installed generation capacity in India to be at least 2, 00,000 MW by 2012 from the present level of 1,14,000 MW. Also under the rural electrification project, Jharkhand, Bihar, Uttar Pradesh, Orissa, Uttaranchal, and Madhya Pradesh are some of the states where significant number (more than 10%) of villages will be electrified.

Domestic market - Compact Fluorescence Lamps (CFL)

The CFL market size in India was 230 mn units in 2009 and is expected to be 400 mn units by 2014. This indicates that the Indian CFL market is set to grow at a CAGR of ~ 10% over CY09-15.

This market is complex with more than 12 branded players and many un-branded players. Overall, Philips is the market leader with 25% market share. Other players in this business are Havells, Oreva, Surya, Crompton, Bajaj Electricals, Phoenix and Halonix. Regional and local brands make up 24% of the market. Low penetration of CFL in India is primarily due to higher price as it costs 8-10 times compared to incandescent lamps.

Consumer Appliances

Driven by favourable demographics and higher disposable incomes, India's consumption is poised to grow at a faster pace in coming years. The most striking aspect of India's consumption story is the emergence of about 390 mn new middle-income consumers by year 2025 (aggregating 550 mn), representing a quadrupling of consumption, to be the 5th largest consumer market in the world. Moreover, we believe that consumer durables remain underappreciated, and the extremely low market penetration makes the sector quite attractive. We believe that the macroeconomic conditions would provide a strong boost to the consumer appliances sector, thereby making the long-term prospects attractive.

Government Initiatives

The Government of India (GoI) has launched various projects to improve life styles and disposable incomes across urban and rural India. A few of the projects include:

MNREGA Scheme

The GoI has initiated the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) in 2005 – with budgetary allocation of US$8.15 bn (₹ 391 bn) – to increase wage employment in rural areas. The Scheme – that guarantees 100 days of employment every year – has already provided employment opportunities to 55 mn households in FY11.

Bharat Nirman Project

Under the Bharat Nirman Project, the GoI aims to electrify un-electrified villages, develop new rural roads network and irrigate 10 mn hectares.

Power Generation during 12th Plan

According to the XII Plan draft, the GoI has targeted an addition of 1 lakh MW power generation capacity.

Implementation of 6th Pay Commission Recommendations

Based on recommendations of the 6th Pay Commission, the Government revised salaries of nearly 5 mn central government employees by an average of 21% in 2008, leading to an additional spend of US$3.7 bn (₹ 157 bn in FY09).

For further details on the industry in which we operate the business, please see "Industry Overview" on page 49 of this Red Herring Prospectus.

SUMMARY OF BUSINESS

In this section "our Company" refers to the Company, while "we", "us" and "our" refers to our Company.

Overview

We are an ISO 9001:2008 certified company, engaged in the manufacture and sale of wires & cables and electrical accessories in India. Our product portfolio ranges from industrial cables, stand cables to telephone & co-axial wires, from general switches to modular switches, from ceiling fans to rechargeable fans, compact fluorescent lamps and other electrical accessories. Our products are manufactured at our state-of-art manufacturing unit located in Hardwar, Uttarakhand. We supply our products under the brands "VETO" and "VIMAL POWER" through our large network of dealers to our customers in India as well as select customers abroad.

Our Company was incorporated as a private limited company on June 20, 2007 by conversion of partnership firm "M/s Veto Switchgears and Cables" under part IX of Companies Act, 1956. We are part of Jaipur, Rajasthan based Gurnani Group which has interests in wires & cables, electrical accessories, real estate and hotels. Our Company is promoted by M/s Veto Electropowers (India) Private Limited, which is a subsidiary of Gurnani Holding Private Limited, which in turn is owned by Mr. Vishnu Kumar Gurnani, Mr. Mohan Das Gurnani and Mr. Narayan Das Gurnani. Pursuant to the conversion from private limited company to public limited company, our name was changed to "Veto Switchgears and Cables Limited" w.e.f. August 3, 2012 by receiving fresh certificate of incorporation from the Registrar of Companies, Maharashtra, Mumbai. The corporate office of our Company is located in Jaipur, Rajasthan.

Over the years, we have strengthened our manufacturing capacity by undertaking expansion from time-to-time. Most of our products are used in households, offices, factories, etc i.e., B2C (Business to Consumer) and sold over the counter by our network of dealers. The demand for our products has surged due to the growing demand for new homes and offices in India. This is further supported by the growth in various industries across. Thus, in order to improve our market share, we need to increase our presence and market our products in new locations. Further, the demand for our products from the overseas markets has been positive and thus we propose to capitalize the same by increasing our existing capacities.

Our standalone total income increased to ₹ 6,860.28 lacs in the fiscal year 2012 from ₹ 2,497.69 lacs in the fiscal year 2008 at a CAGR of 28.74%. During the same period, our net profit after tax increased to ₹ 722.41 lacs from ₹ 213.23 lacs at a CAGR of 35.67%.

Plant location and installed capacity

The present facility of our Company is located at Plot no. 65-67 and 74-77, Sector-5, IIE, Sidcul, Hardwar-249403, Uttarakhand. All of our products (except for CFL and fans) are being manufactured and assembled at this facility. The existing installed capacity of the facility for wires & cables is 1,408,000 bundles p.a. and for electrical accessories is 38,000,000 pieces p.a.

Products

Our Company manufactures various products under various categories namely –

Electrical Accessories	Carino Modular Switches, Power Modular Switches, Puf General Switches, FM Mini Modular Switches, Bells & Extension Cord, MCB/ Isolater / Distribution Boxes Compact Fluorescent Lamp, Ceiling Fan, Exhaust Fan, Table Fan, Wall Fan, Stand Fan, Rechargeable Fan and other electrical accessories
Wires & Cables	Multi Stand Cables, L.T. Industrial Cables, Copper Flexible Cables, Telephone & Co-Axial Wires

Competitive Strengths

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

- Driving growth through innovation and marketing;
- Our relationship with customers;
- Dedicated team of technical manpower

Under the guidance of the highly skilled management, our Company documented its internal processes and methodologies which ensure that each department and each employee of our Company are aware of their respective roles and obligations, and each activity of construction and development is as per the standards of quality that has been set. This also ensures uniformity in all the processes.

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.

For further details on our Business, please see "Business Overview" on page 54 of this Red Herring Prospectus.

SUMMARY STANDALONE FINANCIAL INFORMATION

Statement of Assets and Liabilities, as restated

₹ in Lacs

Particulars	Notes	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
ASSETS							
Non-Current Assets							
Fixed assets	1						
Tangible assets		762.56	770.71	698.87	733.75	578.08	533.46
Intangible assets		0.44	0.47	1.17	2.16	3.24	4.32
Capital work in progress		-	-	1.63	-	98.02	-
Non - current investments	2	10.84	10.84	9.86	9.86	0.35	0.30
Long - term loans and advances	3	495.26	247.73	258.52	202.36	11.80	9.51
Other non - current assets	4	328.55	335.09	211.22	117.88	48.37	20.85
		1,597.65	**1,364.84**	**1,181.27**	**1,066.01**	**739.86**	**568.44**
Current Assets							
Inventories	5	1,830.51	1,787.25	1,417.20	1,304.13	1,235.96	694.41
Trade receivables	6	2,110.69	2,039.59	1,588.13	1,229.99	1,275.67	777.20
Cash and cash equivalents	7	130.46	204.69	219.13	147.61	210.32	265.41
Short - term loans and advances	8	426.79	238.10	183.99	517.04	193.94	432.53
Other Current Assets	9	10.00					
		4,508.45	**4,269.63**	**3,408.45**	**3,198.77**	**2,915.89**	**2,169.55**
Total Assets (A)		**6,106.10**	**5,634.47**	**4,589.72**	**4,264.78**	**3,655.75**	**2,737.99**
LIABILITIES							
Non-current Liabilities							
Long-term borrowings	10	70.61	70.62	109.22	167.68	235.51	113.50
Deferred tax liabilities (net)	11	14.85	18.68	19.90	23.33	49.16	19.09
		85.46	**89.30**	**129.12**	**191.01**	**284.67**	**132.59**
Current Liabilities							
Trade payables	12	440.62	548.78	374.67	345.25	400.81	129.74
Short-term borrowings	13	1,977.66	1,869.66	1,796.57	2,137.09	2,010.10	1,714.84
Other current liabilities	14	294.97	404.57	291.28	194.41	228.49	291.06
Short term provisions	15	39.32	12.00	15.30	-	0.54	2.93
		2,752.57	**2,835.01**	**2,477.82**	**2,676.75**	**2,639.94**	**2,138.57**
Total Liabilities (B)		**2,838.03**	**2,924.31**	**2,606.94**	**2,867.76**	**2,924.61**	**2,271.16**
Total Net Assets (A-B)		**3,268.07**	**2,710.16**	**1,982.78**	**1,397.02**	**731.14**	**466.83**
Represented by							
Share Capital	16	1,166.00	538.21	533.23	499.90	269.15	253.60
Reserves and Surplus	17	2,102.07	2,171.95	1,449.55	897.12	461.99	213.23
		3,268.07	**2,710.16**	**1,982.78**	**1,397.02**	**731.14**	**466.83**

Statement of Profit and Loss, as restated

₹ in Lacs

Particulars	Notes	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period ended 31.03.2008
INCOME							
Revenue from operation	18	1,753.90	6,860.28	5,320.55	4,700.48	3,896.72	2,497.69
Other income	19	0.38	9.54	3.97	7.81	3.65	0.94
Total Revenue		**1,754.28**	**6,869.82**	**5,324.52**	**4,708.29**	**3,900.37**	**2,498.63**
EXPENSES							
Cost of materials consumed	20	666.93	3,524.73	2,631.37	2,586.58	1,781.14	1,388.16
Purchases of stock - in - trade	21	446.69	1,434.44	1,053.44	814.20	1,305.54	980.56
Changes in inventories of finished goods, and stock in trade	22	17.16	(211.28)	12.94	(160.57)	(330.35)	(428.03)
Employee benefits expense	23	106.28	424.45	396.88	367.00	300.05	91.09
Finance costs	24	72.25	257.64	129.24	80.90	84.23	11.75
Depreciation		24.76	105.65	90.16	87.73	75.54	51.51
Other expenses	25	203.17	580.26	517.20	522.78	415.83	161.77
Total Expenses		**1,537.24**	**6,115.89**	**4,831.23**	**4,298.62**	**3,631.98**	**2,256.81**
Profit / (Loss) before exceptional items and tax		**217.04**	**753.93**	**493.29**	**409.67**	**268.39**	**241.82**
- Prior Period Items			-	-	-	-	-
Profit / (Loss) before tax		**217.04**	**753.93**	**493.29**	**409.67**	**268.39**	**241.82**
Less : Tax expenses							
- Current tax		43.43	155.42	102.28	69.86	13.51	30.29
- MAT credit (entitlement)/utilisation		4.98	(122.68)	(92.13)	(69.49)	(27.54)	(20.80)
- Deferred tax liability / (asset)		(3.83)	(1.22)	(3.43)	(25.83)	30.06	19.10
- Fringe benefit tax		-	-	-	-	3.60	-
		44.58	**31.52**	**6.72**	**(25.46)**	**19.63**	**28.59**
Profit / (loss) for the year/Period		**172.46**	**722.41**	**486.57**	**435.13**	**248.76**	**213.23**

Statement of Cash Flow, as restated

₹ in Lacs

Particulars	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period ended 31.03.2008
A. Cash Flow from Operating Activities						
Profit / (Loss) before tax	**217.04**	**753.93**	**493.29**	**409.67**	**268.39**	**241.82**
Adjustments for:						
Depreciation	24.76	105.65	90.16	87.73	75.54	51.51
Finance costs	72.25	257.64	129.24	80.90	84.23	11.75
Profit on sale of fixed assets	-	(2.74)	-	-	-	-
Interest income	(0.19)	(7.58)	(0.54)	-	(0.04)	(0.03)
Operating Profit before Working Capital changes	**313.86**	**1,106.90**	**712.15**	**578.30**	**428.12**	**305.05**
Adjustments for :	-					
(Increase) / Decrease in inventories	(43.26)	(370.05)	(113.08)	(68.16)	(541.56)	(694.41)
(Increase) / Decrease in trade receivables	(71.10)	(451.46)	(358.14)	45.68	(498.47)	(777.20)
(Increase) / Decrease in short term loans and advances	(188.69)	(54.11)	333.05	(323.10)	238.60	(432.54)
(Increase) / Decrease in other current assets	(10.00)	-	-	-	-	-
Increase/(Decrease) in trade payable	(108.16)	174.12	29.42	(55.56)	271.07	129.74
Increase/(Decrease) in other current liabilities	(109.60)	113.28	96.88	(34.09)	(62.56)	291.06
Increase/(Decrease) in short term provisions	-	-	-	-	-	-
Cash generated from / (used in) operations	**(216.95)**	**518.68**	**700.28**	**143.07**	**(164.80)**	**(1,178.30)**
Direct taxes Paid	(16.11)	(158.72)	(86.98)	(70.40)	(19.50)	(27.36)
Net cash flow from / (used in) operating activities	**(233.06)**	**359.96**	**613.30**	**72.67**	**(184.30)**	**(1,205.66)**
B. Cash Flow from Investing Activities						
Purchase of Investments	-	(0.98)	-	(9.51)	(0.05)	(0.30)
Purchase of fixed assets	(16.59)	(182.98)	(54.28)	(144.30)	(119.07)	(589.29)
Capital work in progress	-	-	(1.63)	-	(98.02)	-
Sale Proceeds from fixed assets	-	10.55	-	-	-	-
(Increase) / Decrease in long term loans & advances	(247.53)	10.79	(56.17)	(190.56)	(2.29)	(9.51)
(Increase) / Decrease in other non current assets	1.55	(1.18)	(1.21)	(0.02)	0.01	(0.05)
Redemption / maturity of bank deposits (having maturity of more than 3 months)	24.92	(13.44)	(11.54)	-	-	-
Interest income	0.19	7.58	0.54	-	0.04	0.03
Net cash flow from / (used in) investment activities	**(237.46)**	**(169.66)**	**(124.29)**	**(344.39)**	**(219.38)**	**(599.12)**
C. Cash Flow from Financing Activities						
Proceeds from issue of shares	627.79	4.98	33.33	230.75	15.55	253.60
Proceeds from securities premium	(242.34)	(0.01)	66.67	-	-	-

Particulars	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period ended 31.03.2008
Share issue expenses	-	-	(0.81)	-	-	-
Increase/(Decrease) in short term borrowings	108.02	73.09	(340.52)	126.99	295.26	1,714.83
Increase/(Decrease) in long term borrowings	(0.01)	(38.60)	(58.46)	(67.83)	122.01	113.51
Finance costs	(72.25)	(257.64)	(129.24)	(80.90)	(84.23)	(11.75)
Net cash flow from / (used in) financing activities	**421.21**	**(218.18)**	**(429.03)**	**209.01**	**348.59**	**2,070.19**
Net increase / (decrease) in cash and cash equivalents	**(49.31)**	**(27.88)**	**59.98**	**(62.71)**	**(55.09)**	**265.41**
Cash and cash equivalents at the beginning of the year	179.71	207.59	147.61	210.32	265.41	-
Cash and cash equivalents at the end of the year	**130.40**	**179.71**	**207.59**	**147.61**	**210.32**	**265.41**

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

This information is for the last 3 years ended March 31, 2010, 2011 and 2012 since we did not had any subsidiaries for the prior periods.

Statement of Assets and Liabilities, as restated

₹ in Lacs

Particulars	Notes	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
ASSETS					
Non-Current Assets					
Fixed assets	1				
Tangible assets		941.48	949.61	877.79	912.16
Intangible assets		0.44	0.46	1.17	2.16
Capital work in progress		-	-	1.63	-
Non - current investments	2	0.35	0.35	0.35	0.35
Long - term loans and advances	3	325.16	77.64	88.42	19.86
Other non - current assets	4	328.55	335.09	211.22	117.88
		1,595.98	**1,363.15**	**1,180.58**	**1,052.41**
Current Assets					
Inventories	5	1,830.51	1,787.25	1,417.20	1,304.13
Trade receivables	6	2,110.69	2,039.59	1,588.13	1,229.99
Cash and cash equivalents	7	132.84	207.13	220.69	162.49
Short - term loans and advances	8	426.79	238.10	183.99	517.04
Other Current Assets	9	10.00	-	-	-
		4,510.83	**4,272.07**	**3,410.01**	**3,213.65**
Total Assets (A)		**6,106.81**	**5,635.22**	**4,590.59**	**4,266.06**
LIABILITIES					
Minority Interest		**1.34**	**1.34**	**1.35**	**1.39**
Non-current Liabilities					
Long-term borrowings	10	70.61	70.62	109.22	167.68
Deferred tax liabilities (net)	11	14.85	18.68	19.90	23.33
		85.46	**89.30**	**129.12**	**191.01**
Current Liabilities					
Trade payables	12	440.62	548.84	374.72	345.25
Short-term borrowings	13	1,977.75	1,869.76	1,796.63	2,137.41
Other current liabilities	14	295.11	404.66	291.33	194.46
Short term provisions	15	39.32	12.00	15.30	-
		2,752.80	**2,835.26**	**2,477.98**	**2,677.12**
Total Liabilities (B)		**2,839.60**	**2,925.90**	**2,608.45**	**2,869.52**
Total Net Assets (A-B)		**3,267.22**	**2,709.32**	**1,982.14**	**1,396.54**
Represented by					
Share Capital	16	1,166.00	538.21	533.23	499.90
Reserves and Surplus	17	2,101.22	2,171.11	1,448.91	896.64
		3,267.22	**2,709.32**	**1,982.14**	**1,396.54**

Statement of Profit and Loss, as restated

₹ in Lacs

Particulars	Notes	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
INCOME					
Revenue from operation	18	1,753.90	6,860.29	5,320.55	4,700.47
Other income	19	0.38	9.54	3.97	7.81
Total Revenue		**1,754.28**	**6,869.83**	**5,324.52**	**4,708.28**
EXPENSES					
Cost of materials consumed	20	666.93	3,524.73	2,631.37	2,586.58
Purchases of stock - in - trade	21	446.69	1,434.44	1,053.44	814.20
Changes in inventories of finished goods, and stock in trade	22	17.16	(211.28)	12.94	(160.57)
Employee benefits expense	23	106.28	424.45	396.88	367.00
Finance costs	24	72.25	257.64	129.24	80.90
Depreciation / Amortisation		24.76	105.65	90.16	87.73
Other expenses	25	203.17	580.50	517.40	523.34
Total Expenses		**1,537.24**	**6,116.13**	**4,831.43**	**4,299.18**
Profit / (Loss) before exceptional items and tax		**217.04**	**753.70**	**493.09**	**409.10**
- Prior Period Items		-	-	-	-
Profit / (Loss) before tax		**217.04**	**753.70**	**493.09**	**409.10**
Less : Tax expenses					
- Current tax		43.43	155.42	102.28	69.86
- MAT credit entitlement		4.98	(122.68)	(92.13)	(69.49)
- Deferred tax liability / (asset)		(3.83)	(1.22)	(3.43)	(25.83)
		44.58	**31.52**	**6.72**	**(25.46)**
Profit / (loss) for the year before minority interest		**172.46**	**722.18**	**486.37**	**434.56**
Minority interest		-	(0.02)	(0.04)	(0.10)
Profit / (loss) for the year		**172.46**	**722.20**	**486.41**	**434.66**

Statement of Cash Flow, as restated

₹ in Lacs

Particulars	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
A. Cash Flow from Operating Activities				
Profit / (Loss) before tax	**217.04**	**753.70**	**493.09**	**409.10**
Adjustments for:				
Depreciation / Amortisation	24.76	105.65	90.16	87.73
Finance costs	72.25	257.64	129.24	80.90
Profit on sale of fixed assets	-	(1.64)	-	-
Interest income	(0.19)	(7.58)	(3.97)	(3.54)
Operating Profit before Working Capital changes	**313.86**	**1,107.77**	**708.52**	**574.19**
Adjustments for :				
(Increase) / Decrease in inventories	(43.26)	(370.05)	(113.08)	(68.16)
(Increase) / Decrease in trade receivables	(71.10)	(451.46)	(358.14)	45.68
(Increase) / Decrease in short term loans and advances	(188.69)	(66.20)	333.05	(323.10)
(Increase) / Decrease in other current assets	(10.00)	174.12	29.47	(55.56)
Increase/(Decrease) in trade payable	(108.22)	113.32	96.88	(34.04)
Increase/(Decrease) in other current liabilities	(109.60)	-	-	-
Cash generated from / (used in) operations	**(217.01)**	**507.50**	**696.70**	**139.01**
Direct taxes Paid	(16.11)	(158.73)	(86.98)	(70.40)
Net cash flow from / (used in) operating activities	**(233.12)**	**348.77**	**609.72**	**68.61**
B. Cash Flow from Investing Activities				
Purchase of fixed assets	(16.59)	(184.61)	(54.78)	(322.73)
Capital work in progress	-	1.63	(1.63)	-
Sale Proceeds from fixed assets	-	9.45	-	-
(Increase) / Decrease in long term loans & advances	(247.50)	22.92	(68.59)	(8.06)
(Increase) / Decrease in other non current assets	1.55	(1.18)	(1.22)	-
Redemption / maturity of bank deposits (having maturity of more than 3 months)	24.92	(13.44)	(11.54)	-
Interest income	0.19	7.58	3.97	3.54
Net cash flow from / (used in) investment activities	**(237.43)**	**(157.65)**	**(133.79)**	**(327.25)**
C. Cash Flow from Financing Activities				
Proceeds from issue of shares	44.79	4.98	33.33	230.75
Proceeds from issue of shares to minority interest	-	0.02	-	1.49
Proceeds from securities premium	348.37	-	66.67	-
Share issue expenses	(7.71)	-	(0.81)	-
Increase/(Decrease) in short term borrowings	107.99	73.13	(340.77)	127.31
Increase/(Decrease) in long term borrowings	(0.01)	(38.61)	(58.45)	(67.84)
Finance costs	(72.25)	(257.64)	(129.24)	(80.90)
Net cash flow from / (used in) financing activities	**421.18**	**(218.12)**	**(429.27)**	**210.81**
Net increase / (decrease) in cash and cash equivalents	**(49.37)**	**(27.00)**	**46.66**	**(47.83)**
Cash and cash equivalents at the beginning of the year	182.15	209.15	162.49	210.32
Cash and cash equivalents at the end of the year	**132.78**	**182.15**	**209.15**	**162.49**

THE ISSUE

Issue	[●] Equity Shares of face value of ₹10/- each for cash at a price of ₹ [●]/- per share aggregating ₹ up to 2,500 lacs
Of which	
▪ Issue Reserved for the Marker Makers	[●] Equity Shares for cash at a price of ₹ [●]/- per share aggregating ₹ [●] Lacs
▪ Net Issue to Public	[●] Equity Shares for cash at a price of ₹ [●]/- per share aggregating ₹ [●] Lacs
Of which	
QIB Portion	Not more than [●] Equity Shares shall be available for allocation
• QIB Portion	Upto [●] Equity Shares
Of which	
• Available for allocation to Mutual funds only (5% of the QIB Portion)	Upto [●] Equity Shares
Balance of all QIBs including Mutual Funds	[●] Equity Shares
Non-institutional Portion	Not less than [●] Equity Shares shall be available for allocation
Retail Portion	Not less than [●] Equity Shares shall be available for allocation
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	11,660,000 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Terms of the Issue	For more information, please see "Terms of the Issue" on page 195 of this RHP.
Use of Net Proceeds	*See "Objects of the Issue" on page 34*

Note:

1. *In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price;*

2. *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and co-BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.*

3. *Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.*

GENERAL INFORMATION

Registered Office of our Company

D-2, 1st floor, Malad Industrial Estate,
Ramchandra Lane Extension,
Kachpada, Malad (W),
Mumbai 400 064
Tel No: +91 22 2880 7704;
Fax No: +91 22 2888 4104;
Email: cs.vandana@vetoswitchgears.com**;**
Website: www.vetoswitchgears.com

Corporate Office of our Company

230, Sindhi Colony,
Raja Park,
Jaipur- 302004
Tel No: +91 141 4100410
Fax No: +91 141 4100425

For details of change in registered office, please see "History and Other Corporate Matters" on page 71.

Corporate Identification Number: U3140MH2007PLC171844

Address of the Registrar of Companies

The Company is registered with the RoC, situated at the following address:

Registrar of Companies, Maharashtra
Everest, 5th Floor
100, Marine Drive
Mumbai 400 002

Board of Directors

The Board of Directors of the Company comprises the following:

Name, Nationality and DIN	Designation	Age (years)	Address
Mr. Mohan Das Gurnani **Nationality:** Indian **DIN:** 01831741	Non-Executive Chairman (Promoter Director)	59	C-53, Saket Colony, Raja Park, Jaipur – 302004, Rajasthan
Mr. Vishnu Kumar Gurnani **Nationality:** Indian **DIN:** 01542566	Managing Director (Promoter Director)	61	250, Frontier Colony, Jaipur 302004, Rajasthan
Mr. Dinesh Gurnani **Nationality:** Indian **DIN:** 00218635	Whole – Time Director	31	107, Taneja Block, Adarsh Nagar, Jaipur - 302004, Rajasthan
Mr. Murlidhar Kaurani **Nationality:** Indian	Non-Executive Independent Director	66	C-31, Pratap Marg, Tilak Garden, Tilak Nagar, Jaipur 302 004, Rajasthan

DIN: 06367086			
Mr. Mohan Sukhani **Nationality:** Indian **DIN:** 00113432	Non-Executive Independent Director	59	A-65, Shanti Path, Tilak Nagar, Jaipur – 302004, Rajasthan
Mr. Govind Ram Thawani **Nationality:** Indian **DIN:** 06367093	Non-Executive Independent Director	72	J-98, Ashok Chowk, Adarsh Nagar, Jaipur – 302004, Rajasthan

For further details of our Directors, see "Our Management" on page 77.

Company Secretary & Compliance Officer

Ms. Vandana Ravi
230, Sindhi Colony,
Raja Park,
Jaipur- 302004
Tel No: +91 141 4100410
Fax No: +91 141 4100425
Email: cs.vandana@vetoswitchgears.com

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary account and refund orders.

All grievances relating to the Issue may be addressed to the Registrar, giving full details such as name, address of the applicant, number of Equity Shares Bid for, Bid Amount paid on submission of the Bid cum Application Form and the bank branch or collection centre where the Bid cum Application Form was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar with a copy to the relevant SCSB and/ or the member of the Syndicate or the Sub-Syndicate Member (as applicable), giving full details such as name, address of applicant, application number, number of Equity Shares applied for, amount blocked on application and Designated Branch or the collection centre of the SCSBs and/or the Syndicate or the Sub-Syndicate Members (as applicable) where the Bid cum Application Form was submitted by the ASBA Bidder.

Book Running Lead Manager

Keynote Corporate Services Limited
The Ruby, 9th Floor,
Senapati Bapat Marg,
Dadar (West), Mumbai – 400028
Tel: +91–22– 30266000-3
Fax: +91–22– 3026 6088
E-mail: project.switchgears@keynoteindia.net
Website: www.keynoteindia.net
Contact Person: Mr. Chintan Hefa/ Ms. Girija Sangole
SEBI Registration No.: INM 000003606

Co- Book Running Lead Manager

Indian Overseas Bank
Merchant Banking Division,
Central Office, 6th Floor, Annex Building,
763 Anna Salai, Chennai-600 002
Tel: +91–44–28889367**;**
Fax: +91–44–28519548**;**
E-mail:mbd@iobnet.co.in
Website: www.iob.in
Contact Person: Mr. R. Ramachandran
SEBI Registration No:INM 000001386

Registrar to the Issue

Bigshare Services Private Limited
E/2, Ansa Industrial Estate,
Sakivihar Road, Sakinaka, Andheri (E),
Mumbai 400 072
Tel.: +91 22 4043 0200
Facsimile: +91 22 2847 5207

Email: ipo@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr. Ashok Shetty
SEBI Registration No.: INR 000001385

Legal Advisor to the Issue

Mindspright Legal
Office No. 9, 3rd Floor,
7/10, Botawala Building,
Horniman Circle,
Fort, Mumbai - 400 001
Tel.: +91 22 4002 0665
Fax: +91 22 4002 0664

Statutory Auditor to the Company

M/s. Singrodia Goyal & Co
Chartered Accountants
4A, Kaledonia-HDIL, 2nd Floor,
Sahar Road, Near Andheri Station,
Andheri (East), Mumbai - 400 069
Tel.: +91 22 6625 6363;
Fax: +91 22 6625 6364;
Email: info@sgco.co.in;
Contact Person: Mr. Suresh Murarka;
ICAI Registration No.: 112081W
Membership No.: 044739

Market Maker

As per Regulation 106(P) of the SEBI ICDR Regulations, 2009, the BRLM and the Co-BRLM, will ensure compulsory Market Making in the manner specified by SEBI for a minimum period of three years from the date of listing of the Equity Shares of our Company.

KCL will act as the Market Maker.

Syndicate Members

Keynote Capitals Limited
The Ruby, 9th Floor,
Senapati Bapat Marg,
Dadar (West), Mumbai – 400028
Tel: +91–22– 30266000-3
Fax: +91–22– 3026 6088
E-mail: kcl@keynoteindia.net
Website: www.keynoteindia.net
Contact Person: Mr. Ankur Mestry

Hem Securities Limited
14/15, Khatau Building, 1st Floor, 40 Bank Street,
Fort, Mumbai – 400 001
Tel: +91–22 – 2267 1543
Fax: +91–22– 2262 5991
E-mail: info@hemonline.com
Website: www.hemonline.com
Contact Person: Mr. Sanjay Dalmia

Ladderup Corporate Advisory Private Limited
102-A, 1st floor, Hallmark Business Plaza,
Gurunanak Hospital Road,
Bandra (E), Mumbai – 400 051
Tel: +91–22– 4033 6363
Fax: +91–22–4033 6364
E-mail: brijesh.parekh@ladderup.com
Website: www.ladderup.com
Contact Person: Mr. Brijesh Parekh

Prabhudas Liladher Private Limited
Sadhana House, 570 P. B. Marg,
Behind Mahindra Tower, Worli,
Mumbai- 400 018
Tel: +91–22 – 6632 2290
Fax: +91–22– 6632 2229
E-mail: manishbhatt@plindia.com
Website: www.plindia.com
Contact Person: Mr. Manish Bhatt

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of SEBI. For details on the Designated Branches of the SCSBs which shall collect Bid cum Application Forms from the ASBA Bidders, please refer to the SEBI website i.e., www.sebi.gov.in.

Bankers to the Issue and Escrow Collection Banks

Axis Bank Limited
Universal Insurance Building,
Sir P M Road,
Fort, Mumbai - 400 001
Tel No.: +91 22 4086 7299/ 7371;
Fax No.: +91 22 2283 5758/ 4086 7322;
Email: roshan.mathias@axisbank.com/ rakesh.khandelwal@axisbank.com/ nachiket.kalwit@axisbank.com;
Contact Person: Mr. Roshan Mathias/ Mr. Rajesh Khandelwal/ Mr. Nachiket Kalwit
SEBI Registration No.: INBI00000017

HDFC Bank Limited
FIG/OPS Department
Lodha, iThink Techno Campus, Level O-3,
Next to Kanjurmarg Railway Station,
Kanjurmarg (East), Mumbai – 400 042
Tel No.: +91 22 3075 2928;
Fax No: +91 22 2579 9801;
Email: uday.dixit@hdfcbank.com;
Contact Person: Mr. Uday Dixit
SEBI Registration No.: INBI00000063

Indian Overseas Bank
763, Anna Salai,
Chennai 600 002
Tel No.: +91 44 2888 9367;
Fax No.: +91 44 2851 9548;
Email: mbdiob@iobnet.co.in;
Website: www.iob.in
Contact Person: Mr. R. Ramachandran
SEBI Registration No: INBI 00000044

Refund Bank

Axis Bank Limited
Universal Insurance Building,
Sir P M Road,
Fort, Mumbai - 400 001
Tel No.: +91 22 4086 7299/ 7371;
Fax No.: +91 22 2283 5758/ 4086 7322;
Email: roshan.mathias@axisbank.com/ rajesh.khandelwal@axisbank.com/ nachiket.kalwit@axisbank.com;
Contact Person: Mr. Roshan Mathias/ Mr. Rajesh Khandelwal/ Mr. Nachiket Kalwit
SEBI Registration No.: INBI00000017

Bankers to the Company

Indian Overseas Bank 11, Rituraj Building, Mirza Ismail Road, Jaipur 302 001 Rajasthan **Tel:** +91 141 2372610; **Fax:** +91 141 2365583; **Email:** mirodbr@jaisco.iobnet.co.in **Contact Person:** Mr. Anurag Shankar	**Bank of Baroda** Mamaki Hotel, Jawahar Nagar, Jaipur 302 004 Rajasthan **Tel:** +91 141 2620348; **Fax:** +91 141 2623659; **Email:** jawjai@bankofbaroda.com **Contact Person:** Mr. Abhinandan Jain	**ICICI Bank Limited** Opp. Arya Samaj Mandir, Kishan Pole Bazaar, Jaipur 302 003 Rajasthan **Tel:** +91 141 3226800; **Fax:** +91 141 3256141; **Email:** arvind.jain@icicibank.com **Contact Person:** Mr. Arvind Jain

Brokers to the Issue

All the members of the recognised stock exchange would be eligible to act as brokers to the Issue.

Inter-se allocation of responsibilities

The following table sets forth the *inter se* allocation of responsibilities for various activities among the BRLM and Co-BRLM for the Issue:

Sl. No.	Activities	Responsibility	Coordinator
1.	Capital structuring with the relative components and formalities such as type of instruments, etc.	Keynote, IOB	Keynote
2	Due diligence of the Company's operations/management/ business plans/legal, etc. Drafting and design of offer document and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLM and Co-BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock exchange(s), RoC and SEBI including finalization of the Prospectus and filing with the RoC.	Keynote, IOB	Keynote
3	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc.	Keynote	Keynote
4	Appointment of registrar and grading agencies to the Issue.	Keynote	Keynote
5	Appointment of all other intermediaries including bankers to the Issue, printers, advertising agency etc	Keynote	Keynote
6	Preparation of road show presentation	Keynote	Keynote
7	Institutional Marketing of the Offer ▪ Finalise the list and division of investors for one to one meetings; and ▪ Finalising the international and domestic institutional road show schedule and investor meeting schedules	Keynote	Keynote
8	Retail / Non-Institutional marketing strategy which will cover, inter alia, ▪ Formulating marketing strategies, preparation of publicity budget; ▪ Finalising media, marketing and public relations strategy; ▪ Finalising centers for holding conferences for brokers, etc.; ▪ Finalising bidding and collection centers; and ▪ Follow-up on distribution of publicity and issue material including form, prospectus and deciding on the quantum of the issue material.	Keynote	Keynote
9	Coordination with Stock Exchange for Book Building software, bidding terminals and mock trading.	Keynote	Keynote
10	Management of Escrow Account(s), Finalising of Pricing and Allocation	Keynote	Keynote
11	Post bidding activities including coordination for non- institutional allocation, coordination with Registrar and Banks, intimation of allocation and dispatch of refund to Bidders, etc. The post issue activities of the issue will involve essential follow up steps, which include finalization of trading and dealing instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as Registrar to the Issue, Banker to the Issue and the bank handling refund business. The BRLM and the Co-BRLM shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge the responsibility through suitable agreements with the Issuer Company.	IOB	IOB, Keynote

Credit Rating

As this is an issue of Equity Shares, credit rating is not required.

Experts

Except for the Auditor's Report of the Auditors of our Company, we have not obtained any expert opinions.

IPO Grading

CRISIL has been appointed for ggrading of the Issue. CRISIL has assigned a CRISIL SME fundamental grade of "SME 4/5" (SME Four on Five) to the proposed IPO of our Company. The grade indicates that the fundamentals of

the Company are superior compared to other SMEs in India.

CRISIL assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating excellent fundamentals and Grade 1 indicating poor fundamentals. CRISIL's SME IPO grading assigned represents relative assessment of the 'fundamentals' of the issuer.

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

The grading assigned is constrained by scale of operations, limited product offerings as compare to big players in the industry and working capital intensive nature of operation owing to high inventory days. For further details, please refer to page 163.

Trustees

As this is an issue of Equity Shares, the appointment of trustees is not required.

Monitoring Agency

Since the Issue size does not exceed ₹ 50,000 Lacs, the appointment of a monitoring agency as per Regulation 16 of the SEBI Regulations is not required.

Appraising Agency

None of the objects of this Issue have been appraised by an independent agency.

Book Building Process

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band.

The Issue Price will be finalized after the Bid / Issue Closing Date. The principal parties involved in the Book Building Process are:

- Our Company;
- The BRLM in this case being Keynote Corporate Services Limited and the co-BRLM, in this case being, Indian Overseas Bank, the Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with NSE and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the BRLM and the Co-BRLM;
- The Registrar to the Issue;
- Self Certified Syndicate Banks through whom ASBA Bidders would subscribe in this Issue; and
- Escrow Collection Bank(s).

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein not more than 25% of the Issue shall be allotted on a proportionate basis to QIBs, of which 5% shall be reserved for Mutual Funds. Further, not less than 40% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and co-BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on

a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Investors are not allowed to withdraw or lower the size of their Bids (both in terms of number of Equity Shares Bid for and Bid Amount) at any stage. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis. For further details, please refer "Terms of the Issue" on page 195 of the Red Herring Prospectus.

QIBs and Non-Institutional Bidders shall compulsorily submit their Bids under the "ASBA Process", which would entail blocking of funds in the investor's bank account rather than immediate transfer of funds to the respective Escrow Accounts. Retail Individual Bidders have the option of submitting their Bids under the ASBA Process or through cheques/ demand drafts.

We will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed Keynote Corporate Services Limited and Indian Overseas Bank as the Book Running Lead Manager and Co-Book Running Lead Manager, respectively to manage the Issue and procure subscriptions to the Issue.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

Retail Individual Bidders are advised to make their own judgment about investment through the ASBA process prior to submitting an ASBA Bid cum Application Form.

Illustration of Book Building and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, *i.e.*, ₹ 22.00 in the above example. The issuer, in consultation with the BRLM and the Co-BRLM, will finalise the issue price at or below such cut-off price, *i.e.*, at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid (see section titled "Issue Procedure – Who Can Bid?" on page 206);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Except for Bids on behalf of the Central or State Governments and the officials appointed by the courts and residents of Sikkim, for Bids of all values, ensure that you have mentioned your PAN (see section titled "Issue Procedure – Permanent Account Number or PAN" on page 225);
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;
5. Bids by QIBs will only have to be submitted to the BRLM, Co-BRLM and their affiliate Syndicate Members or SCSBs; and
6. Bids by ASBA Bidders will have to be submitted to the Designated Branches of the SCSBs except for ASBA Bids in the Specified Cities. In case of Specified Cities, ASBA Bids may either be submitted with the Designated Branches or with Syndicate or to the Syndicate Members in the Specified Cities. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSBs or the Syndicate Members to ensure that the Bid cum Application Form by ASBA Bidders is not rejected.

Withdrawal of the Issue

Our Company, in consultation with the BRLM and Co-BRLM, reserves the right not to proceed with the Issue at any time after the Bid Opening Date but before the Board meeting for Allotment, without assigning any reason therof. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the closure of the Issue, providing reasons for not proceeding with the Issue. The BRLM, Co-BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares are proposed to be listed.

If our Company withdraws the Issue after the Bid Closing Date, our Company shall state the reasons thereof in a public notice within two days of the closure of the Issue. The public notice shall be issued in the same newspapers where the pre-Issue advertisement had appeared. The Stock Exchange shall also be informed of such withdrawal.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approval of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the Stock Exchange.

Bid/ Issue Programme

Bid/ Issue Opens on	Monday December 3, 2012
Bid/ Issue Closes on	Wednesday, December 5, 2012

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned in the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs and the Syndicate ASBA Bidding Locations, **On the Bid/Issue Closing Date, Bids (excluding ASBA Bidders) shall be uploaded** until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders; and (ii) until 5.00 p.m or until such time as permitted by the NSE in case of Bids by Retail Individual Bidders. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE.

In case of discrepancy of data between the Stock Exchange and the Designated Branches of the SCSBs, the decision of the Registrar to the Issue, in consultation with the BRLM, Co-BRLM, our Company and the Designated Stock Exchange, based on the physical / electronic records, as the case may be, of the ASBA Bid cum Application Forms shall be final and binding on all concerned. Further, the Registrar to the Issue may ask for rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than 1.00 p.m (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the

Bid Closing Date, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, our Company, the BRLM, Co-BRLM and the Syndicate Members shall not be responsible. Bids will be accepted only on working days, i.e. Monday to Friday (excluding any public holiday).

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading the Bids received from Retail Individual Bidders, after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid cum Application Forms and ASBA Bid cum Application Forms as stated herein and reported by the BRLM, Co-BRLM to the Stock Exchange within half an hour of such closure.

Our Company, in consultation with the BRLM and Co-BRLM, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI ICDR Regulations. The Cap Price shall be less than or equal to 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can be revised up or down to a maximum of 20% of the Floor Price as originally disclosed at least two working days prior to the Bid /Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bidding Period will be extended for three additional Working Days after revision of the Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release, and also by indicating the change on the website of the BRLM, Co-BRLM and at the terminals of the members of the Syndicate. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 3,000 Equity Shares.

Underwriting Agreement

Our Company has entered into an Underwriting Agreement dated November 19, 2012 with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM and the Co- BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions, as specified therein. The Issue will be 100% underwritten.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, Address, Telephone, Fax, and Email of the Underwriters	Indicated Number of Equity Shares to be Underwritten*	Amount Underwritten (₹ in lacs)
Keynote Corporate Services Limited The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (W), Mumbai – 400 028 **Phone:**+91 22 3026 6000 **Facsimile**:+91 22 3026 6088 **Email:** project.switchgears@keynoteindia.net	[●]	750.00
Indian Overseas Bank Merchant Banking Division, Central Office, 6th Floor, Annex Building, 763 Anna Salai, Chennai-600 002 **Tel:** +91–44–28889367**;** **Fax:** +91–44–28519548**;** **E-mail:**mbd@iobnet.co.in	[●]	500.00
Keynote Capitals Limited The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400028 **Tel:** +91–22– 30266000-3 **Fax:** +91–22– 3026 6088 **E-mail:** kcl@keynoteindia.net	[●]	750.00
Ladderup Corporate Advisory Private Limited 102-A, 1st floor, Hallmark Business	[●]	300.00

Plaza, Gurunanak Hospital Road, Bandra (E), Mumbai – 400 051 **Tel:** +91–22– 4033 6363 **Fax:** +91–22–4033 6364 **E-mail:** brijesh.parekh@ladderup.com		
Prabhudas Lilladher Private Limited Sadhana House, 570 P. B. Marg, Behind Mahindra Tower, Worli, Mumbai- 400 018 **Tel:** +91–22 – 6632 2290 **Fax:** +91–22– 6632 2229 **E-mail:** manishbhatt@plindia.com	[●]	200.00

**The abovementioned details would be finalized after the determination of Issue Price.*

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12 (1) of the SEBI Act or registered as brokers with the Stock Exchange(s).

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the BRLM and the Co-BRLM and the Syndicate Member(s) shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount. If the Syndicate Member(s) fails to fulfill its underwriting obligations as set out in the Underwriting Agreement, the BRLM and the Co-BRLM shall fulfill the underwriting obligations in accordance with the provisions of the Underwriting Agreement.

The underwriting agreement shall list out the role and obligations of each Underwriter.

Market Making Agreement

KCL will act as the Market maker and has entered into an agreement dated November 19, 2012 and agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the NSE and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and the buy quote) shall not be more than 10%. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).

2. The minimum depth of the quote shall be ₹ 100,000/- . However, the investors with holdings of value less than ₹ 100,000/- shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.

3. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker for the quotes given by him.

4. There would not be more than five Market Makers for a scrip at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.

5. The Market Maker(s) shall have the right to terminate said arrangement by giving a six months notice or on mutually acceptable terms to the BRLM and Co-BRLM, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM and Co-BRLM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further the company, the BRLM and Co-BRLM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time.

CAPITAL STRUCTURE

The capital structure of our Company and related information as at the date of this RHP, prior to and after the proposed Issue, is set forth below:

(₹ In Lacs except per share data)

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
Authorised share capital		
20,000,000 Equity Shares of ₹10/- each	2,000.00	[●]
Issued, subscribed and paid-up share capital before the Issue		
11,660,000 Equity Shares of ₹10/- each	1,166.00	[●]
Present Issue in terms of this Red Herring Prospectus		
[●] Equity Shares	[●]	
Which comprises		
[●] Equity Shares at a premium of ₹ [●]/- per Equity Share reserved as Market Maker Portion	[●]	
[●] Equity Shares at a premium of ₹ [●]/- per Equity Share being Net Issue to public	[●]	
Issued, subscribed and paid-up share capital after the Issue		
[●] Equity Shares	[●]	[●]
Securities premium account		
Before the Issue	415.03	
After the Issue*	[●]	

** - The Securities Premium Account after the Issue shall be determined after the Book Building Process.*

1. This Issue has been authorised by a resolution of our Board dated June 15, 2012, and by a special resolution passed pursuant to Section 81(1A) of the Act, at the AGM of the shareholders of our Company held on August 31, 2012;

2. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and co-BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

3. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.

Details of increase in Authorised share capital since incorporation

Increased From	Increased to	Date of Resolution	AGM/EGM
-	₹ 1,000,000 consisting of 100,000 Equity Shares	Incorporation	-
₹ 1,000,000 consisting of 100,000 Equity Shares	₹ 30,000,000 comprising of 3,000,000 Equity Shares	December 10, 2007	EGM
₹ 30,000,000 comprising of 3,000,000 Equity Shares	₹ 50,000,000 comprising of 5,000,000 Equity Shares	October 21, 2009	EGM
₹ 50,000,000 comprising of 5,000,000 Equity Shares	₹ 60,000,000 comprising of 6,000,000 Equity Shares	March 22, 2011	EGM
₹ 60,000,000 comprising of 6,000,000 Equity Shares	₹170,000,000 comprising of 17,000,000 Equity Shares	May 11, 2012	EGM
₹170,000,000 comprising of 17,000,000 Equity Shares	₹200,000,000 comprising of 20,000,000 Equity Shares	November 9, 2012	EGM

Notes to capital structure

1. *Share capital history of our Company*

The following is the history of the equity share capital of our Company: -

Date of the allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of consideration	Nature of allotment	Issued Equity Capital (₹)	Cumulative number of Equity Shares	Cumulative Equity Capital (₹)	Cumulative Securities Premium (₹)
June 20, 2007	100,000	10/-	10/-	Partner's Capital [(1)]	Subscription to Memorandum of Association	1,000,000	100,000	1,000,000	-
December 17, 2007	2,400,000	10/-	10/-	Cash[(2)]	Further allotment of shares	24,000,000	2,500,000	25,000,000	-
February 4, 2008	36,000	10/-	10/-	Cash[(3)]	Further allotment of shares	360,000	2,536,000	25,360,000	-
January 21, 2009	155,490	10/-	10/-	Cash[(4)]	Further allotment of shares	1,554,900	2,691,490	26,914,900	-
October 22, 2009	2,307,510	10/-	10/-	Cash[(5)]	Further allotment of shares	23,075,100	4,999,000	49,990,000	-
March 31, 2011	333,333	10/-	30/-	Cash[(6)]	Further allotment of shares	3,333,330	5,332,333	53,323,330	6,666,660
March 29, 2012	497,667	10/-	80/-	Cash[(7)]	Further allotment of shares	4,976,670	5,830,000	58,300,000	41,503,350
May 14, 2012	5,830,000	10/-	-	Other than cash	Bonus Issue (Ratio 1:1)	58,300,000	11,660,000	111,660,000	-

[(1)] Initial subscription to MoA by Veto Electropowers (India) Private Limited (43,000 Equity Shares), Mr. Vishnu Kumar Gurnani (1,000 Equity Shares), Mr. Narayan Das Gurnani (47,000 Equity Shares), Mr. Babulal Gurnani (1,000 Equity Shares), Ms. Shrutikanta Mishra (1,000 Equity Shares), Mr. Kishore Kumar Gurnani (4,000 Equity Shares), Master Rohit Gurnani (1,000 Equity Shares), Master. Kanishka Gurnani (1,000 Equity Shares) and Mr. Vijay Pamnani (1,000 Equity Shares).

[(2)] Further allotment of Equity Shares to Veto Electropowers (India) Private Limited pursuant to the conversion of the unsecured loan;

[(3)] Further allotment of Equity Shares to Veto Electropowers (India) Private Limited pursuant to the conversion of the unsecured loan;

[(4)] Further allotment of Equity Shares to Mr. Kishore Kumar Gurnani (103,660 Equity Shares), Master Rohit Gurnani (25,915 Equity Shares) and Master Kanishka Gurnani (25,915 Equity Shares);

[(5)] Further allotment of Equity Shares to Veto Electropowers (India) Private Limited (2,169,059 Equity Shares), Mr. Kishore Kumar Gurnani (92,301 Equity Shares), Master Rohit Gurnani (23,075 Equity Shares) and Miss Kanishka Gurnani (23,075 Equity Shares) pursuant to the conversion of the unsecured loan;

[(6)] Allotment of Equity Shares to Mr. Harish Kumar Gurnani;

[(7)] Allotment of Equity Shares to Mr. Akshay Kumar Gurnani.The application money of ₹ 497,667/- towards the said allotment was received on March 29, 2012 and the balance was received on May 11, 2012.

2. *Save and except as mentioned below, our Company has not issued any Equity Shares for consideration other than cash*

Date of Allotment	Name of person(s)	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Benefit accrued to our Company
May 14, 2012	Shareholders as on the record date	5,830,000	10/-	-	Bonus Issue (Ratio 1:1)	Nil

3. *Build-up of Promoters' share capital, Promoters' contribution and lock-in*

a. Build-up of Veto Electropowers (India) Private Limited

Date of Allotment/ Transfer/ Acquisition	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Nature of payment of consideration	Nature of Allotment
June 20, 2007	43,000	10/-	10/-	Partner's Capital	Subscription to MOA
October 1, 2007	41,000	10/-	10/-	Cash	Purchased from Mr. Narayan Das Gurnani
December 17, 2007	2,400,000	10/-	10/-	Cash	Further allotment of shares
February 4, 2008	36,000	10/-	10/-	Cash	Further allotment of shares
October 22, 2009	2,169,059	10/-	10/-	Cash	Further allotment of shares
May 14, 2012	4,689,059	10/-	-	Other than cash	Bonus Issue (1:1)
Total	**9,378,118**				

b. Build-up of Mr. Narayan Das Gurnani

Date of Allotment/ Transfer/ Acquisition	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price (₹)	Nature of payment of consideration	Nature of Allotment
June 20, 2007	47,000	10/-	10/-	Partner's Capital	Subscription to MOA
October 1, 2007	(41,000)	10/-	10/-	--	Transferred to M/s Veto Electropowers (India) Pvt. Ltd.
May 14, 2012	6,000	10/-	-	Other than cash	Bonus Issue (1:1)
Total	**12,000**				

c. Details of Promoters' contribution locked in for 3 (three) years

As per clause (a) sub-regulation (1) Regulation 32 of the SEBI ICDR Regulations and in terms of the aforesaid table, an aggregate of 20% of the post-Issue Equity Share Capital of our Company shall be locked in for a period of 3 years from the date of Allotment ("Minimum Promoters' Contribution"). The details of such lock-in are given below:

Name	Date of Acquisition and when made fully paid-up	No. of Equity Shares locked in	Face Value (₹)	Issue/ Acquisition Price	Nature of Allotment	Nature of Consideration (Cash/other than cash. etc)	% of pre-Issue paid-up capital	% of post-Issue paid-up capital
[●]	**[●]**	**[●]**	**[●]**	**[●]**	**[●]**	**[●]**	**[●]**	**[●]**
Total		**[●]**	**[●]**	**[●]**	**[●]**	**[●]**	**[●]**	**[●]**

The figures to be provided in this table shall be finalised upon determination of the Issue Price and the number of Equity Shares to be issued in the Issue, consequent to the Book Building Process

The Promoters' contribution has been brought in to the extent of not less than the specified minimum amount. We confirm that specific written consent has been obtained from our Promoters whose Equity Shares form part of Promoters' contribution, to lock-in their Equity Shares for a period of 3 years to ensure Minimum Promoters' Contribution.

We confirm that the Minimum Promoters' Contribution of 20% which is subject to lock-in for three years does not consist of:

i. Equity Shares acquired during the preceding 3 (three) years for consideration other than cash and revaluation of assets or capitalization of intangible assets;
ii. Equity Shares acquired during the preceding 3 (three) years resulting from a bonus issue by utilisation of revaluations reserves or unrealised profits of the Issuer or from bonus issue against Equity Shares which are ineligible for computation of Promoters' contribution;
iii. Equity Shares acquired by the Promoter during the preceding 1 (one) year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
iv. Equity Shares allotted to the Promoters during the preceding 1 (one) year, at a price lower than the Issue Price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms and there is no change in the management;
v. Equity Shares held by any Promoter that are subject to pledge;

d. Details of share capital locked in for 1 (one) year

Pursuant to Regulation 36(b) and Regulation 37 of the SEBI ICDR Regulations, the Promoters' holding in excess of Minimum Promoters' Contribution and the entire pre-Issue share capital held by persons other than Promoters' shall be locked-in for a period of 1 (one) year from the date of Allotment in this Issue.

e. Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promoters' Contribution for 3 (three) years under Regulation 36(a) of the SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by the Promoters may be transferred to and amongst the Promoters, the Promoter Group or to new promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI ICDR Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI ICDR Regulations has ended, subject to compliance with the Takeover Code, as applicable.

4. *Save and except as mentioned below, there has been no transactions in Equity Shares by the Directors, Promoters and Promoter Group entities during 6 (six) months preceding the filing of this RHP with the Stock Exchange*

Transferor	Transferee	Date of Transfer	Number of Equity Shares	Face Value (in ₹)	Consideration (in ₹)
Mr. Babulal Gurnani	Mr. Mukesh Kumar Gurnani	April 16, 2012	1,000	10,000/-	80,000/-
Mr. Vijay Pamnani	Mr. Mukesh Kumar Gurnani	April 16, 2012	1,000	10,000/-	80,000/-

5. Shareholding pattern of our Company (as per clause 37 of SME Equity listing agreement) as on the date

Cate-gory Code	Category of Shareholder	Number of Share-holders	Total No. of shares	Number of shares held in demat form	Total shareholding as a percentage of total number of shares		Post Issue	
(I)	(II)	(III)	(IV)	(V)	As a % of (A+B) (VI)	As a % of (A+B+C) (VI)	No. of Shares (VIII)	As a % (IX)
(A)	**Promoter and Promoter Group**							
(1)	**Indian**							
(a)	Individuals/ HUF	8	2281882	Nil	19.57	19.57	[●]	[●]
(b)	Central Government/ State Government	-	-	-	-	-	[●]	[●]
(c)	Bodies Corporate	1	9378118	Nil	80.43	80.43	[●]	[●]
(d)	Financial Institutions/ Banks	-	-	-	-	-	[●]	[●]
(e)	Any Others (specify)	-	-	-	-	-	[●]	[●]
	Sub-Total (A)(1)	**9**	**11660000**	**Nil**	**100.00**	**100.00**	[●]	**[●]**
(2)	**Foreign**	-	-	-	-	-		
	Sub Total (A)(2)	-	-	-	-	-		
	Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**9**	**11660000**	**Nil**	**100.00**	**100.00**	[●]	**[●]**
(B)	**Public Shareholding**							
(1)	**Institutions**							
(a)	Mutual Funds/ UTI		-	-	-	-	[●]	**[●]**
(b)	Financial Institutions/Banks		-	-	-	-	[●]	**[●]**
(c)	Central Government/ State Government		-	-	-	-	[●]	**[●]**
(d)	Venture Capital Funds		-	-	-	-	[●]	**[●]**
(e)	Insurance Companies		-	-	-	-	[●]	**[●]**
(f)	Foreign Institutional Investors		-	-	-	-	[●]	**[●]**
(g)	Foreign Venture Capital Investors		-	-	-	-	[●]	**[●]**
(h)	Nominated Investors (as defined in Chapter XA of SEBI (ICDR) Regulations)		-	-	-	-	[●]	**[●]**
(i)	Market Makers		-	-	-	-	[●]	**[●]**
(j)	Any other, specify		-	-	-	-	[●]	**[●]**
	Sub-Total (B)(1)		-	-	-	-	[●]	**[●]**
(2)	**Non Institutions**						[●]	**[●]**
(a)	Bodies Corporate		-	-	-	-	[●]	**[●]**
(b)	Individuals							
	i) Holding nominal share capital upto ₹ 1 lac			-	-	-	[●]	**[●]**
	ii) Holding nominal share capital in excess of ₹ 1 lac.		-	-	-	-	[●]	**[●]**
(c)	Any Other(specify)						[●]	**[●]**
	Sub-Total (B)(2)		-	-	-	-	[●]	**[●]**
	Total Public shareholding (B)=(B)(1)+(B)(2)		-	-	-	-	[●]	**[●]**
	TOTAL (A)+(B)	**9**	**11,660,000**	**Nil**	**100.00**	**100.00**	**[●]**	[●]
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	-	-	-	-	-		
	GRAND TOTAL (A)+(B)+(C)	**9**	**11,660,000**	**Nil**	**100.00**	**100.00**	**[●]**	[●]

Note: As on date, none of the Equity Shares of our Company have been pledged or otherwise encumbered.

6. Statement showing shareholding of persons belonging to the category of Promoter and Promoter Group as on the date

Sr. No.	Name of the Shareholder	No. of Equity Shares	Shares as a percentage of total number of Equity Shares
1.	Veto Electropowers (India) Pvt. Ltd.	9,378,118	80.43
2.	Akshay Gurnani	995,334	8.54
3.	Harish Kumar Gurnani	666,666	5.72
4.	Kishore Kumar Gurnani	399,922	3.43
5.	Master Rohit Gurnani (under the guardianship of Mr. Kishore Kumar Gurnani)	99,980	0.86
6.	Master Kanishka Gurnani (under the guardianship of Mr. Kishore Kumar Gurnani)	99,980	0.86
7.	Narayan Das Gurnani	12,000	0.10
8.	Mukesh Gurnani	6,000	0.05
9.	Pushpa Devi Gurnani and Akshay Gurnani	2,000	0.02
	Total	**11,660,000**	**100.00**

7. Top ten shareholders

The list of the top ten shareholders of our Company and the number of Equtiy Shares held by them is provided below:

a) As on the date of filing this RHP i.e. as on November 20, 2012

Sr. No.	Name of the Shareholder	No. of Equity Shares	Shares as a percentage of total number of Equity Shares
1.	Veto Electropowers (India) Pvt. Ltd.	9,378,118	80.43
2.	Akshay Gurnani	995,334	8.54
3.	Harish Kumar Gurnani	666,666	5.72
4.	Kishore Kumar Gurnani	399,922	3.43
5.	Master Rohit Gurnani (under the guardianship of Mr. Kishore Kumar Gurnani)	99,980	0.86
6.	Master Kanishka Gurnani (under the guardianship of Mr. Kishore Kumar Gurnani)	99,980	0.86
7.	Narain Das Gurnani	12,000	0.10
8.	Mukesh Gurnani	6,000	0.05
9.	Pushpa Devi Gurnani and Aksahy Gurnani	2,000	0.02
	Total	**11,660,000**	**100.00**

b) Ten days prior to filing of this RHP i.e., November 10, 2012

Sr. No.	Name of the Shareholder	No. of Equity Shares	Shares as a percentage of total number of Equity Shares
1.	Veto Electropowers (India) Pvt. Ltd.	9,378,118	80.43
2.	Akshay Gurnani	995,334	8.54
3.	Harish Kumar Gurnani	666,666	5.72
4.	Kishore Kumar Gurnani	399,922	3.43
5.	Master Rohit Gurnani (under the guardianship of Mr. Kishore Kumar Gurnani)	99,980	0.86
6.	Master Kanishka Gurnani (under the guardianship of Mr. Kishore Kumar Gurnani)	99,980	0.86
7.	Narain Das Gurnani	12,000	0.10
8.	Mukesh Gurnani	6,000	0.05
9.	Pushpa Devi Gurnani and Aksahy Gurnani	2,000	0.02
	Total	**11,660,000**	**100.00**

c) Two years prior to filing this RHP i.e. November20, 2010

Sr. No.	Name of the Shareholder	No. of Equity Shares	Shares as a percentage of total number of Equity Shares
1.	Veto Electropowers (India) Pvt. Ltd.	4,689,059	93.79
2.	Kishore Kumar Gurnani	199,961	4.00

Sr. No.	Name of the Shareholder	No. of Equity Shares	Shares as a percentage of total number of Equity Shares
3.	Master Rohit Gurnani (under the guardianship of Mr. Kishore Kumar Gurnani)	49,990	1.00
4.	Master Kanishka Gurnani (under the guardianship of Mr. Kishore Kumar Gurnani)	49,990	1.00
5.	Narayan Das Gurnani	6,000	0.12
6.	Mukesh Gurnani	1,000	0.02
7.	Vijay Pamnani	1,000	0.02
8.	Babulal Gurnani	1,000	0.02
9.	Vishnu Kumar Gurnani	1,000	0.02
	Total	**4,999,000**	**100.00**

8. There are no financing arrangements whereby our Promoters, Promoter Group, our Group Companies, our Directors and their relatives have financed the purchase by any other person of the Equity Shares of our Company during the period of 6 months immediately preceding the date of filing of the RHP with the Stock Exchange.

9. Our Promoters, directors, immediate relatives of the directors and members of the Promoter Group have not undertaken/ financed, directly or indirectly, any transaction in the Equity Shares in the six months preceding the date of filing of this RHP with Stock Exchange.

10. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot while finalizing the allotment, subject to minimum allotment being equal to [●] Equity Shares, which is the minimum Bid size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which the post-Issue paid up capital after the Issue would also increase by the excess amount of allotments so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased so as to ensure that 20% of the post-Issue paid up capital is locked-in.

11. Our Company has not raised any bridge loans against the Issue proceeds.

12. Neither our Company, nor the directors or the Promoters, or the BRLM and Co-BRLM have entered into any buy-back and/or standby arrangements for the purchase of Equity Shares of our Company.

13. As on the date of this RHP, none of the Equity Shares of our Company have been pledged or otherwise encumbered.

14. There are no outstanding warrants, financial instruments or any rights, which would entitle the Promoters or the shareholders of our Company or any other person any option to acquire any of the Equity Shares.

15. As of date of this RHP, our Company has not issued any equity shares under any employee stock option scheme.

16. As on the date of this RHP, our Company has not made any public issue or rights issue of any kind or class of securities since incorporation.

17. The Equity Shares of our Company are fully paid up and there are no partly paid up Equity Shares as on the date of this RHP.

18. No further issue of capital by way of issue of bonus shares, preferential allotment, rights issue or public issue or in any other manner which will affect the equity capital of our Company, shall be made during the period commencing from the filing of the RHP with the Stock Exchange to the date on which the Equity Shares issued are listed or application moneys refunded on account of the failure of the Issue.

19. Further, our Company has no intention to alter the equity capital structure by way of split/ consolidation of the denomination of the shares, or issue of shares on preferential basis or issue of bonus rights or public issue of shares or any other securities for a period of six months from the date of opening of the Issue.

20. Except as disclosed in the chapter titled “Management” on page 77 of this RHP, none of our directors or key managerial personnel holds any Equity Shares.

21. As on the date of this RHP, none of the Equity Shares of our Company have been issued and allotted in terms of scheme approved under sections 391-394 of the Companies Act.

22. Our Company has not revalued its fixed assets since incorporation.

23. Our Company, Directors, Promoters or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under this Issue.

24. There shall be only one denomination of Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

25. As on the date of this RHP, the total number of holders of Equity Shares is 9 (Nine).

26. Our Company has not made any issue of specified securities at a price lower than the issue price during the preceding one year except the allotment made to Mr. Akshay Kumar Gurnani for 497,667 Equity Shares at ₹80/- per share (including the premium of ₹70/- per share) on March 29, 2012.

27. No Equity Shares have been issued during the preceding one year from the date of filing of this RHP to the Promoter or the Promoter Group except shares issued to Mr. Akshay Kumar Gurnani. Further, none of the Equity Shares have been issued to Promoter or member of the Promoter Group or any member of our Company for consideration other than cash except for bonus shares.

28. As on the date of this RHP, the BRLM and Co-BRLM to the Issue does not hold any Equity Shares of our Company.

SECTION IV – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The objects of the Issue are to finance proposed modernization of existing facility at Hardwar, Uttarkhand, to meet incremental long-term working capital requirements and achieve the benefits of listing on the Stock Exchange. We believe that listing will enhance our corporate image and brand name.

We intend to utilize the Issue Proceeds for the following objects:

1. Modernisation of existing facility at Hardwar, Uttarakhand;
2. To finance incremental long-term working capital requirement;
3. Enhancement of our Company's brand through advertising and other brand-building activities;
4. General corporate purposes; and
5. To meet the Issue expenses

The objects set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue. For further details on the main objects clause set out in our Memorandum of Association, please see "History and Other Corporate Matters" on page 71.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the uses of the funds described herein.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue.

Requirement of funds and Means of Finance

The details of requirements of funds and means of finance are as under:

Cost of the Project

Sl No.	Description	Amount (₹ in lacs)
1	Modernisation of existing facility at Hardwar, Uttarakhand	470.00
2	Incremental long-term working capital requirement	1,580.00
2	Enhancement of our Company's brand through advertising and other brand-building activities	200.00
3	General Corporate Purposes	[●]
4	To meet the Issue expenses	[●]
	Total	[●]

Means of Finance

Sl No.	Description	Amount (₹ in lacs)
1	Proceeds of the Issue	2,500.00
2	Internal accruals	[●]
	Total	[●]

The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue and internal accruals. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

Details of the objects of the Issue

The details of the objects are enumerated as below:

1. Modernisation of existing facility at Haridwar, Uttarakhand

Our products are manufactured at our state-of-art manufacturing unit located at Plot no. 65-67 and 74-77, Sector-5, IIE, SIDCUL, Hardwar-249403, Uttarakhand. Our said unit qualifies for deduction under section 80-IC @ 100% for the initial 5 Assessment Years and 30% for subsequent 5 Assessment Years. Accordingly our Company is eligible for deduction in profits from the said unit @ 100% from AY 2008-09 to AY 2012-13 and @ 30% from AY 2013-14 to AY 2017-18. All of our products (except for CFL and fans) are being manufactured and assembled at this facility. The existing manufacturing facility is located at Hardwar, Uttarakhand on a 60,000 sq.ft constructed buiding area.

We propose to modernize the said facility by conducting civil work, installing certain dies and other balancing equipments in the existing building. The estimates for the same are as under:

Sl No.	Particulars	Amount (₹ in lacs)
i.	Building & other civil work	100.00
ii.	Plant & Machinery, Dies and other service utilities	300.00
iii.	Other miscellaneous fixed assets	50.00
iv.	Contingency @ approx. 4.50%	20.00
	Total	**470.00**

i. Building & other civil work

We intend to utilize approx. ₹ 100.00 lacs towards building & other civil work to be carried out at our facility. The total area to be modernized is estimated at about 1,500 sq.meters. The civil work shall include brick wall, partition walls, plastering and painting works, etc. We have procured quotations from Jaitly Architects at Hardwar for the said civil work. The details of the quotations received for Building & other civil work are set forth below:

Sl No.	Particulars	Supplier	Date of Quotation	Amount (₹ in lacs)
1	Building & other civil work	Jaitly Architects	01/09/2012	101.51
			Say	***100.00***

ii. Plant & Machinery and other service utilities

The total cost of plant and machinery, Dies and other service utilities is approx. ₹300.00 lacs. Following are the quotations received from various suppliers.

Sl No.	Particulars	Supplier	Quantity	Reference No. and Date of Quotation	Amount (₹ in lacs)
1	Dies	M/S Raahil Engineering	63 pieces x 2	RE/PERFORMA/12/13/24 & RE/PERFORMA/12/13/25 Dated 01/08/2012	109.72 x 2 = **220.05**
2.	Injection Moulding Machine	M/S L&T Plastics Machinery Ltd	2 nos.	IMM/VI/P103 Dated 28/07/2012	**46.94**
3.	Mechanical Actuator	M/s Sensors India	4 nos.	Proforma Invoice no. 472 Dated 27/08/2012	1.44
	Load Bank		4 nos.		11.60
	Endurance Test for Shutter		4 nos.		1.28
	Load Bank for plug and socket		4 nos.		8.12
					23.58 (incl. tax)
4.	DG set	M/s Bhaskar Energy Pvt	1 no. (250	BEPL/12-13	**12.20**

Sl No.	Particulars	Supplier	Quantity	Reference No. and Date of Quotation	Amount (₹ in lacs)
		Ltd	KVA)	Dated 27/07/2012	
5.	Stabilizer	M/s Sensors India	1 no. (150 KVA 3 phase)	SI/I/5.1/131/2012-13 Dated 28/08/2012	**4.10**
				TOTAL	**306.26**
				Say	***300.00***

iii. Other Miscellaneous fixed assets

We will deploy approx. ₹50 Lacs towards other miscellaneous fixed assets which shall include wiring, electrification, installation, etc.

iv. Contingency

We have earmarked contingency of an amount of ₹ 20.00 lacs which is approx. 4.50% of the cost of Building & other civil works, Plant & Machinery and other service utilities and Other miscellaneous fixed assets at our existing facility at Hardwar, Uttarakhand.

2. Incremental long term working capital requirement

We operate in an industry which is highly working capital intensive. The incremental long-term working capital requirement has been calculated on the basis of additional working capital requirement which will be required in FY 2013 considering the proposed modernisation at our Hardwar facility, growth in activities of our Company and the resultant increase in volume.

Raw Material, Finished Goods and Auxiliary material have been taken at various levels, which is in consonance with the industry practices and past trends. The estimates of long term working capital requirement based on the CMA data are as follows:

Particulars	Audited FY 2012		Estimated FY 2013	
	Holding Levels (months)	Amount (₹ in lacs)	Holding Levels (months)	Amount (₹ in lacs)
Current Assets				
Inventory				
- Raw Material	1.47	622.56	1.56	932.30
- Stores & Spares	-	-	-	-
- Stock-in trade	-	-	-	-
- Finished Goods	2.63	1,164.69	2.65	1591.09
Sundry Debtors	3.57	2039.59	3.50	2,669.10
Other Current Assets		442.78		1085.56
Total (A)		**4,269.62**		**6,278.05**
Current Liabilities (other than bank borrowings)				
Creditors	1.26	548.78	1.00	621.53
Other Current Liabilities		421.15		356.83
Total (B)		**969.93**		**978.36**
Working Capital Gap (A-B)		**3,299.69**		**5,299.69**
Work Capital Available		**1,349.69**		**3,049.69**
Permissible Bank Finance		1,950.00		2,250.00
Incremental long term working capital requirement				**1,700.00**
To be met with -				
- *IPO Proceeds*				*1,580.00*
- *Internal Accruals*				*120.00*

Presently, we have been availing the working capital facilities sactioned by our banker, Indian Overseas Bank 11, Rituraj Building, Mirza Ismail Road, Jaipur 302 001 Rajasthan for ₹2,250.00 lacs. The incremental working capital requirement of our Company for FY 2012-13E is ₹ 1,700.00 lacs out of which ₹ 1,580.00 lacs are proposed to be raised by way of this Issue and the balance ₹120 lacs shall be met from the internal accruals of our Company.

Basis of Estimation

The incremental long term working capital requirements are based on historical Company data and estimation of the future requirements in FY 2012-13 considering the growth in activities of our Company and in line with norms accepted by our banker(s). Our Company has maintained inventory (Raw material and Finished goods) of 1.47 months and 2.63 months respectively in FY 2012. We have estimated the requirements of inventory in FY 2012-13 by maintaining inventory of 1.56 months and 2.65 months respectively.

Our Company provides credit of about 3.57 months to our customers/ creditors. We estimate the credit period of about 3.50 months for FY 2012-13. Similarly we have estimated advance to suppliers, other current assets and current liabilities in line with working capital employed in FY 2011-12.

Justification for holding period levels

Inventory	Inventory holding levels of raw materials, finished goods etc are expected to be more or less in line with FY 2011 and FY 2012 levels keeping in view the nature of the industry in which our Company operates.
Receivables	Receivables are expected to be line with the FY 2011 and FY 2012 level keeping in view the nature of the industry in which our Company operates.
Creditors	Level of creditors is expected to come down in future as our Company would have adequate working capital post this issue.

3. Enhancement of our Company's brand through advertising and other brand-building activities

In order to strengthen our position in domestic market, our Company intends to create awareness of its brand through advertising and various other promotional activities, such as celebrity endorsements, organising contests for our users/ dealers and event sponsorships. Our Company proposes to utilize ₹ 200.00 lacs from the Issue proceeds towards enhancement of our Company's brand through advertising and other brand-building activities. Our Company believes that brand promotion activities would enable it to broaden its footprint in India. Whilst historically our Company's brand development has been fuelled through word of mouth by users/ dealers based on their experience with our products & service and such users/ dealers sharing their experience with others, our Company believes that increasing the awareness of our brand and services throughout rest of India would require direct marketing efforts and innovative brand-building strategies.

Our brand-building strategies would comprise of undertaking the following activities:

a. ***Advertising campaign through various media*** **-** Our Company proposes to undertake advertising campaign through various media, including television, radio, the internet and billboards. Such advertising campaign could be of a general nature related to our Company or focused on specific range of products, either existing or newly introduced, being provided by our Company.

b. ***Celebrity endorsements*** **-** Our Company may consider undertaking celebrity endorsements of our Company or its services.

c. ***Other promotional activities*** **-** Our Company may also carry out other promotional activities, such as organising contests for our users/ dealers, increasing its presence on social networks, disseminating e-mails and text messages and viral marketing techniques.

4. General Corporate Purposes

Our Company intends to deploy not more than 10% of the IPO Proceeds for general corporate purposes, including but not restricted to, including but not restricted to, future growth requirements, strategic initiatives, renovation of existing offices and otherwise meeting the exigencies faced in the ordinary course of business, or any other purposes as approved by our Board.

5. Issue related expenses

The estimated Issue related expenses are as follows:

Particulars	Amount (₹ in lacs)	As a percentage of total expenses	As a percentage of Issue size
Fees to intermediaries	[●]	[●]	[●]
Advertising, travelling and marketing expenses	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Statutory and other miscellaneous expenses	[●]	[●]	[●]
Total	[●]	[●]	[●]

In case of business requirements, required funds will be deployed out of internal accruals towards the "Objects of the Issue" and will be recouped from the proceeds of the Issue.

Schedule of Implementation

Particulars	Month/ Year of Commencement	Month/ Year of Completion
Land	-	Already acquired
Factory building & civil work (modernization)	October 2012	January 2013
Dies	October 2012	June 2013
Plant & Machinery & other service utilities	October 2012	December 2012

Year wise break-up of proceeds to be used

We operate in an industry which is highly working capital intensive. Since nearly 63% of the proceeds of the Issue would be utilized towards meeting our incremental long term working capital requirement for our business operations, we propose to utilize the same in FY 2012-13. For the balance 37% of the proceeds of the Issue which shall be utilized for the other objects as stated, will be deployed within one year from the completion of the Issue.

Funds deployed till date

The details of the amount spent by our Company as of November 19, 2012 towards the “Objects of the Issue” and as certified by our Statutory Auditors, M/s Singrodia Goyal and Co., Chartered Accountants, vide certificate dated November 20, 2012 are provided in the table below:

Particulars	Amount (₹ in lacs)
Funds Deployed	
Fees to Intermediaries	26.59
Professional fees	5.62
Travelling expenses	3.13
Misc. Expenses	0.51
Total	**35.85**
Sources of Funds	
Internal Accruals	35.85

Interim use of proceeds

The management of our Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the Issue proceeds. Pending utilization of the Issue proceeds for the purposes described above, our Company intends to temporarily invest the funds in interest bearing liquid instruments including investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments, rated debentures or deposits with banks as may be approved by the Board. Such investments would be in accordance with the investment policies approved by the Board from time to time.

Appraisal

The objects of this Issue have not been appraised by any bank or any other independent financial institution.

Monitoring of Utilisation of Funds

Since the Issue size does not exceed ₹ 50,000 Lacs, the appointment of a monitoring agency as per Regulation 16 of the SEBI Regulations is not required. As required under the listing agreements with the Stock Exchange, the Audit Committee appointed by our Board will monitor the utilization of the Issue proceeds. We will disclose the utilization of the proceeds of the Issue, including interim use, under a separate head in our quarterly/half yearly financial disclosures and annual audited financial statements until the Issue Proceeds remain unutilized, to the extent required under the applicable law and regulation. We will indicate investments, if any, of unutilized proceeds of the Issue in our Balance Sheet for the relevant Financial Years subsequent to our listing.

Pursuant to clause 52 of the SME Equity Listing Agreement, our Company shall on a half yearly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement shall be certified by the statutory auditors of our Company.

Our Company shall be required to inform material deviations in the utilisation of the proceeds of the Issue to the Stock Exchange(s) and shall also be required to simultaneously make the material deviations/adverse comments of the Audit committee/monitoring agency public through advertisement in newspapers.

No part of the Proceeds from the Issue will be paid by us as consideration to our Promoters, Promoter Group, our Directors, Group Companies or Key Managerial Personnels, except in the normal course of our business. For risks associated with respect to the objects of this Issue, please see "Risk Factors" on page xi of the Red Herring Prospectus.

BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company, in consultation with the BRLM and the Co-BRLM, on the basis of market conditions and on the basis of the following quantitative and qualitative factors. The information presented in this section for Fiscal 2010, 2011 and 2012 is derived from our Company's restated audited financial information, prepared in accordance with Indian GAAP and the Companies Act and in accordance with the SEBI Regulations. You should read the following summary with the sections titled "Risk Factors", "Business Overview" and "Financial Information" on pages xi, 54 and 109 respectively, of this Red Herring Prospectus, to get a more informed view before making an investment decision. The trading price of the Equity Shares could decline and you may lose all or part of your investments.

Qualitative factors

We believe the following business strengths allow us to successfully compete in the industry:

- Established brand in North West India;
- Experienced management team;
- Organized and comprehensive product offering;
- Established reputation for quality products;
- Driving growth through innovation and marketing;
- Our relationship with customers;
- Our relationship with nearly 2,400 dealers;
- Dedicated team of technical manpower;

For a detailed discussion on the qualitative factors, please refer to the sections titled "Our Business – Competitive Strengths" and "Risk Factors" on pages 60 and xi respectively of this RHP.

Quantitative factors

Information presented in this section is derived from our Company's restated audited financial information prepared in accordance with Indian GAAP, Companies Act and the SEBI Regulations. Quantitative factors are as follows:

1. Basic and Diluted Earnings per Share (EPS)

Period	Basic and Diluted EPS (₹)		
	Standalone	Consolidated	Weight
Fiscal 2010	11.75	11.74	1
Fiscal 2011	9.73	9.73	2
Fiscal 2012	13.55	13.54	3
Weighted Average	**11.98**	**11.97**	

Note:

i. The face value of each Equity Share is ₹ 10.
ii. EPS calculation have been done in accordance with Accounting Standard 20- "Earning per share" issued by the Institute of Chartered Accountants of India
iii. The above statement should be read with Significant Accounting Policies and the Notes to the restated audited financial information as appearing in Annexure IV and Annexure V on page 116 and 118 respectively of this RHP.

2. Price Earnings Ratio (P/E) in relation to the Issue price band of Rs.48/- to Rs. 50/- per Equity Share of ₹ 10 each

- The P/E ratio based on the basic and diluted EPS for the Fiscal Year 2012 at the Floor Price is 3.54.
- The P/E ratio based on the basic and diluted EPS considering present paid up capital and financials for the Financial Year 2012 at the Floor Price is 7.74.

- The P/E ratio based on the basic and diluted EPS for the Fiscal Year 2012 at the Cap Price is 3.69.
- The P/E ratio based on the basic and diluted EPS considering present paid up capital and financials for the Financial Year 2012 at the Cap Price is 8.06.

Industry P/E

	P/E Ratio	Name of the Company	Face Value of the equity shares (₹)
Highest*	21.45	Havells India Limited	5
Lowest*	20.06	V-Guard Industries Limited	10
Average	20.50	-	-

*Source: Capital Market volume August 6-19, 2012; Industry: Electric Equipments * as on November 19, 2012*

3. Return on Net Worth (RoNW)

Period	RONW (%)		
	Standalone	Consolidated	Weight
Fiscal 2010	31.15	31.12	1
Fiscal 2011	24.54	24.54	2
Fiscal 2012	26.66	26.66	3
Weighted Average	**26.70**	**26.70**	

4. Minimum Return on increased Net Worth required to maintain Pre-Issue EPS for Fiscal 2012 at the Issue Price on the basic and diluted EPS

a. At Floor price : 43.87%;
b. At Cap price : 43.33%

5. Net Asset Value

Period	Standalone (₹)	Consolidated (₹)
Fiscal 2010	27.95	27.94
Fiscal 2011	37.18	37.17
Fiscal 2012	50.35	50.34

Particulars	Floor Price	Cap Price
NAV after the Issue	₹30.89 per Equity Share	₹31.27 per Equity Share

Comparison

As on March 31, 2012

Name of the Company	FV (₹ per share)	Sales (₹ in lacs)	PAT (₹ in lacs)	EPS (₹)	RoNW (%)	Book Value (₹ per share)	CMP* (₹)	P/E Ratio
Veto Switchgear and Cables	10			13.55	26.66	50.35	-	-
Peer Group								
Eon Electric Limited	5	5,660.00	(1,690.00)	-	(21.40)	209.60	23.00	-
Other listed entities**								
Havells India Limited	5	378,320.00	31,510.00	24.40	20.70	28.90	571.00	21.45
V-Guard Limited	10	99,360.00	5,120.00	16.60	26.60	70.60	484.40	20.06

Source: Capital Market volume August 6-19, 2012; Industry: Electric Equipments;
** - As on November 19, 2012; ** - Other listed entities with similar line of business*

The face value of Equity Shares of our Company is ₹ 10 per Equity Share and the Issue price is 4.8 times the face value at the Floor Price and 5 times the face value at the Cap Price. The Issue Price of ₹ [●] is determined by our Company, in consultation with the BRLM and the Co-BRLM, on the basis of assessment of market demand for the Equity Shares through the Book Building Process and is justified based on the above accounting ratios. See the sections titled "Risk Factors", "Business" and "Financial Information" on pages xi, 54 and 109 for further information.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors,
Veto Switchgears and Cables Limited
D-2, First Floor, Malad Industrial Estate,
Ramchandra lane extn.Kanchpada,
Malad (West), Mumbai 400064

Dear Sirs,

Sub: Proposed Public Issue of Equity Shares (the "**Issue**") by Veto Switchgears& Cables Limited (the "**Company**")

We hereby report that the enclosed annexure states the possible tax benefits available **Veto Switchgears and Cables Limited** (the **"Company"**) and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives faced by the Company in the future which the Company may or may not choose to fulfill.

The benefits discussed below are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws and the fact that the Company will not distinguish between the shares offered for subscription, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future;or
- the condition prescribed for availing the benefits have been / would be met with.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and interpretation of the current tax laws in force in India.

For Singrodia Goyal & Co.
Chartered Accountants

Sd/-
Shivratan Singrodia
Partner
Membership No.: 109271
Place: Mumbai
Date: August 18, 2012

Annexure:

Statement of possible tax benefits available to Veto Switchgears and Cables Limited and to its Shareholders

As per the existing provisions of the Income Tax Act, 1961 (the Act) and other laws as applicable for the time being in force, the following tax benefits and deductions are and will, inter-alia be available to the Company and its shareholders.

I. Key benefits available to the Company

A. Dividend Income

As per section 10(34) of the Act, any income by way of dividends (both interim and final) referred to in Section 115-O of the Act received by the Company on its investment in the shares of any domestic company shall be exempt from tax. Income received in respect of units of a Mutual Fund specified under Section 10(23D) of the Act shall be exempt from tax under Section 10(35) of the Act.

B. Interest Income

The Company will be entitled to claim exemption for interest on tax-free bonds under section 10(15) of the Act.

C. Income from House Property

(i) As per section 24(a) of the Act, the company will be eligible for deduction of 30% of its income from house property.

(ii) As per section 24(b) of the Act, the company will also be eligible for deduction of the interest paid or payable on the capital borrowed for acquiring, constructing or repairing the property from income from house property.

D. Capital Gains

(i) Capital Assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. Shares held in a Company or any other securities listed on a recognized stock exchange in India or units of UTI and specified Mutual Fund/zero coupon Bonds are considered as long-term capital assets if these are held for a period exceeding 12 months. Capital gains arising on transfer of such long-term capital assets are considered as 'long-term capital gains'. Capital gains arising on transfer of such assets held for a period of 12 months or less are considered as 'short-term capital gains'.

(ii) As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of long term capital asset being equity share in a company or unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, shall be exempt from tax in the hands of the Company. However, the company will not be able to claim the above exemption while computing the book profit and income-tax payable under section 115JB of the Act.

For this purpose, "equity oriented fund" means a fund –

a) where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
b) which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

(iii) As per section 112 of the Act, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of twenty percent (plus applicable surcharge and education cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the Act. However, under the proviso to Section 112 (1), if the tax on long-term capital gains arising on transfer of listed securities or units or zero coupon bonds computed at the rate of twenty per cent (plus applicable surcharge on tax and education cess), after availing the benefit of indexation exceeds, the tax on the long-term capital gain computed at the rate of ten per cent (plus applicable surcharge on tax and

education cess) without availing the benefit of indexation, then such excess tax is ignored for the purpose of computing the tax payable on the capital gains.

(iv) As per section 111A of the Act, short term capital gains arising to the Company from the sale of equity share transacted through a recognized stock exchange or a unit of an equity oriented fund in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of fifteen percent (plus applicable surcharge and education cess).

(v) Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long term capital gains of the said year. Balance loss, if any, can be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains.
Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains only. Balance loss, if any, can be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

(vi) As per section 54EC of the Act and subject to the conditions and limit specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. The bonds presently specified under this Section are bonds issued by National Highway Authority of India (NHAI) and Rural Electrification Corporation Ltd. (REC). Investment in these bonds cannot exceed ₹ 50 lacs during any financial year.

E. Depreciation / Business Loss

(i) The Company shall be entitled to claim depreciation on tangible and intangible assets owned by it and used for the purposes of its business as provided in Section 32 of the Act.

(ii) Unabsorbed depreciation can be carried forward to future years for set off against subsequent year's income.

(iii) Business losses can be carried forward for eight succeeding assessment years for set off against subsequent business profits.

F. Preliminary Expenses

The Company shall be eligible for amortization of preliminary expenditure as specified in section 35D of the Act being expenditure on public issue of shares, subject to meeting the conditions and limits specified in that section.

G. Scientific Research Expenses

(i) Subject to uthorized of specified conditions, the Company will be eligible, inter alia, for deduction in respect of revenue expenditure under section 35(1)(i) and in respect of capital expenditure (other than expenditure on the acquisition of any land) under section 35(1) (iv) of the Act incurred on scientific research.

(ii) As per section 35(2AB) of the Act, the Company will be entitled to claim deduction of 150% of the expenditure incurred on in-house research and development facility subject to uthorized of certain conditions specified therein.

H. Security Transaction Tax (STT) allowed as deductible expenditure

In computing the business income, an amount equal to STT paid in respect of taxable securities transactions entered into in the course of business will be allowed as a deductible expense, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and Gains of Business or Profession" as per the provisions of section 36(1)(xv) of the Act.

I. Deduction under section 80-IC

The Company has established a manufacturing undertaking atHardwar in the state of Uttaranchal, which started manufacturing of electric cables & accessories during the FY 2007-08. The said undertaking is qualifying for deduction under section 80-IC @ 100% for the initial 5 Assessment Years & 30% for

subsequent 5 Assessment Years. Accordingly the company is eligible for deduction of its profit from the said undertaking @ 100% from AY 2008-09 to AY 2012-13 and @ 30% from AY 2013-14 to AY 2017-18.

J. Minimum Alternate Tax

As per provisions of section 115JB of the Act, the company will be required to pay Minimum Alternate Tax ("MAT") at the rate of eighteen and half percent (as provided by Finance Act, 2011) (plus applicable surcharge and education cess) on the book profit determined, if the income-tax payable as per normal provisions of the Act is less than such amount. If the company has paid taxes under section 115JB of the Act, then in accordance with provisions of section 115JAA, the amount paid will be available as MAT credit to the Company for setting off against normal taxes in succeeding ten years subject to fulfillment of certain conditions prescribed in the said section.

II. Key benefits available to the Resident Shareholders of the Company:

A. Dividend Income

As per section 10(34) of the Act, any income by way of dividends (both interim and final) referred to in Section 115-O of the Act, received on the shares of the Company shall be exempt from tax.

B. Capital Gains

Benefits outlined in paragraph I-(D) above, mutatis mutandis are also available to resident shareholders, in respect of capital gains derived from sale of shares of the Company. In addition to the same, the following benefits are also available to the resident shareholders:

(i) In accordance with, and subject to the conditions and to the extent specified in section 54F of the Act, long-term capital gains arising on transfer of the shares of the Company (in cases not covered under section 10(38) of the Act) held by an individual or Hindu Undivided Family shall be exempt from capital gains tax if the net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, for the purchase of a new residential house, or is utilized for construction of a residential house within three years.

(ii) In the event of Demerger of a company, transfer or issue of shares by the resulting company to the shareholders of the demerged company will not attract capital gain tax as per provisions of Section 47(vid) of the Act, subject to certain conditions specified therein.

C. Security Transaction Tax (STT) allowed as deductible expenditure

In computing the business income, an amount equal to STT paid in respect of taxable securities transactions entered into in the course of business will be allowed as a deductible expense, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and Gains of Business or Profession" as per the provisions of section 36(xv) of the Act.

III. Key benefits available to Non-Resident Indians / Non Resident Shareholders (Other than FIIs and Foreign venture capital investors).

A. Dividend Income:

As per section 10(34) of the Act, any income by way of dividends (both interim and final) referred to in Section 115-O of the Act received on the shares of the Company shall be exempt from tax.

B. Capital Gains:

(i) Benefits outlined in Paragraph II (B) above mutatis mutandis are also available to a non-residents / non-resident Indian shareholder except that under first proviso to Section 48 of the Act, the capital gains arising on transfer of capital assets being shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency in which

the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation is not available to non-resident shareholders.

(ii) In accordance with, and subject to the conditions and to the extent specified in section 54F of the Act, long-term capital gains arising on transfer of the shares of the Company, not covered under section 10(38) of the Act, held by an individual or Hindu Undivided Family shall be exempt from capital gains tax if the net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, for the purchase of a new residential house, or is utilized for construction of a residential house within three years.

(iii) In the event of Demerger of a company, transfer or issue of shares by the resulting company to the shareholders of the demerged company will not attract capital gain tax as per provisions of Section 47(vid) of the Act, subject to uthorized of certain conditions specified therein.

(iv) In the event of amalgamations of companies, transfer of capital asset, being a share or shares in the amalgamating company held by a shareholder will not attract capital gain tax as per the provisions of Section 47(vii) of the Act, subject to uthorized of certain conditions specified therein.

C. Special Provisions relating to Certain Income of Non- Resident Indians:

As per Section 115C (e) of the Act, a 'Non-Resident Indian' means an individual, being a citizen of India or a person of Indian origin who is not a 'resident'. As per the Explanation to the said section, a person shall be deemed to be of Indian origin if he, or either of his parents or any of his grandparents, was born in undivided India. Under section 115-I of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIIA of the Act viz. "Special Provisions Relating to Certain Incomes of Non-Residents" which are as follows:

(i) As per section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the non resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be taxed at the flat rate of ten percent (plus applicable surcharge and education cess) (without indexation benefit but with protection against foreign exchange fluctuation).

(ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets or savings certificates referred to in section 10(4B) of the Act, within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

(iii) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

(iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income, for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

D. Tax Treaty benefits:

An investor has an option to be governed by the provisions of the Act or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

E. Security Transaction Tax (STT) allowed as deductible expenditure

In computing the business income, an amount equal to STT paid in respect of taxable securities transactions entered into in the course of business will be allowed as a deductible expense, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and Gains of Business or Profession" as per the provisions of section 36(xv) of the Act.

IV. Key benefits available to Foreign Institutional Investors (FIIs)

A. Dividend Income:

As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O of the Act received on the shares of the Company shall be exempt from tax.

B. Capital Gains:

(i) As per section 10(38) of the Act, long term capital gains arising to the FIIs from the transfer of shares in the Company where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.However, the company will not be able to claim the above exemption while computing the book profit and income-tax payable under section 115JB of the Act.

Nature of income	Rate of tax (%)
Long term capital gains	10
Short term capital gains covered in section 111A	15
Short term capital gains not covered in section 111A	30

(ii) As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

The above tax rates will have to be increased by the applicable surcharge and education cess. In case of long term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

(iii) As per section 54EC of the Act and subject to the conditions and limit specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. The bonds presently specified under this Section are bonds issued by National Highway Authority of India (NHAI) and Rural Electrification Corporation Ltd. (REC). Investment in these bonds cannot exceed ₹ 50 lacs during any financial year.

(iv) Under section 74 of the IT Act, unabsorbed loss, if any, under the head "Capital Gains" can be carried forward and set off in the specified manner against the capital gains for subsequent years (up to 8 years) subject to the condition specified therein.

C. Tax Treaty benefits:

An investor has an option to be governed by the provisions of the Act or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

D. Security Transaction Tax (STT) allowed as deductible expenditure

In computing the business income, an amount equal to STT paid in respect of taxable securities transactions entered into in the course of business will be allowed as a deductible expense, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and Gains of Business or Profession" as per the provisions of section 36(xv) of the Act.

V. Key benefits to Mutual Funds

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

VI. Benefits to shareholders of the Company under the Wealth Tax and Gift Tax Acts

(i) Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957. Hence the shares are not liable to Wealth Tax.

(ii) Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares of the company is not liable to gift tax. However, as per the provisions of section 56(2)(vii) and 56(2)(viia) of the Act, the same will be treated as income in the hands of the uth unless the gift is covered by the situation enumerated in the proviso to respective sections.

Notes:

1. All the above benefits are as per the current tax laws as amended by Finance Act, 2012 and will be available only to the sole / first named holder in case the shares are held by joint holders.

2. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the double taxation avoidance agreements, if any, between India and the country in which the non-resident has fiscal domicile.

3. In view of the individual nature of tax consequences, each investor is advised to consult his / her own tax advisor with respect to specific tax consequences of his / her participation in the scheme.

4. A shareholder is advised to consider in his / her / its own case, the tax implications of an investment in the Equity Shares, particularly in view of the fact that certain recently enacted legislations may not have direct legal precedent or may have a different interpretation on the benefits which an investor can avail.

SECTION V – ABOUT US

INDUSTRY OVERVIEW

The information presented in this section has been obtained from publicly available documents from various sources, including officially prepared materials from the Government of India and its various ministries, industry websites and publicly available industry reports. Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry, market and government data used in this Red Herring Prospectus is reliable, it has not been independently verified.

Accordingly, our Company, the BRLM and Co-BRLM do not take any responsibility for the data, projections, forecasts, conclusions or any other information contained in this section. Certain information contained herein pertaining to prior years is presented in the form of estimates as they appear in the respective reports/ source documents. The actual data for those years may vary significantly and materially from the estimates so contained.

Overview of the Indian Economy

India, the world's largest democracy with an estimated population of 1.205 billion people, had a GDP on a purchasing power parity basis of an estimated US $4.463 trillion in 2011. This GDP made the Indian economy the fourth largest in the world after the European Union, the United States and China. *(Source: CIA Factbook)*

The Indian economy rebounded strongly in fiscal 2011 from the moderation induced by the global downturn. India registered real GDP growth of 9.2% in fiscal 2008, 6.8% in fiscal 2009, an estimated 8.0% in fiscal 2010 and an estimated 8.5% in fiscal 2011. According to the CIA Factbook, India's economy was the third fastest growing economy, among the largest fifty economies in the world in terms of GDP on a purchasing power parity basis, after China and Argentina in Calendar 2011. In its Third Quarter Review of Monetary Policy 2011-12, the RBI expects baseline GDP growth of around 7.0% for fiscal 2012, revised downwards from 8.0% as of the forecast for the previous quarter. *(Sources: RBI Annual Report, 2009-10; RBI, Annual Report 2010-11; RBI, Macroeconomic and Monetary Developments Third Quarter Review 2011-12; CIA Factbook)*

Although India's economic growth has moderated and there are downside risks, including an increase in global uncertainty and, in India, weak industrial growth, slowdown in investment activity and deceleration in the resource flow to the commercial sector, the RBI anticipates a modest recovery in fiscal 2013, with growth being slightly faster than that during fiscal 2012. India's medium-term growth outlook is positive due to a young population and correspondingly low dependency ratio, healthy savings and investment rates, as well as increasing integration into the global economy. *(Sources: RBI, Third Quarter Review of Monetary Policy 2011-12; CIA Factbook)*

Consumption pattern in India

India's consumption story presents a compelling opportunity to understand the great Indian consumer, at a time when there is so much negativity in regard to the near-term focus on growth and interest rates. The factors that would drive the consumption patterns are given hereunder:

- India to add 171 mn urban population; the country to add 170 mn working age population by 2025;
- India's middle class to grow by 387 mn during FY2010-FY 2026;
- India's real GDP to grow 3.2x by 2025; Real GDP per capita to grow 2.7x by 2025
- Discretionary spends to continue growing by 15-20%

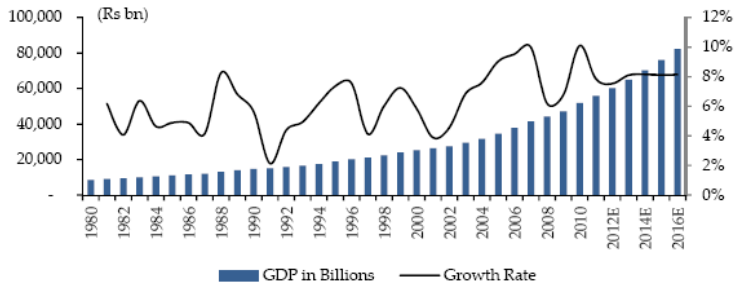
Source: Industry reports

Macro Economic Scenario

India may become fourth-largest country in terms of Real GDP

India's real GDP grew 6x, 3.5x, and 2x during 1980-2010, 1990-2010 and 2000-2010, respectively. The real GDP grew at a CAGR of 7.4% during the last decade and 5.6% during 1980-1990 and 1990-2000. According to the estimates of the US Department of Agriculture, India's real GDP (in 2005 USD terms) is likely to grow 3.2x by 2025. In terms of real GDP, that would make India the fourth-largest country in the world.

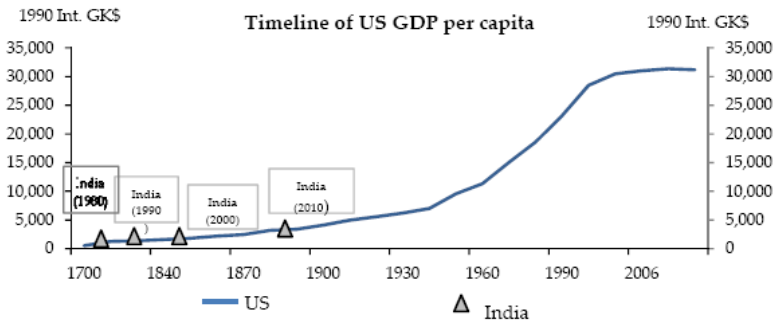
India's GDP at Constant Prices rose 6x during 1980-2010



Source: IMF and Industry reports

According to the 1990 International Geary-Khamis Dollar's GDP data, India's GDP growth over each decade is equivalent to three decades of US GDP growth. It is estimated by global economists that India will become the third-largest economy in terms of nominal GDP by 2050, after China & the US.

India's GDP Growth every Decade is Equal to 3 Decades of US growth

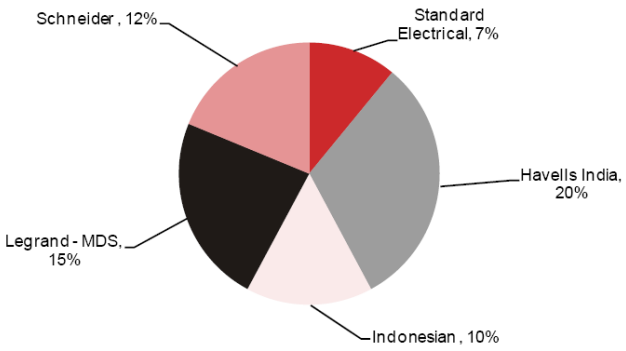


Source: Angus Maddison Data, Industry reports

Switchgears

This market is mainly dominated by branded players and there is not much competition from un-branded players. Modular switches, which is consumer facing, is the fastest growing (>20%) market compared to domestic switchgears (MCB) and industrial switchgears market. Domestic switchgear market is growing at 12-15% while industrial switchgear is growing at ~ 12%, as per company.

Market Share of major players in domestic switchgears – MCB



Source: Industry reports

Wire and Cable business

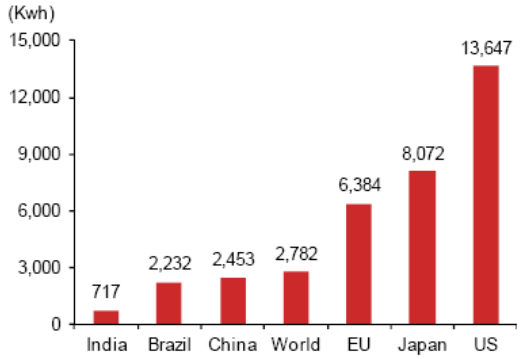
This segment is a low entry barrier business and has many players. In this business, ~40-50 brands are there. Most of these brands are only in wire and cable business. The government is the main customer in this segment and L1 (lowest bid) rule is used. Players who sell to the government face margin pressure and volatile earnings.

Electrical goods in India

Electricity penetration and consumption still low in India

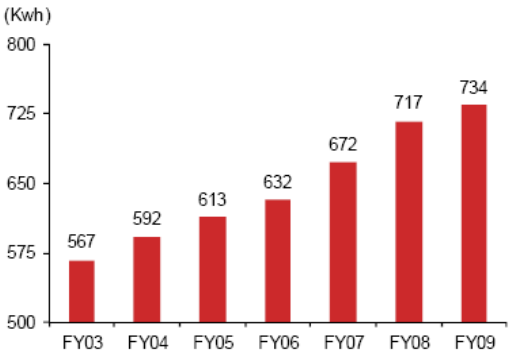
The per capita electricity consumption is still very low in India when compared to countries such as China, Brazil, the US, and the world average as shown below. This has been on account of low power generation apart from poor transmission and distribution system in India.

Per capital electricity consumption – India still low compared to other developed & developing countries

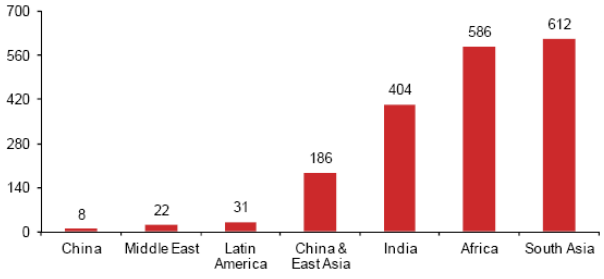


Source: CEA, IEA, Industry reports

Per capital electricity consumption in India



Population without electricity



Source: CEA, IEA, Industry reports

The government has an ambitious mission of "Power for all by 2012". As per the ministry of power, this mission would require installed generation capacity in India to be at least 2, 00,000 MW by 2012 from the present level of 1,14,000 MW. Also under the rural electrification project, Jharkhand, Bihar, Uttar Pradesh, Orissa, Uttaranchal, and Madhya Pradesh are some of the states where significant number (more than 10%) of villages will be electrified.

Domestic market – CFL

The CFL market size in India was 230 mn units in 2009 and is expected to be 400 mn units by 2014. This indicates that the Indian CFL market is set to grow at a CAGR of ~ 10% over CY09-15.

This market is complex with more than 12 branded players and many un-branded players. Overall, Philips is the market leader with 25% market share. Other players in this business are Havells, Oreva, Surya, Crompton, Bajaj

Electricals, Phoenix and Halonix. Regional and local brands make up 24% of the market. Low penetration of CFL in India is primarily due to higher price as it costs 8-10 times compared to incandescent lamps.

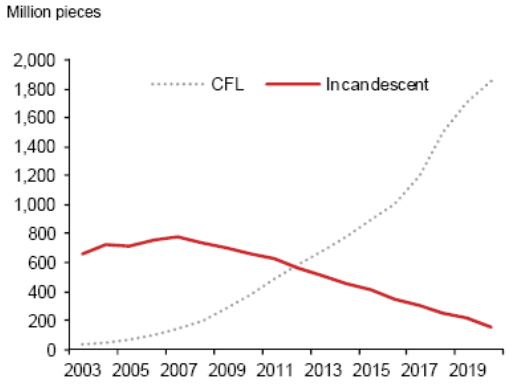
CFL growth backed by increased awareness to save power

Lighting industry in India is growing at ~ 12-15% and was ₹ 64.5bn industry in 2008. CFL constitutes ~ 10% of total lamp consumption in India.

Increased awareness of energy conservation along with economic growth, increased construction activity, increasing income is leading to growth of CFL in India. Growth in CFL is driven by adoption by new consumers as well as replacements.

CFL penetration in India is still 3% compared to 33% in Singapore and 40% in South Korea (according to HWWA discussion paper). As per India Development Gateway (INDG), CFL uses one fifth of the electricity used by incandescent lamp to provide the same kind of illumination. Currently over 1 billion incandescent lamps are sold in India every year which clearly indicates big opportunity for CFL to replace incandescent lamp.

Rapid growth expected in CFL – volume expected to grow at a CAGR of ~ 16% over 2011-20

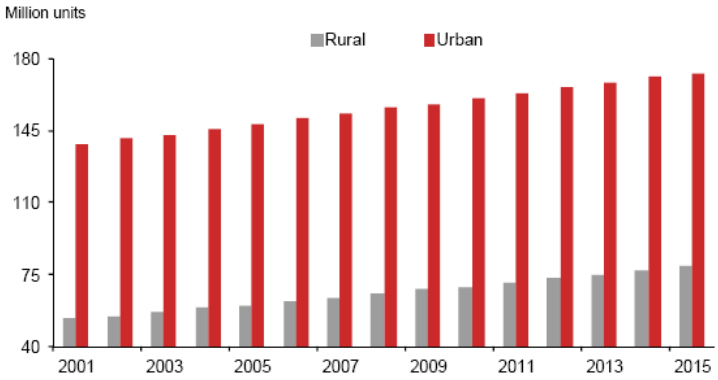


Source: ELCOMA, Industry Reports

In India, government initiative "Bachat Lamp Yojana" aims at large scale replacement of incandescent bulbs by CFLs in India. This was launched in year 2009.

Construction and infrastructure activities in India

Ongoing construction activity in the residential side driven by increasing urbanization, population growth, increasing trend towards nuclear families will also spur demand for electrical products.
Urban and rural households in India



Source: Industry reports

Consumer Appliances

Driven by favourable demographics and higher disposable incomes, India's consumption is poised to grow at a faster pace in coming years. The most striking aspect of India's consumption story is the emergence of about 390 mn new middle-income consumers by 2025 (aggregating 550 mn), representing a quadrupling of consumption, to be the 5th largest consumer market in the world. Moreover, we believe that consumer durables remain underappreciated, and the extremely low market penetration makes the sector quite attractive. We believe that the macroeconomic conditions would provide a strong boost to the consumer appliances sector, thereby making the long-term prospects attractive.

Demand for Consumer Appliances Set to Grow

The consumer appliances sector is quite attractive due to the extraordinarily low levels of penetration. The rural-urban dichotomy of penetration levels of consumer appliances offers opportunity for growth. Meanwhile that rising discretionary spends triggered by rising affluence augur well for the domestic consumer appliances players.

Socio-economic & Other Factors to Drive Demand

Rising middle-class, governmental initiatives like implementation of 6th Pay Commission & MNREGA, mass electrification drive through RGGVY to electrify 1.25 lakh villages and consequential rise in per capita power consumption present huge growth opportunities for consumer appliances players.

Major Opportunities Ahead for Consumer Appliances Sector

The consumer appliances sector is quite attractive due to the extraordinarily low levels of penetration. The penetration of mixer/grinders, ceiling fans, pressure cookers and refrigerators in rural India are 19%, 48%, 38% and 8%, respectively. Penetration levels of the same products in urban India are 56%, 89%, 80% and 46%, respectively. Lower penetration levels in the sector provide growth opportunities for consumer appliances companies to increase penetration levels across India.

Government Initiatives

The Government of India has launched various projects to improve life styles and disposable incomes across urban and rural India. A few of the projects include:

MNREGA Scheme

The GoI has initiated the MNREGA in 2005 – with budgetary allocation of US$8.15 bn (₹ 391 bn) – to increase wage-employment in rural areas. The Scheme – that guarantees 100 days of employment every year – has already provided employment opportunities to 55 mn households in FY11.

Bharat Nirman Project

Under the Bharat Nirman Project, the GoI aims to electrify un-electrified villages, develop new rural roads network and irrigate 10 mn hectares.

Power Generation during 12th Plan

According to the XII Plan draft, the GoI has targeted an addition of 1 lakh MW power generation capacity.

Implementation of 6th Pay Commission Recommendations

Based on recommendations of the 6th Pay Commission, the Government revised salaries of nearly 5 mn central government employees by an average of 21% in 2008, leading to an additional spend of US$3.7 bn (₹ 157 bn in FY09).

BUSINESS OVERVIEW

In this section "our Company" refers to the Company, while "we", "us" and "our" refers to our Company.

Overview

We are an ISO 9001:2008 certified company, engaged in the manufacture and sale of wires & cables and electrical accessories in India. Our product portfolio ranges from industrial cables, stand cables to telephone & co-axial wires, from general switches to modular switches, from ceiling fans to rechargeable fans, compact fluorescent lamps and other electrical accessories. Our products are manufactured at our state-of-art manufacturing unit located in Hardwar, Uttarakhand. We supply our products under the brands "VETO" and "VIMAL POWER" through our large network of dealers to our customers in India as well as select customers abroad.

Our Company was incorporated as a private limited company on June 20, 2007 by conversion of partnership firm M/s Veto Industries" under part IX of Companies Act, 1956. We are part of Jaipur, Rajasthan based Gurnani Group which has interests in wires & cables, electrical accessories, real estate and hotels. Our Company is promoted by M/s Veto Electropowers (India) Private Limited, which is a subsidiary of Gurnani Holding Private Limited, which in turn is owned by Mr. Vishnu Kumar Gurnani, Mr. Mohan Das Gurnani and Mr. Narayan Das Gurnani. Pursuant to the conversion from private limited company to public limited company, our name was changed to "Veto Switchgears and Cables Limited" w.e.f. August 3, 2012 by receiving fresh certificate of incorporation from the Registrar of Companies, Maharashtra, Mumbai. The corporate office of our Company is located in Jaipur, Rajasthan.

Over the years, we have strengthened our manufacturing capacity by undertaking expansion from time-to-time. Most of our products are used in households, offices, factories, etc i.e., B2C (Business to Consumer) and sold over the counter by our network of dealers. The demand for our products has surged due to the growing demand for new homes and offices in India. This is further supported by the growth in various industries across. Thus, in order to improve our market share, we need to increase our presence and market our products in new locations. Further, the demand for our products from the overseas markets has been positive and thus we propose to capitalize the same by increasing our existing capacities.

Our standalone total income increased to ₹ 6,860.28 lacs in the fiscal year 2012 from ₹ 2,497.69 lacs in the fiscal year 2008 at a CAGR of 28.74%. During the same period, our net profit after tax increased to ₹ 722.41 lacs from ₹ 213.23 at a CAGR of 35.67%.

Gurnani Group

Gurnani Group was founded and established by Late Shri Rewa Chand Gurnani in the year 1968 with a small retail shop having range of electrical fittings in Jaipur, Rajasthan. Gradually, the shop became of one of the leading dealers for most of the players engaged in the manufacturing of these products in the Industry. After having understood the retail market, the group planned backward integration by setting up a small unit in Jaipur, Rajasthan to manufacture wires & cables on its own and thus the year 1975 came in as a stepping stone for the group. The success bolstered the confidence and the group entered into manufacturing of new range of product line used in the Industry. The group steadily developed its brand under the name "VETO" and "VIMAL POWER" for its wires & cables and "VETO" for its electrical accessories. The brand became synonymous with electrical range of products in Jaipur, Rajasthan in a very short span of time. With a view to cater both domestic and international markets, the group started exporting its products to United Arab Emirates in the year 1997 by establishing a manufacturing unit for wires & cables at Jaipur, Rajasthan. The export business of the group is under the name of Veto Electropowers (India) Private Limited, which is one of the Promoters of our Company. In order to cater the growing demands for our products, the Group established state-of-art manufacturing unit spanning an area of above 70,000 sq.ft. located at Hardwar, Uttarakhand and relocated its units located in Jaipur, Rajasthan. The centralized warehouse for all ranges of products of our Company is located in Jaipur, Rajasthan.

In the year 2005, the group diversified into the business of construction and development of residential and commercial projects and subsequently into the construction and development of hotel properties in the year 2009. The group has completed more than 500,000 sq.ft of construction and development of residential and commercial projects, both independently and with joint venture partners. Currently, the group is engaged in developing more than 200,000 sq.ft of area for its various commercial projects located at Mumbai and Jaipur. The Jaipur property being developed by the group is a 5-star hotel named as *"Radisson Blu"* which will be owned by the Gurnani Group and managed by "Carlson Group of Hotels".

One of the key competitive strengths of our group is the competency and availability of in-house resources to deliver a quality product with highest safety standards. All the products manufactured are as per the standards set by International Organization for Standardization ("ISO").

The group's reputation, both domestic and overseas, is supported by its quality certificate ISO 9001:2008. The group has also been honored with some recognition and performance awards as under:

Award Name	Year	Given By	Taken by
All India Certificate of Export Excellence	1997-98	Shri Yashwant Sinha *Finance Minister*	Mohan Das Gurnani
Trophy for Highest Export	1997-98	Shri Ram Krishna Hegde *Commerce Minister*	Vishnu Kumar Gurnani
Trophy for Highest Export	1998-99	Shri Murasoli Maran *Commerce Minister*	Vishnu Kumar Gurnani
Export Excellence Certificate	1998-99	Shri Ram Krishna Hegde *Commerce Minister*	Vishnu Kumar Gurnani
Jewel of India	1998-99	Shri B. Satyanarayan Reddy *Governor*	Vishnu Kumar Gurnani
Business Excellence Award	1998-99	Shri B. Satyanarayan Reddy *Governor*	Vishnu Kumar Gurnani
National Gold Star Award	1998-99	Shri B. Satyanarayan Reddy *Governor*	Babulal Gurnani
National Udyog Excellence Award	1998-99	Shri B. Satyanarayan Reddy *Governor*	Babulal Gurnani
Udyog Ratan Award	1998-99	Shri Yashwant Sinha, *Finance Minister*	Mohan Das Gurnani
Trophy for Highest Exporters with Highest Exports	1999-00	Shri Umar Abdullah, *Commerce Minister*	Babulal Gurnani
Trophy for Highest Exporters with Highest Exports (N.R.)	1999-00	Shri Rajiv Pratap Ruddy *Commerce Minister*	Babulal Gurnani
Certificate of Export Excellence	2000-01	Shri Ramakrishna Hegde, *Commerce Minister*	Babulal Gurnani
Trophy for Highest Exporter	2001-02	Shri Arun Jaitely *Commerce Minister*	Babulal Gurnani
Trophy for Highest Exporter	2002-03	Shri Lakhanpal *Directorate General of Foreign Trade*	Babulal Gurnani
EEPC All India Export Awards	2004-05	Shri Kamal Nath, *Commerce Minister*	Vishnu Kumar Gurnani
EEPC Star Performer Award	2005-06	Shri Kamal Nath *Commerce Minister*	Vishnu Kumar Gurnani
EEPC Regional Export Award	2006-07	Shri S.C. Jamir *Governor of Maharashtra*	Vishnu Kumar Gurnani
State Awards for Export Excellence	2007-08	Shri Ashok Gehlot *Chief Minister of Rajasthan*	Vishnu Kumar Gurnani
EEPC Regional Export Award	2007-08	Shri Rajendra Ji Darda *Minister of Industries, Maharastra*	Vishnu Kumar Gurnani
EEPC Regional Export Award	2008-09	H.R. Khan *Deputy Government of RBI*	Mukesh Kumar Gurnani

Presently, the activities of the group are managed by the second generation promoters i.e., Mr. Vishnu Kumar Gurnani, Mr. Mohan Das Gurnani and Mr. Narayan Das Gurnani.

Products

Our Company manufactures various products under various categories namely –

Electrical Accessories under our brand "VETO"	Carino Modular Switches, Power Modular Switches, Puf General Switches, FM Mini Modular Switches, Bells & Extension Cord, MCB/ Isolater / Distribution Boxes Compact Fluorescent Lamp, Ceiling Fan, Exhaust Fan, Table Fan, Wall Fan, Stand Fan, Rechargeable Fan and other electrical accessories
Wires & Cables under our brand "VETO POWER" and "VIMAL POWER"	Multi Stand Cables, L.T. Industrial Cables, Copper Flexible Cables, Telephone & Co-Axial Wires

Plant location and installed capacity

The present facility of our Company is located at Plot no. 65-67 and 74-77, Sector-5, IIE, SIDCUL, Hardwar-249403, Uttarakhand. All of our products (except for CFL and fans) are being manufactured and assembled at this facility. The existing installed capacity of the facility for wires & cables is 1,408,000 bundles p.a. and for electrical accessories is 38,000,000 pieces p.a.

Plant & Machinery

Following is the list of machines installed in our facility:

Wires & Cables

Sl No.	Description/ Name of Machine	Unit (In Nos.)
1	Wire Drawing Machine	1
2	High Speed Drawing Machine	6
3	Anealing Machine	2
4	Bunching Machine	4
5	Twisting/ Rewinding Machine	1
6	Extruder	3
7	Automatic Coiler Machine	1
8	Hand Coiler Machine	3

Electrical Accessories

Sl No.	Description/ Name of Machine	Unit (In Nos.)
1.	Injection Moulding Machine	5
2.	Hy- Moulding Machine	12
3.	Reviting Machine	25
4.	Ped Printing	6
5.	Sport Welding Machine	3
6.	Lath Machine	1
7.	Buffing Machine	10
8.	Granding Machine	10
9.	Pc – Granding Machine	2
10.	Miling Machine	1
11.	EDM – Machine	1
12.	Driel Machine	1

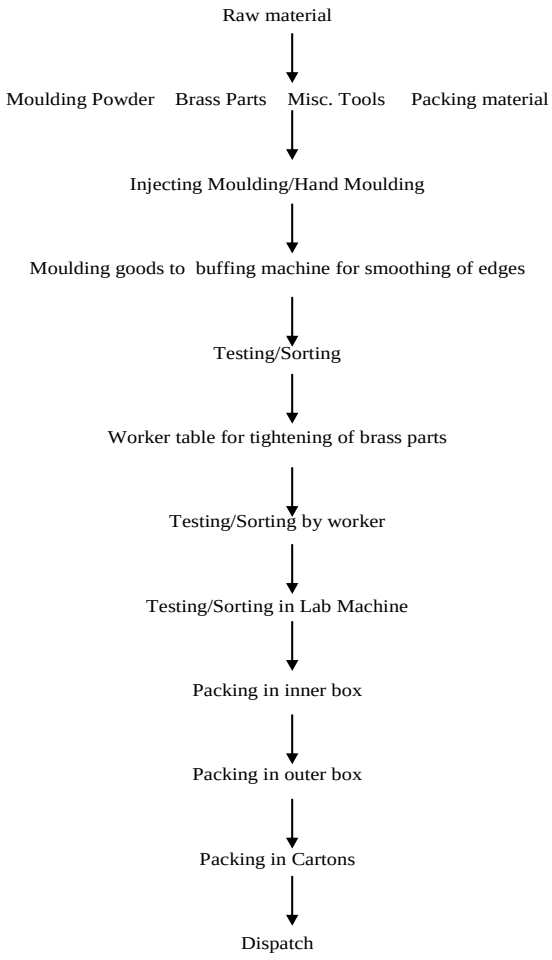
Laboratory Equipments

Sl No.	Description/ Name of Machine	Unit (in nos.)
1	Vernier Caiper	5
2	Digi. Micro Meter	2
3	Torque Screw Driver	5
4	Std. Test finger with Source of supply	2
5	Insulation Resi Test App.	5
6	H.V Tester	10
7	Calibretion Bench	5
8	Arrengement for checking damage to conducter	3
9	Low voltage high current temp. rise test.	4

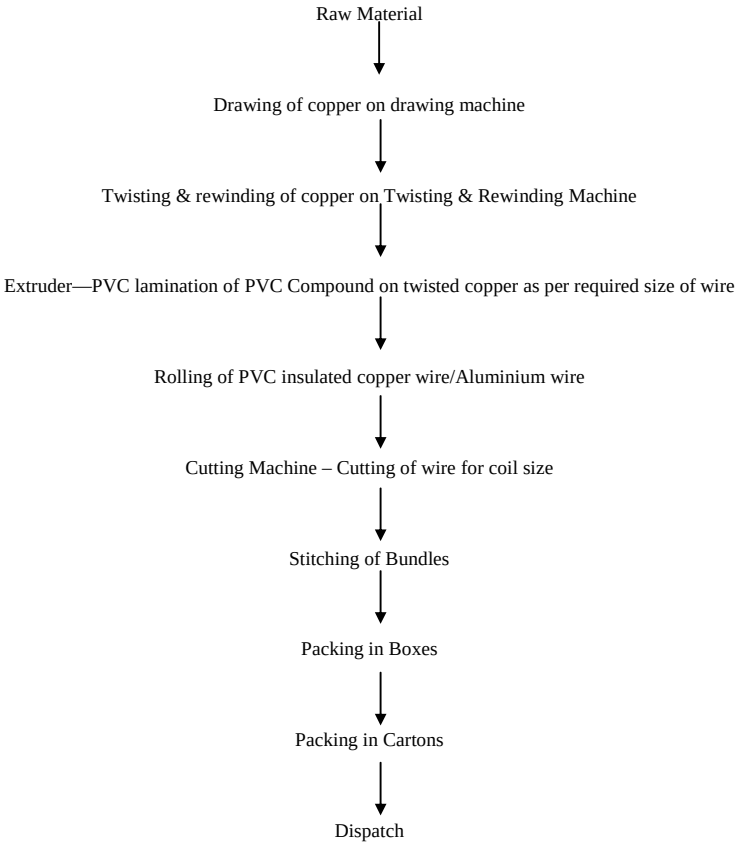
Sl No.	Description/ Name of Machine	Unit (in nos.)
10	Impact Test Apparatus	3
11	Glow wire test app.	2
12	Oven	3
13	Humidity uthori	1
14	Chemicals	
15	Shutter Endurance Test Apparatus.	1
16	Switch Endurance Test Apparatus.	2
17	MCB Endurance Test Apparatus.	1
18	Withdrawal Pull Test App.	1
19	Tumbling Barrel	1
20	Min & Max Go Gauges –set	1
21	Single Pin Gauges	1
22	Weight	1
23	Deep Freeger	1
24	Compression Test App.	1
25	Lateral Strain	1
26	Fig. 4 Shutter Finger	1
27	Magnet Tripping Test	2
28	Shock Test Brnch	1

The Process

a. Electrical Accessories



b. Wires and Cables



Raw materials

The main raw materials required for our products are Copper, PVC Resin, Polycarbonate Powder and Brass Part. Our raw material suppliers are mainly located in Gujarat and National Capital Region (NCR) and Mumbai. The major suppliers are as under:

Copper	▪ M/s Sterlite Industries Limited – Silvassa, Dadra and Nagar Haveli (Union Territory);
PVC Resin	▪ M/s Shriram Polytech – Kota, Rajasthan;
Polycarbonate Powder	▪ M/s Sulochana Organic Pvt. Limited – Panipat, Haryana; ▪ M/s Sabic Innovative (I) Pvt. Limited – NCR, Delhi; ▪ M/s G. Khanna & Co. – Baddi, Himachal Pradesh
Brass Part	▪ M/s Keyur Enterprises – Jamnagar, Gujarat; ▪ M/s G.B. Godavaria – Jamnagar, Gujarat; ▪ M/s Baba Brass – Jamnagar, Gujarat; ▪ M/s Shashi Products – Jamnagar, Gujarat; ▪ M/s Crazy Combine – Mumbai, Maharashtra;

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

Product category	Existing	Proposed
Copper	455,113 Kilograms	725,000 Kilograms
PVC Resin	501,281 Kilograms	800,000 Kilograms
Polycarbonate Powder	24 MTPA	36 MTPA

Technical and Financial Collaboration

As on the date of this RHP, we do not have any technical and financial collaboration for our business.

Infrastructure facilities

Power

Presently, we have 400 KVA of power supply sanctioned by Uttarakhand Power Corporation Limited, of which we utilize approximately 300 KVA of power for our present business operations. In addition, to avoid any disruption in the power supply, our Company has already installed a DG set of 250 KVA capacity. Therefore, we envisage that our further requirement of power for our proposed modernization at our Hardwar facility can be easily met from the present supplies.

Fuel

Our Company mainly requires HSD for operating the DG sets. The present monthly consumption of HSD is about 1,000 litres. The HSD is being supplied by retail outlets of IOC, HPCL and BPCL.

Water

Water is basically required for drinking and other domestic purpose. Our present requirement at our Hardwar unit is about 2,000 litres per day. Our entire water requirement is met from our own borewell. The water supply is regular and sufficient to meet entire requirements. The proposed modernization at our Hardwar facility will require additional 2,000 litres of water per day. There is no difficulty in obtaining this because of the presence of a number of borewell and the water level in the area being high due to proximity to nearby canal and a river.

Manpower

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

Category	Nos.
Top management	6
Managerial & Supervisory staff	56
Office staff	50
Skilled workers	52
Unskilled workers	318
Total	**482**

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

Effluent Treatment and Disposal

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

Environmental Clearance

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

Market Overview

We are a mid-sized recognized manufacturer in Rajasthan, India in the segment which we operate. Our products are mainly targeted to the households and business groups. Our products are marketed in both domestic and international markets.

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

Competition

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

Marketing Setup

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

Export obligation

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

Competitive Strengths

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

Under the guidance of the highly skilled management, our Company documented its internal processes and methodologies which ensures that each department and each employee of our Company are aware of their respective roles and obligations, and each activity of construction and development is as per the standards of quality that has been set. This also ensures uniformity in all the processes.

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	Actual			Projected	
	FY 2009-10 (Actual)	FY 2010-11 (Actual)	FY 2011-12 (Actual)	FY 2012-13 (Projected)	FY 2013-14 (Projected)
Wires & Cables					
Installed Capacity	14.08 lacs bundles	14.08 lacs bundles	14.08 lacs bundles	14.08 lacs bundles	14.08 lacs bundles
Capacity Utilisation (%)	30.00	23.58	30.82	33.74	42.61
Production	4.23 lacs bundles	3.32 lacs bundles	4.34 lacs bundles	4.75 lacs bundles	6.00 lacs bundles
Electrical Accessories					
Installed Capacity	140 lacs pieces	380 lacs pieces	380 lacs pieces	380 lacs pieces	380 lacs pieces
Capacity Utilisation (%)	65.30	23.40	15.48	25.26	36.84
Production	91.43 lacs pieces	88.93 lacs pieces	82.33 lacs pieces	96.00 lacs pieces	140.00 lacs pieces

We are utilizing about 30-35% of our capacity in wires & cables. The manufacturing activity in the segment is capital intensive and same is undertaken on cash basis. In order to uthoriz working capital available, capacity utilization is lower.

During the year 2010-11 we have constructed additional facitlities at our existing unit thereby increasing our capacity to produce more number of pieces in electrical accessories. In quantitative terms we are maintaining our production for past 3 years, we propose to enhance utilization subject to availability of working capital. We are consciously shifting towards high value accessories in premium segment enabling us to enhance profitability. Thus, though in quantitative terms the number of pieces produced remained more or less same, we have been able to generate more profits.

Property

a. Registered Office and Corporate Office

Sl. No.	Property Description	Owned/ Leased/ Rent	Date of Purchase/ lease and term	Consideration/ Lease Rental/ License Fees (₹)
1	**Registered Office** Gala No. D/2/1-F, 1st Floor, Malad Industrial Estate, Kachpada, Ramchandra Lane Extension, Malad (W) Mumbai, Maharashtra-400064	Leave and License	Taken on leave and license basis for a period of 33 months from August 25, 2012.	₹ 40,000/- (₹ Forty thousand Only) per month.
2	**Corporate Office** 230, Sindhi Colony, Raja Park, Jaipur-302012	Leasehold	Taken on lease for a period of 11 months from August 9, 2012	₹ 5,000/- (Five thousand Only) per month with an increase of 10% per annum in case of extension of the lease period. Area: approx. 2,400 sq.ft

b. Other properties leased by our Company

Sl. No.	Property Description	Owned/ Leased/ Rented	Date of purchase/ leased and Term	Consideration (₹)	Usage
1	**Rajasthan** E-2 Malviya Industrial Area, Jaipur, Rajasthan-302017	Leasehold	Taken on lease for a term of 11 months from August 8, 2012 to July 7, 2013.	₹ 15,000/- (₹ Fifteen thousand Only). Per month Area: approx. 4,098 sq.mtrs	Centralized Warehouse
2	**Uttarakand** Plot no F-5, Sector -5, IIE, SIDCUL, Roshnabad, Hardwar-249403.	Leasehold	Taken on lease from SIDCUL for a term of 90 years from March 11, 2010.	Onetime lumsum ₹ 3,602,812/- (₹ thirty six lacs two thousand eight hundred and twelve only) Area: approx. 899.99 sq. mtrs	Manufacturing Unit
3	**Uttarakand** Plot no 65-67, 74-77 Sector-5, II E, SIDCUL, Haridwar- 249403.	Leasehold	Taken on lease from SIDCUL for a term of 90 years from July 14, 2006.	Onetime lum sum payment of ₹ 4,696,650/- (₹ Forty six lacs ninety six thousand six hundred and fifty Only) +5% of the provisional land premium as uthorized charges (if applicable) + 5% of provisional land premium (applicable to plots having two or more side road) Area: approx.6,300 sq.mtrs	Manufacturing Unit
4	**Gujarat** A-7, Shree Kuberji,	Leasehold	Taken on lease for a term of 5 years from	₹ 8,000/- (₹ Eight thousand Only) per month; the same is subject to an increment @ 5% per annum.	Sales Depot

Sl. No.	Property Description	Owned/ Leased/ Rented	Date of purchase/ leased and Term	Consideration (₹)	Usage
	Textile Park, Behind Belgium Tower, Opp-Linear Bus stand, Delhi Gate, Surat Pin:395003		February 1, 2011 to January 31, 2016.		
5	**Maharashtra** Gala No. 109, Building No. B/3-A, Ist Floor, Anmol Textile Market, Anjurphata, Bhiwandi, Dist. Thane, Maharashtra- 421301	Leave and License	Taken on leave and license basis for a term of 12 months from May 1, 2012 to April 30, 2013.	₹ 4,828/- (₹ Four thousand eight hundred and twenty eight Only) per month + 1/2 charge of the electricity bill for each month. Area: approx. 525 sq.ft	Sales Depot.
6	**Uttar Pradesh** FF-CS09, (First Floor), Ansal Plaza, Vaishali, Ghaziabad, Uttar Pradesh – 201010	Leasehold	Taken on Lease for a term of 11 months from August 14, 2012	₹ 19, 145/- (₹ Nineteen thousand one hundred forty five only) per month.	Sales Depot
7.	**New Delhi** 9/98, Karan Gali, 1st Floor, Main 60 ft Road, Vishwas Nagar, Shahdara, New Delhi-110032	Leasehold	Taken on Lease for a term of 11 months from August 25, 2012.	₹ 7,250/- (₹ Seven thousand two hundred fifty only) per month.	Sales Depot

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. Machinery break-downs policies for our production equipment;
4. Workmen compensation policy under the Workmen Compensation Act;

Besides above, we also have group health insurance and personal accident policies which adequately covers our employees. 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.

Intellectual Property

We use several registered and unregistered trademarks for our products. This unregistered trademarks are for the series of our various range of products marketed and sold under our brand "VETO" which is a registered trademark. In order to capitalize the goodwill of our brand, we have also initiated the process for registering these unregistered trademarks. For further details, please see "Government and Other Approvals" on page 183.

KEY INDUSTRY REGULATIONS

The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled "Government and Other Approvals" on page 183 of this RHP.

Electricity Act, 2003

The Electricity Act is a central unified legislation relating to generation, transmission, distribution, trading and use of electricity, which seeks to replace the multiple legislations that governed the Indian power sector. The most significant reform initiative under the Electricity Act was the move towards a multi buyer, multi seller system as opposed to the then existing structure which permitted only a single buyer to purchase power from power generators. In addition, Electricity Act provides for a greater flexibility and grants the respective electricity regulatory commission's greater freedom in determining tariffs, without being constrained by rate-of-return regulations. The Electricity Act seeks to encourage competition with appropriate regulatory intervention. An Appellate Tribunal to hear appeals against the decision of the CERC and SERCs has been established. However, Electricity Act provided that transmission; distribution and trade of electricity are regulated activities which require licenses from the appropriate electricity regulatory commission, unless exempted by the appropriate government in accordance with the provisions of Electricity Act. It was amended in 2007 to exempt captive power generation plants from licensing requirements for supply to any licensee or consumer. Government has also announced National Electricity Policy in 2005 to guide the development of the electricity sector in India.

Industrial (Development and Regulation) Act, 1955, as amended (the "I(D&R) Act")

The I(D&R) Act has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defence equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector.

An industrial undertaking which is exempt from licensing is required to file an Industrial Entrepreneurs Memorandum ("IEM") with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

Public Liability Insurance Act, 1991, as amended (the "PLI Act")

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the PLI Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

Approvals from Local Authorities

Setting up of a factory or manufacturing / housing unit entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

Foreign Investment Regulations

The new industrial policy was formulated in 1991 to implement the Government's uthorized ion programme and consequent industrial policy reforms relaxed the industrial licensing requirements and restrictions on foreign investment.

Foreign investment in India is governed primarily by the provisions of the FEMA and the rules, regulations and notifications thereunder, read with the presently applicable Consolidated FDI Policy (effective from April 1, 2011 to September 30, 2011) as issued by the Department of Industrial Policy and Promotion, ("**DIPP**").

The RBI, in exercise of its powers under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended ("**FEMA Regulations**") to prohibit, restrict, regulate, transfer by, or issue of security, to a person resident outside India.

At present, investments in manufacturing companies fall under the RBI automatic approval route for foreign direct investment up to 100%.

Environmental Laws

The business of the Company is subject to various environment laws and regulations. The applicability of these laws and regulations varies from operation to operation and is also dependent on the jurisdiction in which the Company operates. Compliance with relevant environmental laws is the responsibility of the occupier or operator of the facilities.

The operations of the Company require various environmental and other permits covering, among other things, water use and discharges, stream diversions, solid waste disposal and air and other emissions. Major environmental laws applicable to the business operations include:

The Environment (Protection) Act, 1986, as amended (the "EPA")

The EPA is an umbrella legislation in respect of the various environmental protection laws in India. The EPA vests the GoI with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, inter alia, laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to ₹ 100,000 or imprisonment of up to five years, or both. The imprisonment can extend up to seven years if the violation of the EPA continues.

There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of Government analysts.

The Hazardous Wastes (Management and Handling) Rules, 1989 (the "Hazardous Wastes Rules")

The Hazardous Wastes Rules aim to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose such waste without adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste. Every occupier and operator of a facility generating hazardous waste must obtain an approval from the Pollution Control Board. The occupier, the transporter and the operator are liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste. The operator and the occupier of a facility are liable for any fine that may be levied by the respective State Pollution Control Board. Penalty for the contravention of the provisions of the Hazardous Waste Rules includes imprisonment up to five years and imposition of fines as may be specified in the EPA or both.

The Water (Prevention and Control of Pollution) Act, 1974, as amended (the "Water Act")

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or imprisonment or both.

The Central Pollution Control Board has powers, inter alia, to specify and modify standards for streams and wells, while the State Pollution Control Boards have powers, inter alia, to inspect any sewage or trade effluents, and to review plans, specifications or other data relating to plants set up for treatment of water, to evolve efficient methods of disposal of sewage and trade effluents on land, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or a well, to specify standards for treatment of sewage and trade effluents, to specify effluent standards to be complied with by persons while causing discharge of sewage, to obtain information from any industry and to take emergency measures in case of pollution of any stream or well. A central water laboratory and a state water laboratory have been established under the Water Act.

The Water (Prevention and Control of Pollution) Cess Act, 1977, as amended (the "Water Cess Act")

The Water Cess Act provides for levy and collection of a cess on water consumed by industries with a view to augment the resources of the Central and State Pollution Control Boards constituted under the Water Act. Under this statute, every person carrying on any industry is required to pay a cess calculated on the basis of the amount of water consumed for any of the purposes specified under the Water Cess Act at such rate not exceeding the rate specified under the Water Cess Act. A rebate of up to 25% on the cess payable is available to those persons who install any plant for the treatment of sewage or trade effluent, provided that they consume water within the quantity prescribed for that category of industries and also comply with the provision relating to restrictions on new outlets and discharges under the Water Act or any standards laid down under the EPA. For the purpose of recording the water consumption, every industry is required to affix meters as prescribed. Penalties for noncompliance with the obligation to furnish a return and evasion of cess include imprisonment of any person for a period up to six months or a fine of ₹ 1,000 or both and penalty for non-payment of cess within a specified time includes an amount not exceeding the amount of cess which is in arrears.

The Air (Prevention and Control of Pollution) Act, 1981,as amended (the "Air Act")

Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

The penalties for the failure to comply with the provisions of the Air Act include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. If an area is declared by the State Government to be an air pollution control area, then, no industrial plant may be operated in that area without the prior consent of the State Pollution Control Board.

The Noise Pollution (Regulation & Control) Rules 2000 ("Noise Regulation Rules")

The Noise Regulation Rules regulate noise levels in industrial (75 decibels), commercial (65 decibels) and residential zones (55 decibels). The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

Laws relating to Employment

As part of business of the Company it is required to comply from time to time with certain laws in relation to the employment of labour. A brief description of certain labour legislations which are applicable to the Company is set forth below:

Factories Act, 1948, as amended (the "Factories Act")

The Factories Act defines a 'factory' to be any premises including the precincts thereof, on which on any day in the previous 12 months, 10 or more workers are or were working and in which a manufacturing process is being carried

on or is ordinarily carried on with the aid of power; or where at least 20 workers are or were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

The Factories Act provides that the 'occupier' of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, as amended *(the "**EPF Act**")*

The EPF Act applies to factories employing over 20 employees and such other establishments and industrial undertakings as notified by the GoI from time to time. It requires all such establishments to be registered with the State provident fund commissioner and requires such employers and their employees to contribute in equal proportion to the employees' provident fund the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State provident fund commissioner.

Employees State Insurance Act, 1948, as amended *(the "**ESIC Act**")*

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Payment of Gratuity Act, 1972, as amended *(the "**Gratuity Act**")*

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed ₹ 1 million.

Minimum Wages Act, 1948, as amended *(the "**MWA**")*

The MWA provides a framework for State governments to stipulate the minimum wage applicable to a particular industry. The minimum wage may consist of a basic rate of wages and a special allowance; or a basic rate of wages and the cash value of the concessions in respect of supplies of essential commodities; or an all inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any. Workmen are to be paid for overtime at overtime rates stipulated by the appropriate government. Contravention of the provisions of this legislation may result in imprisonment for a term up to six months or a fine up to ₹ 500 or both.

Industrial Disputes Act, 1947, as amended *(the "**ID Act**")*

The ID Act provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen.

Payment of Bonus Act, 1965, as amended *(the "**PoB Act**")*

The PoB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

Contract Labour (Regulation and Abolition) Act, 1970, as amended *(the "**CLRA Act**")*

In respect of each of its facilities, the Company uses the services of certain licensed contractors who in turn employ contract labour whose number exceeds 20 in respect of each facility. Accordingly, the Company is regulated by the provisions of the CLRA Act which requires the Company to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labour. The CLRA Act requires the principal employer of an establishment to which the CLRA Act applies to make an application to the concerned officer for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA Act applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

Apprentices Act, 1961, as amended *(the "**Apprentices Act**")*

The Apprentices Act was enacted in 1961 for imparting training to apprentices i.e. a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. Every employer shall make suitable arrangements in his workshop for imparting a course of practical training to every apprentice engaged by him in accordance with the programme approved by the apprenticeship adviser. The central apprenticeship adviser or any other person not below the rank of an assistant apprenticeship adviser shall be given all reasonable facilities for access to each apprentice with a view to test his work and to ensure that the practical training is being imparted in accordance with the approved programme.

Fiscal Regulations

Foreign Trade (Development and Regulation) Act, 1992 ("FTA")

FTA seeks to increase foreign trade by regulating the imports and exports to and from India. FTA read with the Indian Foreign Trade Policy provides that no export or import can be made by a person or company without an importer exporter code number unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories.

Foreign Trade Policy

Under the FTA, the Central Government is empowered to periodically formulate the Export Import Policy ("**EXIM Policy**") and amend it thereafter whenever it deems fit. All exports and imports have to be in compliance with such EXIM Policy. The current EXIM Policy covers the period from 2009-2014. The iron and steel industry has been extended various schemes for promotion of export of finished goods and import of inputs. Duty Entitlement Pass Book (DEPB) Scheme has been extended up to September 2011.
The Duty exemption Scheme enables duty free imports of inputs required for production of export products by obtaining Advance license (AL).

The Duty Remission Scheme enables post export replenishment/ remission of duty on inputs used in the export product. This scheme consists of Duty Free Remission Certificate (DFRC) and Duty Entitlement Pass Book (DEPB).

While DFRC enables duty free replenishment of inputs used for manufacturing of export products, under DEPB Scheme, exporters on the basis of notified entitled rates are granted duty credit, which would entitle them to import

goods except Capital Goods, without duty. The current DEPB rates for saleable products to be manufactured by us are ranging from 2% to 6%.

The imports of inputs under AL and DFRC for the products exported by the company are subject to Input and Output norms as prescribed in EXIM Policy.

EPCG Scheme allows imports of capital goods at 0% duty subject to export obligation which is linked to the amount of duty saved at the time of import of such capital Goods as per the provisions of EXIM Policy.

Excise Regulations

The Central Excise Act, 1944 seeks to impose an excise duty on excisable goods which are produced or manufactured in India. The rate at which the said duty is sought to be imposed is contained in the Central Excise Tariff Act, 1985. However, the Government has the power to exempt certain specified goods from excise duty, by notification. Steel products are classified under Chapter 72 and 73 of the Central Excise Tariff Act and presently attract an ad-valorem excise duty at the rate of 8% and also an Education Cess of 2% over the duty element.

Customs Regulations

All imports in the country are subject to duties under the Customs Act, 1962 at the rates specified under the Customs Tariff Act, 1975. However, the Government has the power to exempt certain specified goods from excise duty, by notification. The current custom duty on non-alloy steel is 5% and the custom duty on iron and steel is 10%.

Service Tax Laws

Service tax is imposed on various services like courier services, cargo handling services; goods transport agency services, transport of goods by air services, travel agent's services etc. Service provided by a cargo handling agency in relation to cargo handling services have been subjected to service tax by the Finance Act, 2002. Cargo handling service refers to loading, unloading, packing or unpacking of cargo and includes cargo handling services provided for freight in special containers or for non-containerized freight, services provided by a container freight terminal or any other freight terminal, for all modes of transport and cargo handling service incidental to freight, but does not include handling of export cargo or passenger baggage or mere transportation of goods.

Service provided to a customer by a goods transport agency in relation to transport of goods by road in a goods carriage is a taxable service subject to service tax. A goods transport agency means any commercial concern which provides service in relation to transport of goods by road and issues consignment note. Service provided to any person, by an aircraft operator, in relation to transport of goods by aircraft is subject to service tax. An aircraft operator is any commercial concern which provides the service of transport of goods by air craft. Service provided to a customer by a travel agent, in relation to the booking of passage for travel has been made subject to service tax by the Finance Act, 2004.

Central Sales Tax Act, 1956 ("Central Sales Tax Act")

The Central Sales Tax Act formulates principles for determining (a) when a sale or purchase takes place in the course of inter-state trade or commerce; (b) when a sale or purchase takes place outside a State and(c) when a sale or purchase takes place in the course of imports into or export from India. This Act provides for levy, collection and distribution of taxes on sales of goods in the course of inter-state trade or commerce and also declares certain goods to be of special importance in inter-State trade or commerce and specifies the restrictions and conditions to which State laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. Central Sales tax is levied on inter State sale of goods. Sale is considered to be inter-state when (a) sale occasions movement of goods from one State to another or (b) is effected by transfer of documents during their movement from one State to another.

A sale or purchase of goods shall be deemed to take place in the course of inter-state trade or commerce if the sale or purchase is affected by a transfer of documents of title to the goods during their movement from one state to another. When the goods are handed over to the carrier, he hands over a receipt to the seller. The seller sends the receipt to buyer. The buyer gets delivery of goods on submission of the receipt to the carrier at other end. The receipt of carrier is 'document of title of goods'. Such document is usually called Lorry Receipt (LR) in case of transport by Road or

Air Way Bill (AWB) in case of transport by air. Though it is called Central Sales Tax Act, the tax collected under the Act in each State is kept by that State only. Central Sales Tax is payable in the State from which movement of goods commences (that is, from which goods are sold). The tax collected is retained by the State in which it is collected. The Central Sales Tax Act is administered by sales tax authorities of each State. The liability to pay tax is on the dealer, who may or may not collect it from the buyer.

Laws relating to Intellectual Property

In India, trademarks enjoy protection both statutory and under common law. The Trademarks Act, 1999, as amended ("**Trademarks Act**"), the Copyright Act, 1957, as amended ("**Copyrights Act**"), The Patents Act, 1970, as amended ("**Patents Act**"), and the Designs Act, 2000, as amended ("**Designs Act**"), amongst others govern the law in relation to intellectual property, including brand names, trade names and service marks, layout and research works.

Trademarks Act

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The registration of a trademark is valid for a period of 10 years, and can be renewed in accordance with the specified procedure.
Application for trademark registry has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

Copyrights Act

The Copyrights Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years.

The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies, including imprisonment of the accused, imposition of fines and seizure of infringing copies.

Patents Act

The purpose of a patent act in India is to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent. An application for a patent can be made by (a) person claiming to be the true and first inventor of the invention; (b) person being the assignee of the person claiming to be the true and first inventor in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application. Penalty for the contravention of the provisions of the Patents Act include imposition of fines or imprisonment or both.

Designs Act

The objective of design law it to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The Controller General of Patents, Designs and Trade Marks appointed under the Trademarks Act shall be the Controller of Designs for the purposes of the Designs Act. When a design is registered, the proprietor of the design has copyright in the design during ten years from the date of registration.

The Shops and Establishments Legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Our Company's offices have to be registered under the shops and establishments laws of the state where they are located.

Competition Act, 2002, as amended (the "Competition Act")

The Competition Act prohibits anti competitive agreements, abuse of dominant positions by enterprises and regulates "combinations" in India. The Competition Act also established the Competition Commission of India (the "**CCI**") as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified on March 4, 2011 and have come into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as 'Individuals' and 'Group'. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

Property related laws

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

In addition, regulations relating to classification of land may be applicable. Usually, land is broadly classified under one or more categories such as residential, commercial or agricultural. Land classified under a specified category is permitted to be used only for such specified purpose. Where the land is originally classified as agricultural land, in order to use the land for any other purpose the classification of the land is required to be converted into commercial or industrial purpose, by making an application to the relevant municipal or town and country planning authorities. In addition, some State Governments have imposed various restrictions, which vary from state to state, on the transfer of property within such states.
Land use planning and its regulation including the formulation of regulations for building construction, form a vital part of the urban planning process. Various enactments, rules and regulations have been made by the Central Government, concerned State Governments and other uthorized agencies and bodies such as the Ministry of Urban Development, State land development and/or planning boards, local municipal or village authorities, which deal with the acquisition, ownership, possession, development, zoning, planning of land and real estate.

Each state and city has its own set of laws, which govern planned development and rules for construction (such as floor area ratio or floor space index limits). The various authorities that govern building activities in states are the town and country planning department, municipal corporations and the urban arts commission.

Other regulations

In addition to the above, the Company is required to comply with the provisions of the Companies Act, and FEMA and other applicable statutes imposed by the Centre or the State for its day-to-day operations.

HISTORY AND OTHER CORPORATE MATTERS

Corporate Profile and Brief History

Our Company was originally incorporated as a partnership firm on June 26, 2003 under the name and style "Veto Industries". On April 1, 2007 the name of the firm was changed to "Veto Switchgears and Cables". Subsequently, on June 20, 2007, the partnership firm was converted in to the private limited company under the name and style "Veto Switchgears and Cables Private Limited" under part IX of the Companies Act, 1956. The name of our Company was further changed to the present name, pursuant to which a fresh certificate of incorporation dated August 3, 2012 was issued by Registrar of Companies, Maharashtra, Mumbai. We are part of Jaipur, Rajasthan based Gurnani Group which has interests in wires & cables, electrical accessories, real estate and hotels. Our Company is promoted by M/s Veto Electropowers (India) Private Limited, which is a subsidiary of Gurnani Holding Private Limited, which in turn is owned by Mr. Vishnu Kumar Gurnani, Mr. Mohan Das Gurnani and Mr. Narayan Das Gurnani. We are an ISO 9001:2008 certified company, engaged in the manufacture and sale of wires & cables and electrical accessories in India. Our product portfolio ranges from industrial cables, stand cables to telephone & co-axial wires, from general switches to modular switches, from ceiling fans to rechargeable fans, compact fluorescent lamps and other electrical accessories. Our products are manufactured at our state-of-art manufacturing unit located in Hardwar, Uttarakhand.

Main objects of our Company

The main object of our Company is:

"To carry on the business as manufacturers, importers, exporters, assemblers, distributors, stockiest, traders, dealers, wholesalers, brokers, manufacturer's representatives, selling agents, purchasing agents, commission agents, dealers in electrical fittings and accessories, PVC wires, cables of all types and kinds, copper in all forms, PVCResin, DOP, Plasticizers, Chemicals, PVC Compound, Fillers, CP, Copper Conductors, Aluminium Conductors or other Conductors made of any matter of substance, electrical lamps including vaccum and gas filled lamps, general lighting lamps, Luminaries and Accessories, MCB, CFL, Fans, Fittings etc. and other appliances, cables, wires, 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."

Amendments to our Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date of AGM/ EGM	Nature of amendment
December 10, 2007	The initial authorized share capital of our Company of ₹ 1,000,000 comprising of 100,000 Equity Shares was further increased to ₹ 30,000,000 divided into 3,000,000 Equity Shares
October 21, 2009	The authorized share capital of our Company of ₹ 30,000,000 comprising of 3,000,000 Equity Shares was further increased to ₹ 50,000,000 divided into 5,000,000 Equity Shares
March 22, 2011	The authorized share capital of our Company of ₹ 50,000,000 comprising of 5,000,000 Equity Shares was further increased to ₹ 60,000,000 divided into 6,000,000 Equity Shares
May 11, 2012	The authorized share capital of our Company of ₹ 60,000,000 comprising of 6,000,000 Equity Shares was further increased to ₹ 170,000,000 divided into 17,000,000 Equity Shares
July 09, 2012	The name of our Company was changed to the present name, pursuant to which a fresh certificate of incorporation dated August 3, 2012 was issued by Registrar of Companies, Maharashtra, Mumbai.
November 09, 2012	The authorized share capital of our Company of ₹ 170,000,000 comprising of 17,000,000 Equity Shares was further increased to ₹ 200,000,000 divided into 20,000,000 Equity Shares

Changes in the Registered Office of our Company

Our Company's registered office was located at 803, Palms Spring Complex, Link Road, Malad (West), Mumbai - 400064, Maharashtra at the time of incorporation. Subsequently, for administrative convenience, we shifted our premises to the present address i.e., D-2, 1st Floor, Malad Industrial Estate, Ramchandra Lane Extension, Malad (W), Mumbai - 400064, Maharashtra on December 21, 2009.

Major events in the history of our Company

Month and Year	Major Event
June 2003	Incorporated as a partnership firm in the name of **M/s Veto Industries** under the provisions of the Partnership Act, 1932 with Mr. Kishore Kumar Gurnani and Mr. Narayan Das Gurnani acting as Partners
May 2007	Commencement of production in Hardwar, Uttarakhand
June 2007	The existing partnership firm was converted into a Company as " **Veto Switchgears and Cables Private Limited"** under Part IX of the Companies Act, 1956
September 2007	Obtained its first ISO 9001:2000 certification
March 2009	Attained a dealer network of over 2,400 dealers
July 2010	Upgraded to ISO 9001:2008 from ISO 9001:2000 certification
January 2011	Launched range of new products in electrical accessories viz., CFL, Fans etc.
March 2011	Attained a turnover of over ₹5,000 Lacs for the first time
March 2011	Paid-up capital crossed ₹500 Lacs
December 2011	Awarded the performance and credit rating certificate from NSIC-CRISIL
August 2012	Converted from "Private Limited Company" to "Public Limited Company"

Injunction or Restraining Order

Our Company is not operating under any injunction or restraining order.

Our Shareholders

As on date of this RHP, the total number of holders of our Equity Shares are 9 (Nine). For further details of our shareholding pattern, please see "Capital Structure" on page 14 of this RHP.

Revaluation of Assets

Our Company has not revalued its fixed assets since incorporation.

Issuance of Equity or Debt

Other than as information disclosed in "Capital Structure" on page 14 of this RHP, our Company has not issued any capital in the form of equity or debt. For details on the description of our Company's activities, the growth of our Company, please see "Business Overview", "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and "Basis for Issue Price" on pages 54, 168 and 40 of this RHP.

Awards, Achievements and Certifications

Other than the information disclosed in "Business Overview" on page 54 of this RHP, our Company has not received any awards / certifications.

Changes in the activities of our Company during the last five years

Since inception, there no changes in the activities of our Company other than in the normal course of business.

Defaults or Rescheduling of borrowings with financial institutions/ banks

There have been no defaults or rescheduling of borrowings with the financial institutions / banks.

Lock-out or strikes

There have been no lock-outs or strikes in our Company since inception.

Business Acquisitions

As on the date of the RHP, our Company has not entered into any agreement for business acquisitions.

Subsidiaries

As on the date of this RHP, we have three subsidiaries viz., Veto Electricals Private Limited, Veto Lightning Private Limited and Vankon Switchgears and Cables Private Limited. For further details on our subsidiaries, please see "Subsidiaries" on page 74.

Shareholders' Agreement

As on the date of the RHP, our Company has not entered into any shareholders' agreement.

Material Agreements

There are no material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us.

Strategic Partners

As on the date of the RHP, our Company does not have any strategic partners.

Financial Partners

As on the date of the RHP, apart from the various arrangements with bankers and lenders which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

SUBSIDIARIES

Unless otherwise stated none of our subsidiaries are sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and neither of them have incurred any losses or have negative cash flows or are in the process of winding up. Further, none of our subsidiaries, have not made any public issue of securities in the preceding three years. With effect from October 1, 2012, Veto Lightning Private Limited and Vankon Switchgears and Cables Private Limited have ceased to be our subsidiaries.

Following are our subsidiaries as on the June 30, 2012 – the last date of financial statements mentioned in the RHP:

1. Veto Electricals Private Limited;
2. Veto Lightning Private Limited; and
3. Vankon Switchgears and Cables Private Limited

The details of the same are as under:

1. Veto Electricals Private Limited

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

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

The brief financial information of VEPL is as under:-

₹ in lacs

Particulars	2011-12	2010-11	2009-10
Equity Capital	10.00	10.00	10.00
Reserves (excluding Revaluation Reserves)	-	-	-
Net worth	10.00	10.00	10.00
Total Income	-	-	-
Profit Afer Tax	-	-	-
Earnings Per Share (Rs per share)	Nil	Nil	Nil
Net Asset Value (Rs per share)	10.00	10.00	10.00

Registered Office

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

Capital Structure and Shareholding Pattern

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

The shareholding pattern of VEPL is as under:

Sr. No.	Name of the shareholder	Number of shares	Percentage holding (%)
1.	Veto Switchgears & Cables Limited	90,000	90.00
2.	Veto Electropowers (India) Private Limited	9,900	9.90
3.	Vishnu Kumar Gurnani	100	0.10
	Total	**100,000**	**100.00**

2. Veto Lightings Private Limited

Veto Lightings Private Limited ("**VLPL**") was incorporated on November 17, 2009 *vide* Certificate of Incorporation issued by the Assistant Registrar of Companies, Rajasthan, at Jaipur. The CIN of VLPL is U31300RJ2009PTC03028.

The main objects of VLPL is to carry on in India or elsewhere all or any of the business of general merchants, manufacturers, buyers, seller, importers, exporters, traders, procurers, retailers, distributors, franchises and collaborators in all kinds and every description of wires, cables, electrical fans and accessories, PVC wires, copper conductors, aluminium conductors or other conductors made of any of the substance, electrical lamps including vacuum and gas filled lamps, general lighting lamps, luminaries and accessories etc. and other appliances, cables, wire lines and all types of machinery, plant or apparatus and things required for or capable of being used in connection with the manufacture of the above and business related commercial activities and services, merchandise, electrical and electronic goods at outright commission basis, super market chain stores of electrical and electronic items and letting out of showroom and offices for above mentioned activities.

The brief financial information of VLPL is as under:-

₹ In Lacs

Particulars	2011-12	2010-11	2009-10
Equity Capital	1.00	1.00	1.00
Reserves (excluding Revalution Reserves)	-	-	-
Networth	1.00	1.00	1.00
Total Income	-	-	-
Profit Afer Tax	-	-	-
Earnings per Share (Rs)	-	-	-
Net Asset Value (Rs)	10.00	10.00	10.00

Registered Office

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

Capital Structure and Shareholding Pattern

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

The shareholding pattern of VLPL is as under:

Sr. No.	Name of the shareholder	Number of shares	Percentage holding (%)
1.	Veto Switchgears and Cables Limited	5,100	51.00
2.	Narayan Das Gurnani	900	9.00
3.	Babulal Gurnani	900	9.00
4.	Mohandas Gurnani	2,200	22.00
5.	Harish Kumar Gurnani	900	9.00
	Total	**10,000**	**100.00**

3. Vankon Switchgears and Cables Private Limited

M/s Vankon Switchgears and Cables Private Limited ("**Vankon**") was incorporated on April 20, 2011 *vide* Certificate of Incorporation issued by the Assistant Registrar of Companies, Rajasthan, at Jaipur. The CIN of Vankon is U31300RJ2011PTC034870.

The main objects of Vankon is to carry on in India or elsewhere the business to manufacture, process, produce, assemble, alter, improve, buy, sell, resell, acquire, import, export, barter, transport, store, forward, distribute, dispose, develop, handle, market, supply, work and to act as agent, broker, representative, consultant, collaborator, stockists, job workers or otherwise to deal in all shapes, sizes, varieties, capacities and kinds of electrical goods, gadgets appliances, automations, insulators or otherwise such as fans, motors, switchgears, circuits, cables, wires, pipes, switches, boards, panels, mixers, coolers, geysers, air conditioners, iron, motors, water pumps, bulbs, CFL,

Fancy lights, tube lights, luminaries, chandeliers, radio, transistors and all kinds of otherwise goods and things which is start and running with the help/use of electric or any form of electric like AC or DC power, battery or dry cells or any other source of electric and to do all incidental acts and things necessary for the allainment of foregoing objects.

The brief financial information of Vankon is as under:

₹ in Lacs

Particulars	2011-12
Equity Capital	1.00
Reserves (excluding Revalution Reserves)	-
Networth	1.00
Total Income	-
Profit Afer Tax	-
Earnings Per Share (Rs)	-
Net Asset Value (Rs)	10.00

Registered Office

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

Capital Structure and Shareholding Pattern

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

The shareholding pattern of VEPL is as under:

Sr. No.	Name of shareholder	Number of shares	Percentage holding (%)
1.	Veto Switchgears and Cables Limited	9,800	98.00
2.	Vishnu Kumar Gurnani	100	1.00
3.	Dinesh Gurnani	100	1.00
	Total	**10,000**	**100.00**

MANAGEMENT

Board of Directors

The Articles of than twelve Directors on our Board. Our Company currently has six Directors on the Board.Association of our Company provides that our Company shall have not less than three and not more

The following table sets forth details regarding the Board of Directors as on the date of this RHP:

Name, Father's Name, Designation, Address, Occupation and DIN	Age (yrs)	Date of Appointment / Date of Cessation	Other Directorships
Mr. Mohan Das Gurnani **Father's Name:** Late Shri Rewa Chand Gurnani. **Designation:** Non Executive Director & Chairman **Address:** C-53, Saket Colony, Raja Park, Jaipur – 302004, Rajasthan **Occupation:** Business **DIN:** 01831741	59	Appointed on August 22, 2012	***Companies*** 1. Pinkcity Buildhome Pvt. Ltd. 2. Gurnani Infra Developers Pvt. Ltd. 3. Landmark Hospitality Pvt. Ltd. 4. Veto Lightings Pvt. Ltd. 5. Kripa Realmart Pvt. Ltd. 6. Gurnani Holdings Pvt. Ltd. 7. Mukesh Propcon Pvt. Ltd. 8. Narayan Realhome Developers Pvt. Ltd. 9. Mukesh Buildhome Pvt. Ltd. 10. Gurnani Realators Pvt. Ltd. 11. Veto Electropowers (India) Pvt. Ltd. 12. Limitless Buildmart Pvt. Ltd. 13. Veto Electric Components Pvt. Ltd. 14. Veto Power Products Pvt. Ltd. 15. Veto Retails Pvt. Ltd. 16. Veto Electricals Pvt. Ltd. 17. Jaipur Buildvision Pvt. Ltd. 18. Esma Constructions Pvt. Ltd. 19. JMTC FZCO LLC Dubai 20. JM Trading LLC Dubai 21. J Accuracy Electricals Co. LLC Dubai 22. Jaipur Electrical and Installations and Tools LLC Sharjah
Mr. Vishnu Kumar Gurnani **Father's Name: S/o.** Late Shri Rewa Chand Gurnani. **Designation:** Managing Director/ Promoter Director **Address**: 250, Frontier Colony, Jaipur 302004, Rajasthan **Occupation**: Business **DIN**: 01542566	61	Reappointed on August 31, 2012 w.e.f May 1, 2012	***Companies*** 1. Vimal Power Cables Pvt. Ltd. 2. Pinkcity Buildhome Pvt. Ltd. 3. Akshay Vishnu Realestate Pvt. Ltd. 4. Mukesh Propcon Pvt. Ltd. 5. Kunal Buildestate Pvt. Ltd. 6. VNB Marketing Pvt. Ltd. 7. Gurnani Infra Developers Pvt. Ltd. 8. Veto Electropowers (India) Pvt. Ltd. 9. Kripa Realmart Pvt. Ltd. 10. Kanchan Cables Pvt. Ltd. 11. Gurnani Holdings Pvt. Ltd. 12. Veto Electric Components Pvt. Ltd. 13. Veto Power Products Pvt. Ltd. 14. Veto Retails Pvt. Ltd. 15. Veto Electricals Pvt. Ltd. 16. Jaipur Buildvision Pvt. Ltd. 17. Veto Exim Pvt. Ltd. 18. Veto Lightings Pvt. Ltd. 19. Narayan Realhome Developers Pvt. Ltd. 20. Mukesh Buildhome Pvt. Ltd. 21. Gurnani Realators Pvt. Ltd. 22. Vankon Switchgears And Cables Pvt. Ltd.

			Partnership Firms 1. Gurnani Financial Services; 2. Veto Polymer and Metals; 3. Veto Power
Mr. Dinesh Gurnani **Father's Name:** Late Shri Radha Govind Gurnani **Designation:** Whole time Executive Director **Address**: 107, Taneja Block,Adarsh Nagar, Jaipur - 302004 **Occupation**: Business **DIN**: 00218635	**31**	Reappointed on August 31, 2012	***Companies*** 1. Pinkcity Buildhome Pvt. Ltd. 2. Gurnani Holdings Pvt. Ltd. 3. Veto Electropowers (India) Pvt. Ltd. 4. Veto Electric Components Pvt. Ltd. 5. Veto Power Products Pvt. Ltd. 6. Jaipur Buildvision Pvt. Ltd. 7. Veto Lightings Pvt. Ltd. 8. Narayan Realhome Developers Pvt. Ltd. 9. Mukesh Buildhome Pvt. Ltd. 10. Gurnani Realators Pvt. Ltd. 11. Gurnani Infra Developers Pvt. Ltd. 12. Veto Exim Pvt. Ltd. 13. Vankon Switchgears And Cables Pvt. Ltd. 14. Mukesh Propcon Pvt. Ltd. 15. Veto Electricals Pvt. Ltd. 16. Veto Retails Pvt. Ltd. ***Partnership Firm*** 1. M/s Poonam Industries
Mr. Murlidhar Kaurani **Father's Name:** Narayan Das Kaurani **Designation:** Non-Executive Independent Director. **Address:** C-31, Pratap Marg, Tilak Garden, Tilak Nagar, Jaipur-302004. **Occupation:** Retired IAS Officer **DIN:** 06367086	**66**	Appointed as Non-Executive Independent Director w.e.f. August 31, 2012	-
Mr. Mohan Sukhani **Father's Name:** Lt. Shri Sundar Das Sukhani **Designation:** Non-Executive Independent Director. **Address:** A-65, Shanti Path Tilak Nagar, Jaipur **Occupation:** Business **DIN:** 00113432	59	Appointed as Non-Executive Independent Director w.e.f. August 31, 2012	***Companies*** 1. Goyal farms Pvt. Ltd. 2. Manhattan Constructions Pvt. Ltd. 3. Sukhani Buildcon Pvt. Ltd. 4. Manhattan Capital Services Pvt. Ltd. 5. Gestalt Builders Pvt. Ltd. 6. Steadfast Builders Pvt. Ltd. 7. Aravali Square Pvt. Ltd. 8. Anokhi Builders Pvt. Ltd. 9. Tulsan Construction Pvt. Ltd. 10. Vinayakraj Build Tech Pvt. Ltd. 11. Spectrum Buildcon Pvt. Ltd. 12. Ganesham Builders Pvt. Ltd. 13. Kabir Education Wizards Pvt. Ltd.
Mr. Govind Ram Thawani **Father's Name:** Lt. Mr. Wadhumal Thawani **Designation:** Non-Executive Independent Director. **Address:** J-98, Ashok Chowk, Adarsh	72	Appointed as Non-Executive Independent Director w.e.f. August 31, 2012	-

Nagar, Jaipur - 302004

Occupation: Retired Government employee

DIN: 06367093

Confirmations

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of the RHP, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

None of the Directors is or was a director of any listed company which has been or was delisted from any recognised stock exchange in India during the term of their directorship in such company.

Relationship between Directors

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

Except as stated above, none of the other Directors are related to each other.

Brief profile of our Directors

Mr. Vishnu Kumar Gurnani is the Managing Director of our Company. He is under graduate and has over 38 years of experience in the field of wires and cable industry and other electrical accessories. He has played vital role in the growth of the Group to the present level. He is instrumental in taking major policy decision of the Company. He is playing vital role in formulating business strategies and effective implementation of the same. Besides being a recipient of various awards for his business, he is also a social worker and founder trustee of Yashoda Devi Rewa Chand Gurnani Charitable Trust, which provides free education to poor children and at times organizes medical camp and provides free medicines etc.

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

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

Mr. Murlidhar Kaurani is Non- Executive Independent Director of our Company. He is a retired IAS officer and has over 35 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.

Mr. Mohan Sukhani is Non- Executive Independent Director of our Company. He is a Science Graduate and has over 30 years of experience in the field of textile and hotel business.

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

Borrowing Powers of the Board

The Articles of Association, subject to the provisions of the Companies Act, authorize the Board, at its discretion, to generally raise or borrow or secure the payment of any sum or sums of money for the purposes of our Company. However, the Board of Directors shall not without the sanction of our Company exceed the aggregate of the paid up capital and free reserves of our Company.

The consent of the members of our Company was accorded, vide resolution passed at the AGM held on August 31, 2012 authorizing the Board of Directors to borrow at any time amount not exceeding ₹ 10,000 lacs over and above the paid up capital and free reserves of our Company.

Details of Service Contracts

Our Company has not entered into any service contracts with the present Board of Directors.

Compensation of the Directors

Mr. Vishnu Kumar Gurnani – Managing Director

- Salary and Perquisites – ₹ 14.40 lacs

This includes salary, company's contribution to provident fund.

Non-Executive Directors

Pursuant to the resolution passed by our Board of Directors and authorised by the shareholders, the Non-Executive Directors shall not be paid any remuneration except sitting fees of ₹ 3,000/- for attending the meetings of the Board of Directors and / or committees thereof.

The above said remuneration and perquisites are subject to the ceiling laid down in Sections 198 and 309 and Schedule XIII of the Companies Act and all other applicable provisions of the Companies Act as may be amended from time to time. In case of payment of remuneration in excess of the prescribed limits, recovery of the excess amount may be allowed by the board of directors upon the recommendation of the Remuneration Committee and with the approval of the Central Government.

Except as stated in this RHP, no amount or benefit has been paid by our Company within the 2 (two) preceding years or is intended to be paid or given by our Company to any of our Company's officers including our Directors and Key Management Personnel.

Further, except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the Directors and the Key Management Personnel, are entitled to any benefits upon termination of employment.

ESOP

Our Company has not implemented any ESOP scheme.

Shareholding of Directors in our Company

As on the date of this RHP, none of our directors hold Equity Shares in our Company.

Payment or benefit to Directors of our Company

Except as disclosed in the "Related Party Transactions in Financial Information" on page 132 of the RHP, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as Directors, officers or employees.

Interest of the Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loan or advances provided to any body corporate including companies and firms and trusts, in which they are interested as directors, members, partners or trustees.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoters, and /or trustees pursuant to this Issue.

Certain of our Directors also hold directorships in the Promoter and Promoter Group. None of our Directors have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

Except as stated in this section "Management" or the chapter titled "Related Party Transactions in Financial Information" on page 77 and 132 of the RHP and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

None of our Directors have interest in any property acquired by our Company within two years of the date of the RHP.

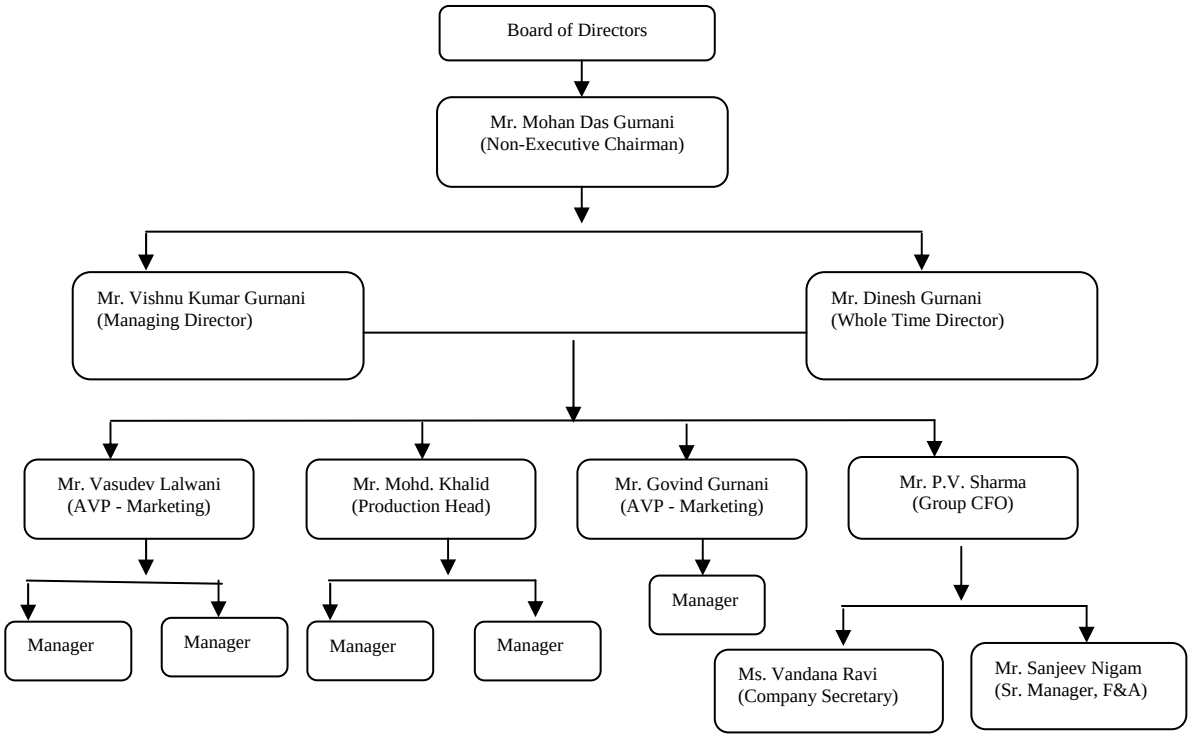
Our Directors are not interested in the appointment of or acting as Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

Changes in the Board in the last three years

The following changes have occurred in Board of Directors of our Company in the last three years:

Name	Date of Appointment/ Re-appointment/ Cessation	Reason for change
Mr. Kishore Kumar Gurnani	January 15, 2011	Resignation from the Board
Mr. Babulal Gurnani	January 28, 2011	Resignation from the Board.
Mr. Mohan Das Gurnani	January 28, 2011	Appointed as director on the Board
Mr. Narayan Das Gurnani	August 4, 2012	Resignation from the Board
Mr. Murlidhar Kaurani	August 31, 2012	Appointed as Non-Executive Independent Director
Mr. Mohan Sukhani	August 31, 2012	Appointed as Non-Executive Independent Director
Mr. Govind Ram Thawani	August 31, 2012	Appointed as Non-Executive Independent Director

Management Organisation Structure



Corporate Governance

Our Company has complied with the provisions of the Listing Agreement including Clause 49 of the Listing Agreement and other requirements under the Listing Agreement in relation to the meetings of the Audit Committee and the Investor Grievance Committee. The Board of Directors consists of a total of 6 Directors of which 3 are independent Directors (as defined under Clause 49), which constitutes 50% of the Board of Directors. This is in compliance with the requirements of Clause 49.

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

Audit Committee

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

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

Terms of reference/scope of the Audit Committee:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management the annual financial statements before submission to the Board for approval, with particular reference to:
   a. Matters required being included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.

b. Changes, if any, in accounting policies and practices and reasons for the same.
c. Major accounting entries involving estimates based on the exercise of judgement by management.
d. Significant adjustments made in the financial statements arising out of audit findings.
e. Compliance with listing and other legal requirements relating to financial statements.
f. Disclosure of any related party transaction.
g. Qualification in the draft audit report.

5. Reviewing with the management, the quarterly 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

Remuneration Committee

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

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

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

Shareholders'/ Investors' Grievance Committee

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

1. Mr. Govind Ram Thawani - Chairman
2. Mr. Vishnu Kumar Gurnani
3. Mr. Mohan Das Gurnani

The Committee normally meets as and when required. The committee looks into the following:

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.

Policy on Prevention of Insider Trading

Our Company is in compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

Ms. Vandana Ravi, Company Secretary & Compliance Officer, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

Key Managerial Personnel

Sl. No.	Name	Designation	Age (Years)	Qualification	Date of Appointment	Total Experience (Years)	Previous Employment	Compensation Paid p.a. (₹ in lacs)
1.	Mr. PV Sharma	Group CFO	42	B.Com , CA	Associated from the year 2007 as Advisor and appointed as Group CFO w.e.f 09.05.2011	17	Self employed	10.20
2.	Mr. Govind Ram Gurnani	AVP Marketing	45	Under Graduate	Associated with the Group since the year 1987 and appointed in our Company on 01.05.2008	25	-	4.38
3.	Mr. Vasudev Lalwani	AVP Marketing	43	B.Com	Associated with the Group since the year 1989 and appointed in our Company on 01.04.2008	23	-	5.87
4.	Mr. Mohammad Khalid	Production Head	31	BE Electronics	15.10.2007	7	Himgiri Enterprises	4.81
5.	Mr Sanjeev Nigam	Sr Manager Finance & Accounts	44	B.Com , CA	09.05.2011	18	Compucom Software Limited	5.50
6.	Ms. Vandana Ravi	Company Secretary	30	B.Com, CS, LLB	Associated with the Group since the year 2007 and appointed in our Company on 01.05.2012	5	-	3.00

All the Key Managerial Personnel mentioned in the above table are permanent employees of our Company except for Mr. P.V. Sharma, who is acting as Group CFO for entire Gurnani Group and is a permanent employee of our Promoter, Veto Electropowers (India) Private Limited. Mr. Sanjeev Nigam, Sr. Manager, Finance and Accounts of our Company directly reports to Mr. P.V. Sharma.

Nature of any family relationship between the Key Managerial Personnel

None of the Key Managerial Personnel are in any way related to each other.

Shareholding of Key Managerial Personnel

None of the Key Managerial Personnel hold Equity Shares of our Company as on June 30, 2012.

Changes in Key Managerial Personnel

The following are the changes in Key Managerial Personnel during the last three years:

Sl No.	Name of employee	Designation	Date of change	Reason
1.	Mr. Sanjeev Nigam	Sr Manager Finance & Accounts	May 9, 2011	Appointment
2.	Ms. Vandana Ravi	Company Secretary	May 1, 2012	Appointment

Bonus or profit sharing plan for Directors and Key Managerial Personnel

Our Company does not have a performance linked bonus or a profit sharing plan for the present Directors and Key Managerial Personnel.

Interest of Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Arrangements and Understanding with Major Shareholders

None of our key management personnel have been selected pursuant to any arrangement or understanding with any major shareholders, customers or suppliers of our Company, or others.

Payment of Benefits to Officers of our Company

Except as disclosed in the RHP, other than statutory payments and remuneration, in the last two years our Company has not paid or has intended to pay any non-salary amount or benefit to any of its officers.

Loans taken by Directors / Key Managerial Personnel

None of the Directors / Key Managerial Personnel have taken loan from our Company.

PROMOTER AND PROMOTER GROUP

Our Corporate Promoter

1. Veto Electropowers (India) Private Limited

Our Individual Promoters

1. Mr. Vishnu Kumar Gurnani;
2. Mr. Mohan Das Gurnani; and
3. Mr. Narayan Das Gurnani

Details of our Corporate Promoter

1. Veto Electropowers (India) Private Limited

Brief History

Veto Electropowers (India) Private Limited ("**VEIPL**") was originally incorporated as a partnership firm in the year 2001 under the name and style "M/s Veto Electropowers" with an object to manufacture and export wires and cables. Subsequently, the partnership firm was converted in to the private limited company on March 20, 2007 under Part IX of the Companies Act, 1956. The corporate identification number is U31909MH2007PTC168956. VEIPL, an ISO 9001:2000 certified company, is engaged in the business of manufacturing of wires and cables through its three state-of-art 100% EOU facilities located in Jaipur, Rajasthan. VEIPL is a subsidiary of M/s Gurnani Holding Private Limited, which in turn is owned by Mr. Vishnu Kumar Gurnani, Mr. Mohan Das Gurnani and Mr. Narayan Das Gurnani, The registered office of the Company is located at D-2, First Floor, Malad Industrial Estate, Ramchandra Lane Extn. Kanchpada, Malad (West), Mumbai 400064.

Composition of Board of Directors of VEIPL

The following are the directors on the board of VEIPL:

1. Mr. Vishnu Kumar Gurnani;
2. Mr. Mohan Das Gurnani; and
3. Mr. Dinesh Gurnani

Shareholding Pattern as on date

Sr. No.	Name of Shareholders	No. of Equity Shares	% Holding
1.	Narayan Das Gurnani	675,000	4.19%
2.	Mohan Das Gurnani	1,080,000	6.71%
3.	Harish Kumar Gurnani	100,000	0.62%
4.	Pushpa Devi Gurnani	405,000	2.52%
5.	Ms. Jyoti Tolani	720,000	4.47%
6.	Gurnani Holdings Pvt. Ltd.	10,125,000	62.87%
7.	JMTC FZCO LLC, Dubai	3,000,000	18.63%
	Total	**16,105,000**	**100.00%**

Financial Information

(₹ in lacs except for per share data)

Sr. No.	Particulars	2011-12	2010-11	2009-10
1	Equity Capital	1,310.50	1,310.50	144.50
2	Share Application Money	-	-	-
3	Reserves (excluding Revalution Reserves)	3,569.84	3,494.14	4,113.90
4	Net Worth	4,880.34	4,804.64	4,258.40
5	Total Income	3,630.15	2,554.42	2,870.87
6	Profit after Tax	75.70	460.75	153.90
7	Earnings Per Share (Rs)	0.58	3.54	1.18
8	Net Asset Value (Rs)	37.24	36.66	294.70

Corporate Promoter of VEIPL

VEIPL is a subsidiary of Gurnani Holding Private Limited, which in turn is owned by Mr. Vishnu Kumar Gurnani (15%) and Mr. Mohan Das Gurnani (72%).

Other disclosures

VEIPL has not made any public or rights issue in the preceding three years. VEIPL has not dissociated itself from any firm/company during the preceding three years.

Confirmations from the corporate Promoter

We confirm that the Permanent Account Number, Bank Account Numbers, the Company Registration Number and the address of the Registrar of Companies where VEIPL is registered, shall be submitted to the Stock Exchange at the time of filing of RHP with them. Further, neither the VEIPL, nor any natural person in control (i.e. holding 15% or more of voting rights) thereof, nor the directors on the board of the corporate Promoter have been declared as willful defaulters by the Reserve Bank of India, or any other Government authority. We confirm that there are no violations of securities laws committed by the Promoter in past nor are there any proceedings pending against any of the Promoters in this regard.

Details of our Individual Promoters

1. Vishnu Kumar Gurnani

Mr. Vishnu Kumar Gurnani is the Managing Director of our Company. His Driving License Number is RJ-14/DLC/01/185718 and Passport Number is K4412327.

Mr. Vishnu Kumar Gurnani is an under graduate by education and has over 38 years of experience in the field of wires and cable industry and other electrical accessories. He has played vital role in the growth of the Group to the present level. He is instrumental in taking major policy decision of the Company. He is playing vital role in formulating business strategies and effective implementation of the same. Besides being a recipient of various awards for his business, he is also a social worker and founder trustee of Yashoda Devi Rewa Chand Gurnani Charitable Trust, which provides free education to poor children and at times organizes medical camp and provides free medicines etc.

For further details, see “Management” on page 77 of this RHP.

2. Mr. Mohan Das Gurnani

Mr. Mohan Das Gurnani is the Non-Executive Chairman of our Company. His Passport Number is Z1917613.

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

For further details, see “Management” on page 77 of this RHP.

3. Mr. Narayan Das Gurnani

Mr. Narayan Das Gurnani's Passport Number is E5797779.

Mr. Narayan Das Gurnani is Science Graduate by education and has over 33 years of experience in the field of wires and cable industry and other electrical accessories besides real estate. He has also played vital role in the growth of the Group to the present level. Like Mr. Vishnu Kumar Gurnani and Mr. Mohan Das Gurnani, he is also instrumental in taking major policy decision of the Company. He is playing vital role in formulating business strategies and effective implementation of the same for both domestic and international markets.

Declaration

Our Company hereby confirms that the personal details of our individual Promoters viz., Permanent Account Numbers, Passport Numbers, and Bank Account Numbers shall be submitted to Stock Exchange at the time of filing of RHP with them.

Other confirmations from the individual Promoters

Our Promoters have confirmed that they have not been declared as wilful defaulter by RBI or any other government authority and there are no violations of securities laws committed by our Promoter in the past nor any such proceedings are pending against our Promoters. Our Promoters have further confirmed that he has not been prohibited or debarred from accessing or operating in the capital markets for any reasons, or restrained from buying, selling or dealing in securities, under any order or directions made by SEBI or any other authorities and that no action has been taken against them or any entity promoted or controlled by them by any regulatory authorities.

Common Pursuits of our Promoters

VEIPL is engaged in the manufacturing of wires and cables. Since VEIPL is a 100% EOU, the products manufactured by VEIPL are sold only in international markets. None of the products manufactured by VEIPL are sold or have been sold in domestic markets where our Company has presence. The business conducted by our Company and VEIPL is on arms-length basis. We shall be subject to certain level of competition for our products which we sell in international markets. For further details, please see "Risk Factors" on page xi. Save and except otherwise, our Promoters do not have any common pursuits and are not engaged in businesses similar to those carried out by our Company, except to the extent of their shareholding in our Group Companies with which our Company transacts business as stated in the sections titled "Financial Information – Related Party Disclosures" and "History and Other Corporate Matters" on pages 132 and 71, respectively.

Interest of Promoter in the Promotion of our Company

Our Company is incorporated to carry on its present business. Our Promoters are interested in our Company as mentioned above under "Promoter and Promoter Group – Common Pursuits of our Promoter" and to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest of Promoter in the Property of our Company

Except as stated otherwise in this RHP, our Promoters have confirmed that they do not have any interest in any property acquired by our Company within two years preceding the date of this RHP or proposed to be acquired by our Company as on the date of filing of the RHP. For further details on any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery, please "Business Overview" on page 54.

Payment of Amounts or Benefits to our Promoter or Promoter Group during the Last Two Years

Except as stated in "Financial Information – Related Party Transactions", no amount or benefit has been paid by our Company to our Promoters or the members of our Promoter Group in the last two years preceding the date of this RHP. Further, as on the date of the RHP, there is no bonus or profit sharing plan for our Promoter.

Interest of Promoter in our Company Other than as Promoter

Except as mentioned in this section and the sections titled "Business Overview", "History and Other Corporate Matters", "Financial Indebtedness" and "Financial Information – Related Party Transactions" on pages 54, 71, 174 and 132, respectively, our Promoters do not have any interest in our Company other than as Promoters.

Related Party Transactions

Except as stated in the section titled "Financial Information – Related Party Transactions" on page 132, our Company has not entered into related party transactions with our Promoter or our Group Companies.

Shareholding of the Promoter Group in our Company

Except as disclosed in "Capital Structure" on page 26, none of the members of our Promoter Group hold any Equity Shares as on the date of filing of this RHP.

Litigations

For information on details relating to the litigation in relation to our Promoter and Group Companies, see the section titled "Outstanding Litigations and Defaults" page 175.

Other confirmations

Our Company has neither made any payments in cash or otherwise to the Promoter or to firms or companies in which our Promoter is interested as member, director or Promoter nor have our Promoters have been offered any inducements to become director or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company.

Promoter Group

In terms of Regulation 2 (1) (zb) of the SEBI ICDR Regulations, the following persons form a part of our Promoter Group.

Individuals related to our Individual Promoters

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Mr. Vishnu Kumar Gurnani	Late Mr. Rewachand Gurnani	Father
	Late Mrs. Yashoda Devi Gurnani	Mother
	Ms. Pushpa Devi Gurnani	Spouse
	Ms. Nisha Parwani Ms. Kavita Moolrajani Ms. Bharti Uttamchandani Ms. Jyoti Gurnani	Daughter(s)
	Mr. Kishore Kumar Gurnani Mr. Akshay Gurnani	Son(s)
	Mr. Jhumramal Gurnani Late Mr. Radha Govind Gurnani Mr. Udhav Das Gurnani Mr. Ram Chand Gurnani Mr. Mohan Das Gurnani Mr. Narayan Das Gurnani Mr. Babulal Gurnani	Brother(s)
	Ms. Ishwari Bai Goklani Ms. Deepa Pamnani	Sister(s)
	Mr. Mugramal Lalwani	Spouse's Father
	Ms. Chandra Devi lalwani	Spouse's Mother
	Mr. Laxman Lalwani Mr. Suresh Lalwani Mr. Daulat Lalwani	Spouse's Brother(s)

Name of the Promoter	Name of the Relative	Relationship with the Promoter
	Ms. Rekha Rangwani	Spouse's Sister

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Mr. Mohan Das Gurnani	Late Mr. Reva Chand Gurnani	Father
	Late Mrs. Yashoda Devi Gurnani	Mother
	Ms. Renu Gurnani	Spouse
	Ms. Jyoti Tolani Ms. Ragini Gurnani	Daughter(s)
	Mr. Harish Gurnani Mr. Kunal Gurnani	Son(s)
	Mr. Jhumramal Gurnani Late Mr. Radha Govind Gurnani Mr. Udhav Das Gurnani Mr. Ram Chand Gurnani Mr. Vishnu Kumar Gurnani Mr. Narayan Das Gurnani Mr. Babulal Gurnani	Brother(s)
	Ms. Ishwari Bai Goklani Ms. Deepa Pamnani	Sister(s)
	Mr. Kheta Mal Vasnani	Spouse's Father
	Ms. Ishwari Devi	Spouse's Mother
	Mr. Lalit Vaswani Mr. Shankar Vaswani Mr. Sonu Vaswani	Spouse's Brother
	Ms. Kamla Tulsiani Ms. Varsha Lalwani Ms. Rekha Lalwani	Spouse's Sister

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Mr. Narayan Das Gurnani	Late Mr. Reva Chand Gurnani	Father
	Late Mrs. Yashoda Devi Gurnani	Mother
	Ms. Sunita Devi Gurnani	Spouse
	Ms. Ruchi Phulwani	Daughter
	Mr. Mukesh Gurnani	Son
	Mr. Jhumramal Gurnani Late Mr. Radha Govind Gurnani Mr. Udhav Das Gurnani Mr. Ram Chand Gurnani Mr. Vishnu Kumar Gurnani Mr. Mohan Das Gurnani Mr. Babulal Gurnani	Brother(s)
	Ms. Ishwari Bai Goklani Ms. Deepa Pamnani	Sister(s)
	Late Mr. Karumal Sangtani	Spouse's Father
	Late Ms. Kamla Devi Sangtani	Spouse's Mother
	Mr. Nanak Ram	Spouse's Brother
	Late Ms. Bhagwani Devi Late Ms. Baby Devi Late Ms. Jayawanti Devi Ms. Kamla Devi	Spouse's Sister

Companies, partnership firms, proprietary concerns, trusts, HUF's related to our Corporate Promoter

Nature of Relationship/ Reason for inclusion	Entity
A subsidiary or holding company of the Promoter	**Subsidiary Company(ies)** 1. Veto Switchgears and Cables Limited; 2. Veto Power Products Private Limited; 3. Veto Electric Components Private Limited; 4. Veto Retails Private Limited; 5. Veto Exim Private Limited; 6. Veto Electricals Private Limited; 7. Veto Lightning Private Limited; and 8. Vankon Switchgears and Cables Private Limited **Holding Company** 1. Gurnani Holding Private Limited
Any company in which the Promoter holds ten percent or more of the equity share capital or which holds ten percent or more of the equity share capital of the promoter	1. Veto Switchgears and Cables Limited; 2. Veto Power Products Private Limited; 3. Veto Electric Components Private Limited; 4. Veto Retails Private Limited; 5. Veto Exim Private Limited; 6. Gurnani Holding Private Limited; 7. JMTC FZCO LLC, Dubai; and 8. Pink City Build Home Private Limited
Any company in which a group of individuals or companies or combinations thereof which hold twenty percent or more of the equity share capital in that body corporate also holds twenty percent or more of the equity share capital of Veto Switchgears and Cables Limited	Nil

Companies, partnership firms, proprietary concerns, trusts, HUF's related to our Individual Promoters

Nature of Relationship/ Reason for inclusion	Entity
Any body corporate in which 10% or more of the share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his immediate relatives is a member	1. Akshay Vishnu Real Estate Pvt. Ltd. 2. Esma Construction Pvt. Ltd. 3. Guarani Infra Developers Pvt. Ltd. 4. Gurnani Holdings Pvt. Ltd. 5. Gurnani Realtors Pvt. Ltd. 6. Harikripa Realmart Pvt. Ltd. 7. Jai Jhulelal Build Estate Pvt. Ltd. 8. Jaipur Buildmart Pvt. Ltd. 9. Kanchan Cables Pvt. Ltd. 10. Kiran Kripa Realmart Pvt. Ltd. 11. Kripa Realmart Pvt. Ltd. 12. Kunal Build Estate Pvt. Ltd. 13. Limitless Buildmart Pvt. Ltd. 14. Mahima Hand base Pvt. Ltd. 15. Mukesh Buildhome Pvt. Ltd. 16. Mukesh Propcon Pvt. Ltd. 17. Narayan Realhome developers Pvt. Ltd. 18. Nikhil Township Pvt. Ltd. 19. Pinkcity Buildhome Pvt. Ltd. 20. Rajasthan Builders Pvt. Ltd. 21. Rishikripa Realmart Pvt. Ltd. 22. Veto Lightings Pvt. Ltd. 23. Vimal Power Cables Pvt. Ltd. 24. VNB Marketing Pvt. Ltd. 25. J Accuracy Electrical Co. LLC, Dubai

Nature of Relationship/ Reason for inclusion	Entity
	26. J. M. Trading LLC, Dubai 27. Jaipur elect. INS & tools LLC, Sharjah, Dubai 28. JMTC FZCO LLC - DUBAI
Any body corporate in which a company as mentioned above, holds 10% or more, of the equity share capital	1. Esma Construction Pvt. Ltd. 2. Gurnani Infra Developers Pvt. Ltd. 3. Jaipur Build Vision Pvt. Ltd. 4. Kripa Realmart Pvt. Ltd. 5. Mukesh Propcon Pvt. Ltd. 6. Pinkcity Buildhome Pvt. Ltd. 7. Veto Electropowers (India) Pvt. Ltd.
Any HUF or firm in which the aggregate share of the Promoter and his immediate relatives is equal to or more than 10% of the total	1. Gurnani Financial Services 2. Veto Polymer and Metals 3. Veto Power 4. Jai Electricals 5. Jai Enterprises 6. RG Cables

Other than those stated above, there are no HUFs, proprietorships or other entities that are part of our Promoter Group.

GROUP COMPANIES

Unless otherwise stated none of the companies or other entities forming part of Group Companies is a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and neither of them have incurred any losses or have negative cash flows or are in the process of winding up. Further, none of our Group Companies, have not made any public issue of securities in the preceding three years. The information with regard to Promoter(s) interest in any group company(ies) is as on August 28, 2012.

Companies

1. JMTC FZCO - Dubai
2. J.M. Trading Company (L.L.C), Dubai
3. Veto Electropowers (India) Private Limited.
4. J. Accuracy Electricals Co. (L.L.C), Dubai
5. Jaipur Electricals Inst. & tools (L.L.C), Sharjah
6. Akshay Vishnu Real Estate Private Limited
7. Esma Construction Private Limited.
8. Gurnani Holdings Private Limited
9. Gurnani Infra Developers Private Limited
10. Gurnani Realators Private Limited
11. Jaipur Build Vision Private Limited
12. Kanchan Cables Private Limited
13. Kripa Realmart Private Limited
14. Kunal Build Estate Private Limited
15. Limitless Buildmart Private Limited
16. Mukesh Build Home Private Limited
17. Mukesh Propcon Private Limited
18. Narayan Real Home Private Limited
19. Pinkcity Build Home Private Limited
20. Veto Electric Components Private Limited.
21. Veto Exim Private Limited.
22. Veto Power Products Private Limited.
23. Veto Retails Private Limited.
24. VNB Marketing Private Limited.

Partnership firms

1. Gurnani Financial Services
2. Veto Power
3. Veto Polymer and Metals

Sole Proprietary Firms

1. R G Cable Industries

HUFs

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Trusts

1. Yashoda Devi Rewachand Gurnani Charitable Trust

Details of Group Companies

Top five Group Companies based on Sales/ Turnover

1. **JMTC FZCO, Dubai**

Corporate Information

JMTC FZCO was incorporated on March 20, 2007. It is a free zone company with limited liability pursuant to law no. 2 of 1986 of H.H. Sheikh Maktoum Bin Rashid Al Maktoum the ruler of Dubai.

Main Objects

The company is engaged in the trading of electrical wires, cables and accessories.

Interest of Promoters

Our Promoter Mr. Mohandas Gurnani holds 70% of JMTC FZCO Dubai.

Financial Information

(AED in Lacs)

Particulars	December 31, 2011	December 31, 2010	December 31, 2009
Equity Capital (10 shares)	10.00	10.00	10.00
Statutory Reserve	5.00	5.00	5.00
Revaluation Reserve	225.65	257.40	289.16
Reserves (excluding Revalution Reserves)	98.45	93.18	82.69
Networth	579.74	637.98	691.00
Total Income	1,885.58	1,857.23	1,767.66
Profit Afer Tax	66.69	61.42	50.93
Earnings per share	6.67	6.14	5.09
Net Asset Value per share	33.91	36.56	38.68

2. **J.M. Trading Company (L.L.C), Dubai (JMTC)**

Corporate Information

JMTC was incorporated on March 4, 2001. It is a limited liability company registered in Sharjah, United Arab Emirates as per U.A.E Commercial Companies law no 8 of 1984 as amended.

Main Objects

The company is engaged in the business of trading of electrical wires, cables and accessories

Interest of Promoters

Our Promoter Mr. Mohandas Gurnani holds 25% of JMTC.

Financial Information

(AED in Lacs)

Particulars	December 31, 2011	December 31, 2010	December 31, 2009
Equity Capital (300 shares)	3.00	3.00	3.00
Reserves (excluding Revalution Reserves)	6.55	5.98	5.30
Networth	9.55	8.98	8.30
Total Income	355.84	369.28	358.41
Profit Afer Tax	0.57	0.68	1.33

Particulars	December 31, 2011	December 31, 2010	December 31, 2009
Earning per share	188.94	227.10	444.87
Net Asset Value per share	0.03	0.03	0.03

3. **Veto Electropowers (India) Private Limited. (VEIPL)**

Corporate Information

VEIPL was incorporated on March 20, 2007 vide Certificate of Incorporation issued by the Registrar of Companies, Maharashtra at Mumbai. The CIN of VEIPL is U31909MH2007PTC168956.

Main Object

1. To carry on the business as manufacturers, importers, exporters, retailers. Assemblers, distributors, stockiest, traders, dealers, wholesalers, brokers, manufacturer's representative, selling agents, purchasing agents, commission agents, dealers in electrical fittings, fans and accessories, PVC wires, cables of all types and kinds, copper conductors, aluminum conductors or others conductors made by any mailers of substance, electrical lamps, including vacuum and gas filed lamps, general lighting, luminaries and accessories etc & 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.

Interest of our Promoter

Our promoters, Mr. Mohan Das Gurnani and Mr. Narayan Das Gurnani hold 6.71% and 4.19% respectively in VEIPL.

Financial Information

₹ *in lacs*

Particulars	FY 2011-12	FY 2010-11	FY 2009-10
Equity Capital	1,310.50	1,310.50	144.50
Reserves (excluding Revaluation Reserves)	3,569.84	3,494.14	4,113.90
Networth	4,880.34	4,804.64	4,258.40
Total Income	3,630.15	2,554.42	2,864.83
Profit After Tax	75.70	460.75	153.90
Earning Per Share (Rs)	0.58	3.52	10.65
Net Asset Value per share (Rs)	37.24	36.66	294.70

4. **J. Accuracy Electricals Co. (L.L.C), Dubai (JAEC)**

JAEC was incorporated on April 30, 2007. It is a limited liability company registered in Sharjah, United Arab Emirates as per U.A.E Commercial Companies law no 8 of 1984 as amended.

Main Objects

The company is engaged in the business of trading of electrical wires, cables and accessories

Interest of Promoters

Our Promoter Mr. Mohandas Gurnani holds 29% of JAEC.

(AED in Lacs)

Particulars	December 31, 2011	December 31, 2010	December 31, 2009
Equity Capital (300 shares)	3.00	3.00	3.00
Reserves (excluding Revalution Reserves)	11.16	10.59	10.56
Networth	14.16	13.59	13.56
Total Income	178.12	171.33	172.53
Profit Afer Tax	0.56	0.03	0.09
Earning per share	187.76	9.91	30.43
Net Asset Value per share	0.05	0.05	0.05

5. **Jaipur Electricals Inst. & Tools (L.L.C), Sharjah (JEIT)**

Corporate Information

JEIT was incorporated on May 16, 1993. It is a limited liability company registered in Sharjah, United Arab Emirates as per U.A.E Commercial Companies law no 8 of 1984 as amended.

Main Objects

The company is engaged in the business of trading of electrical wires, cables and accessories.

Interest of Promoters

Our promoter, Mr. Mohan Das Gurnani holds 25% of JEIT.

Financial Information

(AED in Lacs)

Particulars	December 31, 2011	December 31, 2010	December 31, 2009
Equity Capital (300 shares)	3.00	3.00	3.00
Reserves (excluding Revalution Reserves)	3.32	2.56	2.18
Networth	6.32	5.56	5.18
Total Income	15.68	15.73	15.56
Profit Afer Tax	0.76	0.37	0.68
Earning per share	253.53	124.54	227.90
Net Asset Value per share	0.02	0.02	0.02

Other Companies

6. **Akshay Vishnu Real Estate Private Limited (AVREPL)**

Corporate Information

AVREPL was incorporated on March 20, 2007 vide Certificate of Incorporation issued by the Registrar of Companies, Rajasthan at Jaipur. The CIN of AVREPL is U45201RJ2005PTC020465.

Main Objects

1. To purchase, sell, acquire, get convert, develop, improve, construct, hold with absolute or limited right or on lease, sub- lease or otherwise and to erect, construct, build, demolish, re- erect, alter, repairs, furnish and maintain land, including agricultural land, buildings, houses, farm houses, residential flats, commercial complexes, residential cum commercial complexes, industrial land, colonies, markets, shops, factories mils, godowns and building for hotels, restaurants and cinema houses, roads, bridges, dams, canals, and wells in India or abroad and to manage land building, whether in India or abroad.

2. To carry on the business of contractors, sub – contractors, interior designers/ decorators, general construction, builders, engineers, mechanical, electrical, chemicals, civil, irrigation and hauliers and to lay out, develop, construct, build, erect, demolish, re erect, alter, repair, remodel or do any other work in connection with any building or building scheme, roads, docks, ships sewers, bridges, canals, wells, springs, dams, power plants, reservoirs, embarkments, railways, irrigations, reclamations improvements, sanitary, water, gas, electric light, telephone, telegraphic, television, antenna and power supply works or any other structural or architectural work of any kind or whatsoever and to prepare estimates, designs, plants, specifications or models and to carry on the business of advisers, consultants, planners, engineers or managers in connection with construction, reconstruction, development, improvement of all kinds of land, buildings, colonies or apartment buildings in India and abroad and to act as town planners, building contractors, surveyors, valuers and appraisers. \

Interest of Promoters

Our Promoter, Mr. Vishnu Kumar Gurnani holds 50% of AVREPL.

7. **ESMA Constructions Private Limited (ESMA)**

Corporate Information

ESMA was incorporated on April 24, 1996 vide Certificate of Incorporation issued by the Registrar of Companies, Rajasthan at Jaipur. The CIN of ESMA is U45201RJ1996PTC011946.

Main Objects

1. To construct, build, purchase, sell equipment, furnish, decorate, improve, maintain, manage, lease, barter, grant, concession / license or otherwise deal in-in Land, Estate(s), Building(s), Flat(s), Commercial Property(s), township, markets hotels and others lands, properties of any description, whatsoever or any estate and to exploit right(s), of whatever nature connected with the said properties or estate equipment the same or any part there-of with all or any amenities or conveniences, drainage facility, electric, telegraphic, telephonic, television installations and other infrastructural facilities.

2. To set up scientific parks, play parks, Children Parks, Disney Lands, technology centers, world trade centers, research and development centers, commercial complexes, including production modules, residential house on turn key basis in India and abroad.

3. To conceive design, lay out, develop, construct, build, erect, demolish, re- erect, alter, repairs, remodel or do such other work for development of Industrial area and townships, modern cities with full provision and facilities for common services like water electricity, dish antenna, research education, road, highway, docks, ships, sewers, bridges, canals, wells, springs, serials, dams, power plants, boars, wharves, ports, reservoirs, embankments, improvements, sanitary, water, gas, electric light, telephonic, telegraphic fax facilities and power supply works or any others structural or architectural work of any kind or whatsoever and to prepare estimate, designs, plants, specifications or models.

4. To undertake and carry out the business as builders, contractors, engineers, Architectures, designs, decorators, and of rending or architectural, structural, engineering and technological services as consultants, designers, decorators, sanitary experts, supervisors, surveyors, investigators', appraisers, valuers, planner, management exports, cost/financial accounting experts and co-ordinators etc.

5. To render expert advice or consultancy for or to aid /assist in entering into and to arrange for or to enter into any collaboration agreement(s) or arrangement(s) with any person. Firm, company, body corporate, association and/or organization for the construction / erection, supplying of technical know-how for such construction industrial project(s).planning and designing for any project(s) or for improvement of any existing unit(s).

Interest of our Promoter

Our promoter, Mr. Narayan Das Gurnani holds 4.75% respectively of ESMA.

8. **Gurnani Holdings Private Limited. (GHPL)**

Corporate Information

GHPL was originally incorporated as Dinesh Babulal Realestate Private Limited on February 20, 2006 vide Certificate of Incorporation issued by the Registrar of Companies, Rajasthan, at Jaipur. Subsequently the name of the company was changed to the present name on May 24, 2007. The CIN of GHPL is U70101RJ2006PTC022106.

Main Objects

1. To carry on the business of the investment or an investment trust to undertake and transact the trust and agency investment portfolio investment, financial business, and to lend or invest money, invest in share and securities, negotiate loan, in any form or manner, to draw, accept, endorse, discount, buy, sell and deal in bill of exchange, hundies, promissory notes, and negotiable instrument, securities, and also to subscribe, for, underwrite, invest, acquire and hold, sell and exchange and deal in shares, stocks, bonds or debentures, or securities of any

government or public authority or company, whether limited or private limited, gold and silver and bullion and to form, promote, subsidize and assist companies, syndicates and partnerships to promote and finance industrial undertaking and to undertake any business, transaction or operation commonly carried on or undertaken by capitalists, promoters, financiers and underwriters.

2. Subject to the approval of RBI to Carry on the business of leasing and hire purchase, sick- industries Rehabilitation, Bridge financing, Bill discounting, international capital market operation, money market operation, share finance, venture capital finance and inter-related activities of lending money financial industries enterprises. Borrow money, accepting deposits and loans.

Interest of our Promoter

Our Promoters, Mr. Vishnu Kumar Gurnani, Mr. Naryan Das Gurnani and Mr. Mohan Das Gurnani hold 15%, 10% and 72% respectively of GHPL.

9. **Gurnani Infra Developers Private Limited (GIDPL)**

Corporate Information

GIDPL was incorporated on December 22, 2006 *vide* Certificate of Incorporation issued by the Registrar of Companies, Maharashtra, at Jaipur. The CIN of GIDPL is U45201MH2006PTC166450.

Main Objects

To carry on the business in India or abroad of builders, consultants, developer contractors, designers, architects, decorators, erectors of buildings, houses, apartments, infrastructure & I. T. Park project & scheme, Structures, residential, office, industrial, mail, institutional or commercial developers of housing, scheme, executes & take up redevelopment & slum rehabilitation projects, townships, factories, restaurants, café refreshment rooms, cinema house, multiplexes, irrigations, embankments, sewage, drainage, reclamations, convention Centers, Trade sites, holiday resorts, motels and preparing, of building sites, for constructing, reconstructing, erecting, altering, improving, enlarging, developing, decorating, furnishing, maintaining of structures, flats, houses, factories, garages, warehouses, building, works, workshops, hospitals, clinics, godowns, infra structure development & activities related to real estate business and others commercial places and conveniences to purchases for development, or for re- sale, lands, houses buildings, structures and others property or TDR or any interest therein and purchase, sell lease, hire, exchange or otherwise deal in land and house property.

Interest of our Promoter

Our Promoter, Mr. Narayan Das Gurnani holds and Mr. Mr Mohan Das Gurnani hold, 14.76% and 51.66% respectively of GIDPL.

10. **Gurnani Realators Private Limited. (GRPL)**

Corporate Information

GRPL was incorporated on January 15, 2011 vide Certificate of Incorporation issued by the Registrar of Companies, Rajasthan at Jaipur. The CIN of GRPL is U70101RJ2011PTC033774.

Main Objects

1. To carry on the business of contractors, sub – contractors, interior designers/ decorators, general construction, builders, colonizers, developers, engineers, mechanical, electrical, chemical, civil, irrigation and haulers and to lay out, develop, construct, build, erect, demolish, re- erect, alter, repairs, remodel or do any other work in connection with any building or building scheme, economic parks and commercial zones, SEZ, townships, colonies, factories, roads docks, ships, sewers, bridges, canals, wells, springs, dams, power plants, reservoirs, embankments, railway, irrigations, reclamations, improvements, sanitary, water, gas, electric light, telephones, telegraphic, television, antenna and power supply works or any others structural or architectural work of any kind or whatsoever and to prepare estimate, designs, plants, specifications or models and to purchase, acquire, get convert, develop. Improve, hold or give with absolute or limited rights on lease, sub lease or others wise or

in exchange and to invest individually or through joint venture or foreign collaborations in the aforesaid areas and deal to in any other lawful manner and to maintain land, including agriculture land, building, houses, farm houses, residential flats, commercial complexes, multiplex, industrial land, colonies, markets, shops, factories, mills, godowns and building for hotels, restaurants and cinema houses, educational institutions roads, bridges, dams, canals, and wells, in India or abroad, and to manage land, building, whether in India or abroad and to collect rents and income.

2. To carry on the business as colonizers, developers, investors, civil engineers, managers, advisers, consultants, planners, engineers, architects, designers, building experts, town planners, building contractors, surveyors, valuers and appraisers, promoters, investors, contractors, sub-contractors of governments, semi- governments in connection with the development and improvement of all kind of infrastructure be it commercial, residential, industrial or others.

Interest of our Promoter

Our Promoters, Mr. Vishnu Kumar Gurnani, and Mr. Mohan Das Gurnani hold 20% and 40%, respectively of GRPL.

11. **Jaipur Buildvision Private Limited (JBPL)**

Corporate Information

JBPL was incorporated on April 17, 2008 vide Certificate of Incorporation issued by the Registrar of Companies, Rajasthan at Jaipur. The CIN of JBPL is U45201RJ2008PTC026384.

Main Objects

1. To deal in immovable properties such as land and buildings and to purchase, acquire, take or give on lease or in exchange or in any other lawful manner in India or abroad land including agricultural land, udhyan, park, resorts, farms, plot, buildings, structures, farm houses and estates, real estates or interest therein and any rights over or connected with them and to develop the same for sale on instalments or by preparing building sites and by constructing, altering, improving, developing, promoting, decorating, furnishing, maintaining of heritage spots, hotels, udhyan, resorts, malls, plazas, appartments, shopping malls, farm houses, complexes, commercial and residential buildings, colonization, multi storey offices, multiplex, amusement park, flats, gardens, houses, shops, showrooms and townships and to equip them or any part thereof with all or any amenities or conveniences thereon and by consolidating or connecting or subdividing properties and leasing or disposing of the same and to manage such land and buildings.

2. To carry on the business as colonizers, developers to act as civil engineers, managers, advisers, consultants, planners, architects, designers, building experts, promoters, contractors, sub-contractors of government, semi government in the field of real estate in India or abroad.

Interest of our Promoter

Our promoters do not hold any shares in JBPL, although our Promoters Mr. Vishnu Kumar Gurnani and Mr. Mohan Das Gurnani are the directors on the board of JBPL.

12. **Kanchan Cables Private Limited (KCPL)**

Corporate Information

KCPL was incorporated on October 18, 1994 vide Certificate of Incorporation issued by the Registrar of Companies, Rajasthan at Jaipur. The CIN of KCPL is U31300RJ1994PTC008935.

Main Objects

1. To carry on the business of manufacturing, producing, processing, generating accumulation, distributing, transferring, preserving, mixing, supplying, contracting as consultants importers, exporters, buyers, sellers, assemblers, hirers, repairers, dealers, distributors, stockists, wholesalers, retailers, jobbers, traders, agents,

brokers, representative, collaborators, of manufacturing, marketing, managing, leasing, renting, utilizing of electricity, steam power, solar energy, wind energy, hydel energy, thermal power energy, tidal and wave energy and other energy, sources and solar cells, solar modules and systems, power and distribution transformers, AAC, and ACSR conductors, cables and wires.

2. To carry on business of Manufacturers, producers, importers, exporters, buyers, sellers, stockists, distributors, supplying, trader, agent, brokers, of super enamelled wire, paper covered wire and strips of aluminium and copper.

Interest of our Promoter

Our promoters, Mr. Vishnu Kumar Gurnani and Mr. Mohan Das Gurnani, hold 16% and 10%, respectively of KCPL.

13. **Kripa Realmart Private Limited (KRPL)**

Corporate Information

KRPL was incorporated on June 12, 2007 vide Certificate of Incorporation issued by the Registrar of Companies, Rajasthan at Jaipur. The CIN of KRPL is U45201RJ2007PTC024586.

Main Objects

1. To deal in immovable properties such as land and buildings and to purchase, acquire, take or give on lease or in exchange or in any other lawful manner in India or abroad land including agricultural land, plot, buildings, structures, farm houses and estates, real estates or interest therein and any rights over or connected with them and to develop the same for sale on instalments or by preparing building sites and by constructing, altering, improving, developing, promoting, decorating, furnishing, ,maintaining of heritage spots, hotels, resorts, malls, plazas, appartments, shopping malls, farm houses, complexes, commercial and residential buildings, colonization, multi storey offices, multiplex, amusement park, flats, gardens, houses, shops, showrooms and townships and to equip them or any part thereof with all or any amenities or conveniences thereon and by consolidating or connecting or subdividing properties and leasing or disposing of the same and to manage such land and buildings.

2. To carry on the business as colonizers, developers to act as civil engineers, managers, advisers, consultants, planners, architects, designers, building experts, promoters, contractors, sub-contractors of government, semi government in the field of real estate in India or abroad.

Interest of our Promoter

Our Promoter, Mr Vishnu Kumar Gurnani holds 11.76% of KRPL.

14. **Kunal Buildestate Private Limited (KBPL)**

Corporate Information

KBPL was incorporated on August 02, 2005 vide Certificate of Incorporation issued by the Registrar of Companies, Rajasthan at Jaipur. The CIN of KBPL is U45201RJ2005PTC021086.

Main Objects

1. To purchase, sell, acquire, get convert, develop, improve, construct, hold with absolute or limited rights or on lease, sub lease or otherwise and to erect, construct, build, demolish, re-erect, alter, repair, furnish and maintain land, including agricultural land, buildings, houses, farm houses, residential flats, commercial complexes, residential cum commercial complexes, industrial land, colonies, markets, shops, factories, mills, godowns and building for hotels, restaurants and cinema houses, roads bridges, dams canals and wells in India or abroad and to manage land, Building, whether in India or abroad.
2. To carry on the business of Contractors, Sub- Contractors, interior decorators, General Construction, Builders, develop, construct, build, erect, alter, repair, remodel or do any other work in connection with any building or

building scheme, or any other structural or architectural work of any kind or whatsoever and to prepare estimates, designs, plants, specifications or models and to carry on the business of advisers, consultants, planners, civil engineers or managers in connection with construction, reconstruction, development, improvement of all kinds of land, buildings, colonies or apartment buildings in India or abroad.

Interest of our Promoter

Our promoter, Mr. Vishnu Kumar Gurnani holds 50% of KBPL.

15. **Limitless Buildmart Private Limited (LBPL)**

Corporate Information

LBPL was incorporated on September 10, 2007 vide Certificate of Incorporation issued by the Assistant Registrar of Companies, Maharashtra at Mumbai. The CIN of LBPL is U45200MH2007PTC173976.

Main Objects

To carry on the business in India and abroad of builders, consultants, developers, contractors, designers, decorators, erectors of buildings, houses, infrastructure and I.T. Park project and scheme, structures, residential, office, industrial or commercial developers of housing schemes executives and take –up redevelopment and slum rehabilitation projects, townships, factories, restaurants, café refreshment rooms, cinema houses, multiplexes, irrigations, embankments', sewage, drainage, reclamations, convention centers, trade centers, holiday resorts, motels and preparing of building sites, for constructing, reconstructing, erecting, altering, improving, enlarging, developing, decorating, furnishing, maintaining of structures, flats, houses, factories, garages, warehouses, buildings, works, workshops, hospitals, clinics, godowns, infra structure development and activities related to real estate business and other commercial places and conveniences to purchases for development or for re-sale lands, houses, buildings, structures and other property or TDR or any interest therein and to purchase, sell, lease hire, exchange or otherwise deal in land and house property.

Interest of promoters

Our promoters, Mr. Vishnu Kumar Gurnani holds 30% of the LBPL.

16. **Mukesh Buildhome Private Limited**. **(MBPL)**

Corporate Information

MBPL was incorporated on January 15, 2011 vide Certificate of Incorporation issued by the Registrar of Companies, Rajasthan at Jaipur. The CIN of MBPL is U70101RJ2011PTC033777.

Main Objects

1. To carry on the business of contractors, sub – contractors, interior designers/ decorators, general construction, builders, colonizers, developers, engineers, mechanical, electrical, chemical, civil, irrigation and haulers and to lay out, develop, construct, build, erect, demolish, re- erect, alter, repairs, remodel or do any other work in connection with any building or building scheme, economic parks and commercial zones, SEZ, townships, colonies, factories, roads docks, ships, sewers, bridges, canals, wells, springs, dams, power plants, reservoirs, embankments, railway, irrigations, reclamations, improvements, sanitary, water, gas, electric light, telephones, telegraphic, television, antenna and power supply works or any others structural or architectural work of any kind or whatsoever and to prepare estimate, designs, plants, specifications or models and to purchase, acquire, get convert, develop. Improve, hold or give with absolute or limited rights on lease, sub lease or others wise or in exchange and to invest individually or through joint venture or foreign collaborations in the aforesaid areas and deal to in any other lawful manner and to maintain land, including agriculture land, building, houses, farm houses, residential flats, commercial complexes, multiplex, industrial land, colonies, markets, shops, factories, mills, godowns and building for hotels, restaurants and cinema houses, educational institutions roads, bridges, dams, canals, and wells, in India or abroad, and to manage land, building, whether in India or abroad and to collect rents and income.

2. To carry on the business as colonizers, developers, investors, civil engineers, managers, advisers, consultants, planners, engineers, architects, designers, building experts, town planners, building contractors, surveyors, valuers and appraisers, promoters, investors, contractors, sub-contractors of governments, semi- governments in connection with the development and improvement of all kind of infrastructure be it commercial, residential, industrial or others.

Interest of our Promoter

Our promoters, Mr. Vishnu Kumar Gurnani and Mr. Mohan Das Gurnani, hold 20% and 40%, respectively of MBPL.

17. **Mukesh Propcom Private Limited (MPPL)**

Corporate Information

MPPL was incorporated on August 2, 2005 vide Certificate of Incorporation issued by the Registrar of Companies, Rajasthan at Jaipur. The CIN of MPPL is U45201RJ2005PTC021085.

Main Objects

1. To purchase, sell, acquire, get convert, develop, improve, construct, hold with absolute or limited right or on lease, sub- lease or otherwise and to erect, construct, build, demolish, re- erect, alter, repairs, furnish and maintain land, including agricultural land, buildings, houses, farm houses, residential flats, commercial complexes, residential cum commercial complexes, industrial land, colonies, markets, shops, factories mils, godowns and building for hotels, restaurants and cinema houses, roads, bridges, dams, canals, and wells in India or abroad and to manage land building, whether in India or abroad.

2. To carry on the business of contractors, sub – contractors, interior designers/ decorators, general construction, builders, develop, construct, build, erect, alter, repair, remodel, or do any other work in connection with any building or building scheme or any other structural or architectural work of any kind or whatsoever and to prepare estimate, designs, plants, specifications or models and to carry on the business of advisors, consultants, planners, civil engineers or managers in connection with construction, re-construction, development, improvement, of all kind of land, building, colonies or apartment buildings in India or abroad.

Interest of our Promoter

Our promoters, Mr. Vishnu Kumar Gurnani and Mr. Mohan Das Gurnani, hold 5% and 30%, respectively of MPPL.

18. **Narayan Realhome Developers Private Limited (NRDPL)**

Corporate Information

NRDPL was incorporated on January 15, 2011 vide Certificate of Incorporation issued by the Registrar of Companies, Rajasthan at Jaipur. The CIN of NRDPL is U70101RJ2011PTC033778.

Main Objects

1. To carry on the business of contractors, sub – contractors, interior designers/ decorators, general construction, builders, colonizers, developers, engineers, mechanical, electrical, chemical, civil, irrigation and haulers and to lay out, develop, construct, build, erect, demolish, re- erect, alter, repairs, remodel or do any other work in connection with any building or building scheme, economic parks and commercial zones, SEZ, townships, colonies, factories, roads docks, ships, sewers, bridges, canals, wells, springs, dams, power plants, reservoirs, embankments, railway, irrigations, reclamations, improvements, sanitary, water, gas, electric light, telephones, telegraphic, television, antenna and power supply works or any others structural or architectural work of any kind or whatsoever and to prepare estimate, designs, plants, specifications or models and to purchase, acquire, get convert, develop. Improve, hold or give with absolute or limited rights on lease, sub lease or others wise or in exchange and to invest individually or through joint venture or foreign collaborations in the aforesaid areas and deal to in any other lawful manner and to maintain land, including agriculture land, building, houses, farm houses, residential flats, commercial complexes, multiplex, industrial land, colonies, markets, shops, factories,

mills, godowns and building for hotels, restaurants and cinema houses, educational institutions roads, bridges, dams, canals, and wells, in India or abroad, and to manage land, building, whether in India or abroad and to collect rents and income.

2. To carry on the business as colonizers, developers, investors, civil engineers, managers, advisers, consultants, planners, engineers, architects, designers, building experts, town planners, building contractors, surveyors, valuers and appraisers, promoters, investors, contractors, sub-contractors of governments, semi- governments in connection with the development and improvement of all kind of infrastructure be it commercial, residential, industrial or others.

Interest of our Promoter

Our promoters, Mr. Vishnu Kumar Gurnani and Mr. Mohan Das Gurnani, hold 20% and 40%, respectively of NRDPL.

19. **Pinkcity Buildhome Private Limited (PBPL)**

Corporate Information

PBPL was incorporated on August 24, 2004 vide Certificate of Incorporation issued by the Registrar of Companies, Rajasthan at Jaipur. The CIN of PBPL is U45201RJPTC019639.

Main Objects

1. To deal in immovable properties such as land buildings on installments or otherwise and to purchase, acquire, take on lease or in exchange or in any other lawful manner in India or abroad any area land including agriculture land, buildings, structures, industrial land, factories, hotels, motels, resorts, farm houses, cinema houses and other commercial properties, estate, real estates or interest therein and any rights, over or connected with them and to develop the same for sale on installment or others wise, or for any other purpose by preparing building sites and by constructing, re-constructing, altering, improving, decorating, furnishing, and maintaining commercial and residential buildings, colonization, multi storey, offices, flats, houses, shops, showrooms and township and to equip them or any part of thereof with all or any amenities or conveniences thereon and by consolidating or connecting or subdividing properties and leasing or disposing of the same and to manage such land and buildings.

2. To carry on the business as constructors, colonizers, builders, developers, engineers, managers, advisers, consultants, planners, engineers, architects, designers, building experts, promoters, surveyors, valuers building contractors, surveyors, valuers, contractors, sub-contractors in India or abroad and to act as dealer, property dealer, commission agent in all kind of infrastructure facility, road (including tall road) bridge or rail system and other notified public facility of similar nature ie. mass rapid transport system, light rail transit system, express ways, inter urban, peri urban, roads, bus trucks terminals, Inland Container Depot (ICD) including Container Freight Stations (CFS), road dividers and multilevel computerized car parking and a highway project including highway and to carry on other activities being a integral part of highway project and water supply projects, water terminal system, irrigation projects, sanitation and sewerage system or solid waste management system and a port, airport, inland water way or inland port.

Interest of our Promoter

Our promoters, Mr. Naryan Das Gurnani, Mr. Mohan Das Gurnani and VEIPL, hold 3.60%, 10.72% and 15.51% respectively PBPL.

20. **Veto Electric Components Private Limited (VECPL)**

Corporate Information

VECPL was incorporated on January 29, 2008 vide Certificate of Incorporation issued by the Assistant Registrar of Companies, Maharashtra, Mumbai. The CIN of VECPL is U31501MH2008PTC178358.

Main Objects

1. To carry on the business as manufacturers, importers, exporters, retailers, assemblers, distributors, stockists, traders, dealers, wholesalers, brokers, manufacturer's representatives, selling agents, purchasing agents, commission agents, dealers in electrical fittings fans and accessories, pvc wires, cables of all types and kinds, copper conductors, aluminum conductors or other conductors made of any mailer of 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.

Interest of our Promoter

Our Promoters, Mr. Vishnu Kumar Gurnani and VEIPL holds, 1% and 99%, respectively of VECPL.

21. **Veto Exim Private Limited. (VEPL)**

Corporate Information

VEPL was incorporated on July 24, 2009 vide certificate of Incorporation issued by the Registrar of Companies, Rajasthan at Jaipur. The CIN of VEPL is U24232RJ2009PTC029447.

Main Objects

To carry on the business as importers, exporters, retailers. Assemblers, distributors, stockiest, traders, dealers, wholesalers, brokers, manufacturer's representative, selling agents, purchasing agents, commission agents, dealers in electrical fittings, fans and accessories, PVC resin, DOP, PP and other chemicals, wires and cables of all types and kinds, copper conductors, aluminum conductors or others conductors made by any mailers of substance, electrical lamps, including vacuum and gas filed lamps, general lighting, luminaries and accessories etc & 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.

Interest of our Promoter

Our promoters, Mr. Vishnu kumar Gurnani and VEIPL respectively hold .5 and 59.90% of VEPL.

22. **Veto Power Products Private Limited (VPPPL)**

Corporate Information

VPPPL was incorporated on February 1, 2008 vide Certificate of Incorporation issued by the Assistant Registrar of Companies, Maharashtra at Mumbai. The CIN of VPPPL is U51109MH2008PTC178430.

Main Objects

To carry on the business as manufacturers, importers, exporters, retailers. Assemblers, distributors, stockiest, traders, dealers, wholesalers, brokers, manufacturer's representative, selling agents, purchasing agents, commission agents, dealers in electrical fittings, fans and accessories, pvc wires, cables of all types and kinds, copper conductors, aluminum conductors or others conductors made by any mailers of substance, electrical lamps, including vacuum and gas filed lamps, general lighting, luminaries and accessories etc & 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.

Interest of our Promoter

Our promoters, Mr. Vishnu Kumar Gurnani and VEIPL hold 1% and 99%, respectively of VPPPL.

23. **Veto Retails Private Limited (VRPL)**

Corporate Information

VRPL was incorporated on March 24, 2008 vide Certificate of Incorporation issued by the Registrar of Companies, Rajasthan at Jaipur. The CIN of VRPL is U52190RJ2008PTC026195.

Main Objects

To carry on in India or elsewhere all or any of the business of general merchants, manufacturers, buyers, sellers, importers, exporters, traders, procurers, retailers, distributors, franchises and collaborators in all kinds and every description of wires, cables, electrical fans and accessories, PVC wires, copper conductors, aluminium conductors or other conductors made of any of the substance, electrical lamps including vacuum and gas filled lamps, general lighting lamps, luminaries and accessories, etc. and other appliances, cables, wire lines and all types of machinery, plant or apparatus and things required for or capable of being used in connection with the manufacture or 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, food products, home appliances, household and consumer goods, consumables, cosmetic items.

Interest of our Promoter

Our Promoters, Mr. Vishnu Kumar Gurnani and VEIPL holds, 1% and 99%, respectively of VRPL.

24. **VNB Marketing Private Limited (VNBMPL)**

Corporate Information

VNBMPL was incorporated on December 15, 1999 vide Certificate of Incorporation issued by the Registrar of Companies, Rajasthan at Jaipur. The CIN of VNBMPL is U51395RJ1999PTC016049.

Main Objects

1. To carry on in India or elsewhere the business to produce, market, machine, recondition, remodel, import, export, buy, sell, resale, research and to act as agent, suppliers, contractors, or otherwise to deal in all type of electrical, electronic, electro mechanical, magnetic, electro- magnetic, optical, hydraulic, pneumatic items, instrument, equipments, plants, machines, computer based industrial electronics, consumer based electronics and equipments, goods and appliances such as bulb, tube, filament, voltage stabilizers, electronic control, micro processors, based control panels, invertors, thyristorised, D. C. Drives, electric and electronic switchgears, electro pagers, telephones, communication equipments, electronic cameras, T.V. receiver sets (both colour and black and white), video cassette recorder/radio (two in one), stereo cassette decks, video games, audio and video cassette tapes, calculators, digital products softwares, display devices, communication equipments, generating sets, refrigerators, geysers, washing machines, battery charges, CVT, UPS, stabilizers, engines, hardware components, accessories, tools, their by products and combinations computers and their attachments and accessories and spares thereof and other engineering products, wireless equipments and systems printed circuit boards (PCB) and metal anodising plates.

2. To act as commission agents, dealers, stockists, distributors, traders, agent, C and F agent, auctioner, buying agent, carrier, importers and exporters of all kinds of permissible goods, products and merchandise.

3. To fabricate, develop, design, assemble, import, export, buy, sell and otherwise deal in all kinds of industrial and domestic products machines, tools, plants, equipments, instruments, appliances, computer, computer parts, computer assemble, hardwares of all kinds, general fittings and accessories.

Interest of our Promoter

Our promoters do not hold any shares in VNB, although Our Promoter Mr. Vishnu Kumar Gurnani is one of the directors on the board of VNB.

Partnership firms:

1. Gurnani Financials Services (GFS)

Corporate Information

GFS was formed pursuant to a partnership deed entered into on June 11, 2008.

Main Objects

GFS main object is of investing and trading in shares of listed companies and commodities on the floor of Stock and Commodity Exchanges.

Interest of our promoters

Our Promoter, Mr. Vishnu Kumar Gurnani is one of the partners in GFS.

2. VETO Power (VP)

Corporate Information

VP was formed pursuant to a partnership deed entered into on February 4, 2009.

Main Objects

VP's main object is to trade in electrical appliances and equipments.

Interest of Promoters

Our promoter Mr. Vishnu kumar Gurnani is one of the partners of VP.

3. Veto Polymer and Metals (VPM)

Corporate Information

VPM was formed pursuant to a partnership deed entered into on November 5, 2009.

Main Objects

VPM' main object is to engage in the manufacturing of PVC raisin, copper drying and electrical equipments.

Interest of Promoters

Our promoters Mr. Vishnu Kumar Gurnani and Mr. Narayan Das Gurnani are two of the partners of VPM.

Sole Proprietary Firms:

1. R.G. Cable Industries (RGC)

Corporate Information

RGC was constituted on December 6, 1980.

Main Objects

RGC is engaged in the business of manufacturing of wires and cables

Interest of our Promoter

Our Promoter Mr. Narayan Das Gurnani is the sole proprietor of RGC.

Trust:

1. Yashoda Devi Rewachand Gurnani Charitable Trust (YDRGCT)

YDRGCT was constituted on December 30, 2004. Our Promoters Mr. Vishnu Kumar Gurnani, Mr. Mohan Das Gurnani and Mr. Mr. Narayan Das Gurnani are the trustees of YDRGCT.

Disassociation of the Promoter from other companies/ firms in the last three years

Our Promoters have not been disassociated themselves from any of the other companies or firms in the last three years from the date of this RHP except Mr Narayan Das Gurnani as a partner from M/S Vijay Industries w.e.f April 1, 2011.

Common Pursuits amongst the Group Companies and Associate Companies with our Company

Except as stated elsewhere in the RHP, there are no common pursuits amongst any of the Group Companies and our Company.

Related Business Transactions with the Group Companies and Significance on the Financial Performance of our Company

Except as disclosed in the "Financial Information – Related Party Transactions" on page 132, our Company has not entered in to any business transaction with our Group Companies.

Sale/Purchase between Group Companies and Associate Companies

There is no transaction of sales/ purchase between the Group Companies and associate companies, where such sales/ purchase exceeds 10% of total sales/ purchase of our Company as of date of this RHP.

Business Interest of Group Companies and Associate Companies in our Company

None of the Group Companies and associate companies has any business interest in our Company.

Defunct Group Companies

None of the Group Companies remain defunct and no application has been made to the registrar of companies for striking off the name of any of the Group Companies, during the five years preceding the date of filing this RHP with Stock Exchange.

DIVIDEND POLICY

Under the Companies Act, an Indian company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders, who have the right to decrease but not to increase the amount of dividend recommended by the board of directors. Under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous Fiscal Years or out of both.

Our Company does not have a formal dividend policy. Any dividends declared are recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

Our Company has not paid any dividend in the previous five Financial Years.

Dividends are payable within 30 days of approval by the Equity Shareholders at its annual general meeting. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the "record date" are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

SECTION VI – FINANCIAL INFORMATION

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2.	Consolidated Audited Financial Information, as restated	142

STANDALONE AUDITED FINANCIAL INFORMATION, AS RESTATED

Auditor's Report

To
The Board of Directors
Veto Switchgears and Cables Limited
D-2, 1st Floor, Malad Industrial Estate,
Ramchandra Lane Extension, Kachpada,
Malad (West), Mumbai – 400064

Dear Sirs,

We have examined the Standalone Restated Summary Financial Statements and Other Financial Information of Veto Switchgears and Cables Limited (the Company) annexed to this Report which has been prepared for the purposes of inclusion in the Red Herring Prospectus / Prospectus (collectively hereinafter referred to as "Offer Document") in connection with the proposed Initial Public Offer ("IPO") of the Company in accordance with the requirements of:

i. Paragraph B (1) of Part II of Schedule II to the CompaniesAct,1956 (the Act);

ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009 ('the Regulation') issued by the Securities and Exchange Board of India ('SEBI') and amendments made thereto from time to time in pursuance of Section11of the Securities and Exchange Board of India Act,1992;

iii. The Guidance note on "Reports in Company's Prospectus" (Revised) issued by the Institute of Chartered Accountants of India ('ICAI'), to the extent applicable ('Guidance Note'); and

iv. The instructions received from the Company, requesting to examine the financial information referred to above and proposed to be included in the Offer Document of the Company inconnection with its proposed initial public offer of Equity Shares.

The Restated Summary Financial Statements and Other Financial Information have been prepared by the Company and approved by the Board of Directors of the Company.

A. Restated Summary Financial Statements:

1. We have examined the attached Stand alone Summary Statement of Assets and Liabilities, as Restated of the Company as at 30th June 2012, 31st March2012, 2011, 2010, 2009 & 2008 **(Annexure "I");**Stand alone Summary Statement of Profits and Losses, as Restated of the Company for the financial period ended on 30th June 2012 and financial year(s) ended on31stMarch 2012,2011,2010, 2009 & for the period ended on 31st March 2008 **(Annexure "II");** the Stand alone Summary Statement of Cash Flows, as Restated for the financial period ended on 30th June 2012 and financial year(s) ended on 31stMarch 2012,2011,2010, 2009 and 2008 **(Annexure "III");** Significant Accounting Policies **(Annexure "IV")** and Notes to the Restated Financial Statements **(Annexure "V")** together referred to as 'Summary Statements' as prepared by the Company and approved by the Board of Directors. These statements reflect the assets and liabilities and profits and losses for each of the relevant periods as extracted from the Financial Statements audited by us, after making therein the disclosures and adjustments required tobe made in accordance with the provisions of Schedule VIII Part-A (IX) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

2. Based on our examination of these Summary Statements, we confirm that the restated profits and losses have been arrived at after charging all expenses including depreciation ***(except provision for Gratuity & Bonus which is accounted on cash basis)*** and after making such adjustments and regrouping as in our opinion are appropriate and more fully described in the Significant Accounting Policies (Annexure "IV")

and Notes to the Restated Financial Statements (Annexure "V") respectively.

3. The Company has not declared any dividend on Equity Shares in any of the period/year.

4. We have examined the following regrouped/rearranged financial information relating to the Company, proposed tobe included in the Offer Document, as approved by the Board of Directors of the Company and attached to this report:

   a. Statement of secured borrowings with terms & conditions and assets charged as security **(Annexure "VI")**.
   b. Statement of unsecured borrowings taken by the Company **(Annexure "VII")**.
   c. Statement of Loans & Advances **(Annexure "VIII")**.
   d. Statement of Trade Receivables showing Age-wise analysis from the date they are due for payment **(Annexure "IX")**.
   e. Statement of Investments **(Annexure "X")**.
   f. Statement of Other Income **(Annexure "XI")**.
   g. Related Party Disclosures under Accounting Standard 18**(Annexure "XII")**.
   h. Summary of Accounting Ratios based on the adjusted profits/losses, relating to earnings per share, net asset value per share and return on net worth **(Annexure "XIII").**
   i. Statement of Capitalization as at 30th June, 2012 (Pre-Issue) **(Annexure "XIV").**
   j. Statement of Tax Shelter **(Annexure "XV")**.
   k. Statement of Contingent Liabilities **(Annexure "XVI")**.
   l. Statement of Earnings Per Share **(Annexure "XVII").**

5. In our opinion, the Restated Summary Financial Statements and the Other Financial Information set forth in Annexure I to XVII read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with Part II of Schedule II of the Act and the SEBI Regulations.

6. This report should not in any way construed as a re-issuance or redrafting of any of the previous audit report issued by us or by any other firm of Chartered Accountants nor should this report be construed as new opinion on any of the financial statement referred to therein.

7. This Report is intended solely for your information and for inclusion in the Offer Document inconnection with the proposed initial public offer of the Company and is not tobe used, referred to or distributed for any other purpose without our prior written consent.

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

Suresh Murarka
Partner
Mem. No.: 44739

Place: Mumbai
Date: November 12, 2012

Annexure I – Statement of Assets and Liabilities, as restated

₹ in Lacs

Particulars	Notes	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
ASSETS							
Non-Current Assets							
Fixed assets	1						
Tangible assets		762.56	770.71	698.87	733.75	578.08	533.46
Intangible assets		0.44	0.47	1.17	2.16	3.24	4.32
Capital work in progress		-	-	1.63	-	98.02	-
Non - current investments	2	10.84	10.84	9.86	9.86	0.35	0.30
Long - term loans and advances	3	495.26	247.73	258.52	202.36	11.80	9.51
Other non - current assets	4	328.55	335.09	211.22	117.88	48.37	20.85
		1,597.65	**1,364.84**	**1,181.27**	**1,066.01**	**739.86**	**568.44**
Current Assets							
Inventories	5	1,830.51	1,787.25	1,417.20	1,304.13	1,235.96	694.41
Trade receivables	6	2,110.69	2,039.59	1,588.13	1,229.99	1,275.67	777.20
Cash and cash equivalents	7	130.46	204.69	219.13	147.61	210.32	265.41
Short - term loans and advances	8	426.79	238.10	183.99	517.04	193.94	432.53
Other Current Assets	9	10.00					
		4,508.45	**4,269.63**	**3,408.45**	**3,198.77**	**2,915.89**	**2,169.55**
Total Assets (A)		**6,106.10**	**5,634.47**	**4,589.72**	**4,264.78**	**3,655.75**	**2,737.99**
LIABILITIES							
Non-current Liabilities							
Long-term borrowings	10	70.61	70.62	109.22	167.68	235.51	113.50
Deferred tax liabilities (net)	11	14.85	18.68	19.90	23.33	49.16	19.09
		85.46	**89.30**	**129.12**	**191.01**	**284.67**	**132.59**
Current Liabilities							
Trade payables	12	440.62	548.78	374.67	345.25	400.81	129.74
Short-term borrowings	13	1,977.66	1,869.66	1,796.57	2,137.09	2,010.10	1,714.84
Other current liabilities	14	294.97	404.57	291.28	194.41	228.49	291.06
Short term provisions	15	39.32	12.00	15.30	-	0.54	2.93
		2,752.57	**2,835.01**	**2,477.82**	**2,676.75**	**2,639.94**	**2,138.57**
Total Liabilities (B)		**2,838.03**	**2,924.31**	**2,606.94**	**2,867.76**	**2,924.61**	**2,271.16**
Total Net Assets (A-B)		**3,268.07**	**2,710.16**	**1,982.78**	**1,397.02**	**731.14**	**466.83**
Represented by							
Share Capital	16	1,166.00	538.21	533.23	499.90	269.15	253.60
Reserves and Surplus	17	2,102.07	2,171.95	1,449.55	897.12	461.99	213.23
		3,268.07	**2,710.16**	**1,982.78**	**1,397.02**	**731.14**	**466.83**

Annexure II – Statement of Profit and Loss Account, as restated

₹ in Lacs

Particulars	Notes	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period ended 31.03.2008
INCOME							
Revenue from operation	18	1,753.90	6,860.28	5,320.55	4,700.48	3,896.72	2,497.69
Other income	19	0.38	9.54	3.97	7.81	3.65	0.94
Total Revenue		**1,754.28**	**6,869.82**	**5,324.52**	**4,708.29**	**3,900.37**	**2,498.63**
EXPENSES							
Cost of materials consumed	20	666.93	3,524.73	2,631.37	2,586.58	1,781.14	1,388.16
Purchases of stock - in - trade	21	446.69	1,434.44	1,053.44	814.20	1,305.54	980.56
Changes in inventories of finished goods, and stock in trade	22	17.16	(211.28)	12.94	(160.57)	(330.35)	(428.03)
Employee benefits expense	23	106.28	424.45	396.88	367.00	300.05	91.09
Finance costs	24	72.25	257.64	129.24	80.90	84.23	11.75
Depreciation		24.76	105.65	90.16	87.73	75.54	51.51
Other expenses	25	203.17	580.26	517.20	522.78	415.83	161.77
Total Expenses		**1,537.24**	**6,115.89**	**4,831.23**	**4,298.62**	**3,631.98**	**2,256.81**
Profit / (Loss) before exceptional items and tax		**217.04**	**753.93**	**493.29**	**409.67**	**268.39**	**241.82**
- Prior Period Items			-	-	-	-	-
Profit / (Loss) before tax		**217.04**	**753.93**	**493.29**	**409.67**	**268.39**	**241.82**
Less : Tax expenses							
- Current tax		43.43	155.42	102.28	69.86	13.51	30.29
- MAT credit (entitlement)/utilisation		4.98	(122.68)	(92.13)	(69.49)	(27.54)	(20.80)
- Deferred tax liability / (asset)		(3.83)	(1.22)	(3.43)	(25.83)	30.06	19.10
- Fringe benefit tax		-	-	-	-	3.60	-
		44.58	**31.52**	**6.72**	**(25.46)**	**19.63**	**28.59**
Profit / (loss) for the year/Period		**172.46**	**722.41**	**486.57**	**435.13**	**248.76**	**213.23**

Annexure III - Statement of Cash Flows, as restated

₹ in Lacs

Particulars	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period ended 31.03.2008
A. Cash Flow from Operating Activities						
Profit / (Loss) before tax	**217.04**	**753.93**	**493.29**	**409.67**	**268.39**	**241.82**
Adjustments for:						
Depreciation	24.76	105.65	90.16	87.73	75.54	51.51
Finance costs	72.25	257.64	129.24	80.90	84.23	11.75
Profit on sale of fixed assets	-	(2.74)	-	-	-	-
Interest income	(0.19)	(7.58)	(0.54)	-	(0.04)	(0.03)
Operating Profit before Working Capital changes	**313.86**	**1,106.90**	**712.15**	**578.30**	**428.12**	**305.05**
Adjustments for :	-					
(Increase) / Decrease in inventories	(43.26)	(370.05)	(113.08)	(68.16)	(541.56)	(694.41)
(Increase) / Decrease in trade receivables	(71.10)	(451.46)	(358.14)	45.68	(498.47)	(777.20)
(Increase) / Decrease in short term loans and advances	(188.69)	(54.11)	333.05	(323.10)	238.60	(432.54)
(Increase) / Decrease in other current assets	(10.00)	-	-	-	-	-
Increase/(Decrease) in trade payable	(108.16)	174.12	29.42	(55.56)	271.07	129.74
Increase/(Decrease) in other current liabilities	(109.60)	113.28	96.88	(34.09)	(62.56)	291.06
Increase/(Decrease) in short term provisions	-	-	-	-	-	-
Cash generated from / (used in) operations	**(216.95)**	**518.68**	**700.28**	**143.07**	**(164.80)**	**(1,178.30)**
Direct taxes Paid	(16.11)	(158.72)	(86.98)	(70.40)	(19.50)	(27.36)
Net cash flow from / (used in) operating activities	**(233.06)**	**359.96**	**613.30**	**72.67**	**(184.30)**	**(1,205.66)**
B. Cash Flow from Investing Activities						
Purchase of Investments	-	(0.98)	-	(9.51)	(0.05)	(0.30)
Purchase of fixed assets	(16.59)	(182.98)	(54.28)	(144.30)	(119.07)	(589.29)
Capital work in progress	-	-	(1.63)	-	(98.02)	-
Sale Proceeds from fixed assets	-	10.55	-	-	-	-
(Increase) / Decrease in long term loans & advances	(247.53)	10.79	(56.17)	(190.56)	(2.29)	(9.51)
(Increase) / Decrease in other non current assets	1.55	(1.18)	(1.21)	(0.02)	0.01	(0.05)
Redemption / maturity of bank deposits (having maturity of more than 3 months)	24.92	(13.44)	(11.54)	-	-	-
Interest income	0.19	7.58	0.54	-	0.04	0.03
Net cash flow from / (used in) investment activities	**(237.46)**	**(169.66)**	**(124.29)**	**(344.39)**	**(219.38)**	**(599.12)**
C. Cash Flow from Financing Activities						
Proceeds from issue of shares	627.79	4.98	33.33	230.75	15.55	253.60

Particulars	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period ended 31.03.2008
Proceeds from securities premium	(242.34)	(0.01)	66.67	-	-	-
Share issue expenses	-	-	(0.81)	-	-	-
Increase/(Decrease) in short term borrowings	108.02	73.09	(340.52)	126.99	295.26	1,714.83
Increase/(Decrease) in long term borrowings	(0.01)	(38.60)	(58.46)	(67.83)	122.01	113.51
Finance costs	(72.25)	(257.64)	(129.24)	(80.90)	(84.23)	(11.75)
Net cash flow from / (used in) financing activities	**421.21**	**(218.18)**	**(429.03)**	**209.01**	**348.59**	**2,070.19**
Net increase / (decrease) in cash and cash equivalents	**(49.31)**	**(27.88)**	**59.98**	**(62.71)**	**(55.09)**	**265.41**
Cash and cash equivalents at the beginning of the year	179.71	207.59	147.61	210.32	265.41	-
Cash and cash equivalents at the end of the year	**130.40**	**179.71**	**207.59**	**147.61**	**210.32**	**265.41**

Annexure "IV":Statement of Significant Accounting Policies (As Restated)

1. Basis of Accounting

i) The Financial Statements have been prepared in compliance with the Accounting Standards notified by Companies (Accounting Standard) Rules 2006 and the relevant provisions of the Companies Act, 1956 in all material aspects.

ii) Financial Statements are based on historical cost convention and are prepared on accrual basis.

2. The Company follows the accrual basis of accounting except in the following cases, where the same is recorded on the cash basis.

i) Gratuity & Leave encashment liability, if any.

ii) Insurance claim, if any.

3. Revenue Recognition:

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

ii) Sales are recognised when all significant risks and reward of ownership of the goods are passed on to the buyer.

iii) Revenue in respect of export sales is recognised on shipment of products.

iv) Interest is recognised on a time proportion basis taking in to account the amount outstanding and the rate applicable.

4. Fixed Assets

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.

5. Depreciation

i. Depreciation on all Fixed Assets is provided on Written Down Value Methodas per the rates and in the manner specified in Scheduled XIV of the Companies Act, 1956.

ii. Goodwill& Trade mark has been amortized over a period of five years.

6. Valuation of Inventories

i) Raw Materials are valued at lower of cost or net realizable value.

ii) Packing Materials are valued at cost or net realizable value.

iii) Stocks of Finished Goods are valued at lower of cost or net realisable value.

iv) Stock in Trade is valued at lower of cost or net realisable value.

7. 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.

8. Borrowing Costs

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

9. Foreign Currency Transactions

i) The transactions in foreign currencies on revenue accounts are stated at the rate of exchange prevailing on the date of transaction.

ii) The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realisation is charged to the statement of profit & loss.

iii) Difference on translation Current Assets and Current Liabilities remaining unsettled at the year end are recognised in the statement of profit and loss.

10. Investments

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

11. Miscellaneous Expenditure

Miscellaneous Expenditure, such as Preliminary expenditure, are Written off in the year in which these are incurred.

12. Treatment of Contingent Liabilities

i) Contingent Liabilities in respect of show cause notices received are considered only when they are converted into demands. Payments in respect of such demands, if any are shown as advances.

ii) Contingent Liabilities under various fiscal laws includes those in respect of which the Company/Department is in appeal.

iii) Contingent liabilities are disclosed by way of notes to the accounts.

13. Accounting for Taxes on Income

Current taxes

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

Deferred Taxes

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

Fringe Benefits

Provisions for Fringe Benefits Tax (FBT) have been recognized on the basis of harmonious contextual interpretation of the provision of the Income Tax Act, 1961.

Annexure V- Notes to the restated financial statements

₹ in Lacs

Note 1: Fixed Assets

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Tangible assets						
Leasehold Land at SIDCUL						
Gross Block	117.47	117.47	117.47	117.47	77.76	77.76
Less: Accumulated Depreciation	5.37	5.04	3.74	2.43	1.56	0.70
Net Block	112.10	112.43	113.73	115.04	76.20	77.06
Factory Building						
Gross Block	313.71	313.71	303.06	291.10	173.56	173.56
Less: Accumulated Depreciation	106.42	101.12	77.66	53.58	29.45	13.44
Net Block	207.29	212.59	225.40	237.52	144.11	160.12
Plant & Machinery						
Gross Block	505.38	500.96	443.05	422.20	371.65	291.36
Less: Accumulated Depreciation	219.68	209.45	167.29	120.40	75.25	31.37
Net Block	285.70	291.51	275.76	301.80	296.40	259.99
Office Equipments						
Gross Block	7.81	7.77	7.01	14.77	12.49	9.40
Less: Accumulated Depreciation	3.08	2.91	2.15	4.04	2.70	1.35
Net Block	4.73	4.86	4.86	10.73	9.79	8.05
Furniture & Fixtures						
Gross Block	58.98	58.59	54.11	39.03	26.80	11.43
Less: Accumulated Depreciation	24.23	22.60	14.86	9.08	4.21	0.93
Net Block	34.75	35.99	39.25	29.95	22.59	10.50
Computers						
Gross Block	10.74	10.48	9.60	7.78	6.17	3.73
Less: Accumulated Depreciation	7.97	7.68	5.98	4.29	2.59	0.75
Net Block	2.77	2.80	3.62	3.49	3.58	2.98
Vehicles						
Gross Block	167.41	155.93	65.05	52.81	34.42	16.54
Less: Accumulated Depreciation	52.19	45.40	28.80	17.59	9.01	1.78
Net Block	115.22	110.53	36.25	35.22	25.41	14.76
Total tangible assets	**762.56**	**770.71**	**698.87**	**733.75**	**578.08**	**533.46**
Intangible assets						
Goodwill						
Gross Block	5.40	5.40	5.40	5.40	5.40	5.40
Less: Accumulated Depreciation	5.40	5.40	4.32	3.24	2.16	1.08
Net Block	-	-	1.08	2.16	3.24	4.32
Trade Mark						
Gross Block	0.54	0.54	0.11	-	-	-
Less: Accumulated Depreciation	0.10	0.07	0.02	-	-	-
Net Block	0.44	0.47	0.09	-	-	-
Total intangible assets	**0.44**	**0.47**	**1.17**	**2.16**	**3.24**	**4.32**
Capital Work in Progress	-	-	1.63	-	98.02	-
Grand Total	**763.00**	**771.18**	**701.67**	**735.91**	**679.34**	**537.78**

Note 2 : Non - current investments

₹ in Lacs

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Trade, Unquoted Equity Instruments						
Investment in Subsidiaries	-	-	-	-	-	-
Veto Electricals Private Limited 90,000 Equity Shares of Rs.10/- each fully paid up	9.00	9.00	9.00	9.00	-	-
Veto Lightings Private Limited 5,100 Equity Shares of Rs.10/- each fully paid up	0.51	0.51	0.51	0.51	-	-
Vankon Switchgears and Cables Private Limited 9,800 Equity Shares of Rs.10/- each fully paid up	0.98	0.98	-	-	-	-
Non - trade, Unquoted						
Investment in National Saving Certificates	0.35	0.35	0.35	0.35	0.35	0.30
	10.84	**10.84**	**9.86**	**9.86**	**0.35**	**0.30**

Note 3: Long-term loans and advances

₹ in Lacs

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Capital Advances	53.87	49.25	58.49	-	-	-
Security Deposits	16.29	16.29	18.37	18.34	11.80	9.51
Advance tax and TDS (Net of provisions)	-	-	-	1.52	-	-
Loans and advances to related parties						
- Loans & Advances	175.10	182.19	181.66	182.50	-	-
- Security Depsoits	250.00	-	-	-	-	-
	495.26	**247.73**	**258.52**	**202.36**	**11.80**	**9.51**

Note 4: Other non-current assets

₹ in Lacs

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
MAT credit entitlement	327.67	332.65	209.96	117.84	48.34	20.80
Fixed Deposits - Held as Margin Money (Maturity Period of more than 12 Months)	0.77	2.33	1.21	-	-	-
Accrued interest	0.11	0.11	0.05	0.04	0.03	0.05
	328.55	**335.09**	**211.22**	**117.88**	**48.37**	**20.85**

Note 5: Inventories

₹ in Lacs

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Finished goods	528.34	608.78	534.69	626.83	334.33	283.49
Stock in trade	619.19	555.91	418.72	339.52	471.45	191.94
Raw materials	635.43	570.88	430.35	312.67	398.64	201.50

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Packing materials	47.55	51.68	33.44	25.11	31.54	17.48
	1,830.51	**1,787.25**	**1,417.20**	**1,304.13**	**1,235.96**	**694.41**

Note 6: Trade Receivables

₹ in Lacs

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Due for a period exceeding six months from the date they are due for payment	230.09	214.06	92.41	171.30	221.02	47.78
Other debts	1,880.60	1,825.53	1,495.72	1,058.69	1,054.65	729.42
	2,110.69	**2,039.59**	**1,588.13**	**1,229.99**	**1,275.67**	**777.20**

Note 7: Cash and cash equivalents

₹ in Lacs

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Balances with banks:						
On current accounts	93.16	137.32	193.81	103.37	179.80	237.54
Cash on hand	37.24	42.39	13.78	44.24	30.52	27.87
Other bank balances						
Balance with banks - Held as Margin Money	0.06	24.98	11.54	-	-	-
	130.46	**204.69**	**219.13**	**147.61**	**210.32**	**265.41**

Note 8: Short-term loans and advances

₹ in Lacs

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Loans and advances						
To related parties	43.83	27.69	45.13	23.00	40.53	312.52
To others	17.28	2.00	2.00	3.00	-	-
Advance recoverable in cash or kind	257.67	104.66	43.39	432.92	128.28	117.32
Other loans and advances						
Loans to employees	-	-	-	-	-	-
- To Related Parties	27.16	-	-	-	-	-
- To Others	62.43	86.53	83.30	52.26	21.68	1.64
Input VAT Credit	17.32	14.87	8.25	5.63	1.90	0.21
Prepaid expenses	1.10	2.35	1.92	0.23	1.55	0.84
	426.79	**238.10**	**183.99**	**517.04**	**193.94**	**432.53**

Note 9: Other Current Assets

₹ in Lacs

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
IPO Expenses Not Written Off	10.00	-	-	-	-	-
	10.00	-	-	-	-	-

Note 10: Long term borrowings

₹ in Lacs

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Term Loans (Secured)	85.86	107.19	191.80	227.00	303.91	178.81
Less: Current maturity of long term debt	59.00	77.75	84.00	75.00	75.00	68.75
Less: Interest acrrued but not due	5.86	6.19	6.80	2.00	3.91	1.81
	21.00	23.25	101.00	150.00	225.00	108.25
Hire Purchase Loans (Secured)	70.48	66.21	17.45	21.30	15.97	6.53
Less: Current maturity of long term debt	20.87	18.84	9.23	3.62	5.46	1.28
	49.61	47.37	8.22	17.68	10.51	5.25
	70.61	**70.62**	**109.22**	**167.68**	**235.51**	**113.50**

Note 11: Deferred tax liabilities (net)

₹ in Lacs

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Deferred Tax Liabilities / (Assets)						
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	14.85	18.68	19.91	23.72	50.01	21.14
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	-	(0.01)	(0.39)	(0.85)	(2.05)
Deferred Tax Liabilities (Net)	**14.85**	**18.68**	**19.90**	**23.33**	**49.16**	**19.09**

Note 12: Trade Payables

₹ in Lacs

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Due to Micro, Small & Medium Enterprises	-	-	-	-	-	-
Due to Others	440.62	548.78	374.67	345.25	400.81	129.74
	440.62	**548.78**	**374.67**	**345.25**	**400.81**	**129.74**

Note 13: Short term borrowings

₹ in Lacs

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Working Capital Loans (Secured)	1,977.66	1,865.08	1,053.54	727.67	385.30	223.04

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Interest free loans from related parties (Unsecured)	-	4.58	743.03	1,409.42	1,624.80	1,491.80
	1,977.66	**1,869.66**	**1,796.57**	**2,137.09**	**2,010.10**	**1,714.84**

Note 14: Other current liabilities

₹ in Lacs

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Current maturity of long term debt	26.72	96.59	93.23	78.62	80.46	70.03
Interest accrued but not due	59.00	6.19	6.80	2.00	3.91	1.81
Employee Benefits Payable	22.63	18.40	18.02	3.68	6.44	1.96
Duties and taxes payable	55.05	74.10	45.08	15.86	24.19	14.15
Book Overdrafts	-	-	-	-	-	0.17
Trade Deposits	33.54	30.40	25.44	34.42	-	-
Advance from Debtors	96.97	176.99	100.24	18.43	50.34	191.38
Provision for expenses	1.07	1.90	2.47	41.40	63.15	11.56
	294.98	**404.57**	**291.28**	**194.41**	**228.49**	**291.06**

Note 15: Short term provisions

₹ in Lacs

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Provision for tax (net of advance tax & TDS)	39.32	12.00	15.30	-	0.54	2.93
	39.32	**12.00**	**15.30**	**-**	**0.54**	**2.93**

Note 16: Share Capital

₹ in Lacs

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Authorised						
Equity shares of Rs.10/- each	1,700.00	600.00	600.00	500.00	300.00	300.00
	1,700.00	**600.00**	**600.00**	**500.00**	**300.00**	**300.00**
Issued, Subscribed and Fully Paid Up						
Equity shares of Rs. 10/- each fully paid up	1,166.00	533.23	533.23	499.90	269.15	253.60
Equity Shares of Rs. 10/- each Rs. 1/- Paid up	-	4.98	-	-	-	-
	1,166.00	**538.21**	**533.23**	**499.90**	**269.15**	**253.60**

Note 17: Reserves and Surplus

₹ in Lacs

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Securities Premium Account						
Balance at the beginning of the year	65.85	65.85	-	-	-	-
Add: On further issue of shares	348.37	-	66.67	-	-	-
Less : Utilised for Issue of Bonus Shares	406.51	-	-	-	-	-
Less: Share issue expenses	7.71	-	0.81	-	-	-

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Closing Balance	-	**65.85**	**65.86**	-	-	-
Surplus / (deficit) in the statement of profit and loss						
Balance at the beginning of the year	2,106.10	1,383.69	897.12	461.99	213.23	-
Add : Profit for the year	172.46	722.41	486.57	435.13	248.76	213.23
Less: Utilised during the year	176.49	-	-	-	-	-
Closing Balance	**2,102.07**	**2,106.10**	**1,383.69**	**897.12**	**461.99**	**213.23**
	2,102.07	**2,171.95**	**1,449.55**	**897.12**	**461.99**	**213.23**

Note 18: Revenue from operation

₹ in Lacs

Particulars	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2008
Sale of Products						
Manufactured Products	1,358.31	5,752.60	4,429.58	3,955.19	2,844.48	1,811.32
Traded Products	415.96	1,534.70	1,230.98	1,082.68	1,331.13	785.93
Less: Discounts and Sales returns	20.78	428.35	345.67	337.46	283.16	100.02
	1,753.49	**6,858.95**	**5,314.89**	**4,700.41**	**3,892.45**	**2,497.23**
Other Operating Revenue						
- Scrap Sale	0.41	0.74	3.63	-	-	0.46
Gain on Foreign Exchange Fluctuations (Net)	-	0.59	2.03	0.07	4.27	-
	1,753.90	**6,860.28**	**5,320.55**	**4,700.48**	**3,896.72**	**2,497.69**

Note 19: Other income

₹ in Lacs

Particulars	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period ended 31.03.2008
Interest Income	0.19	7.58	3.97	3.54	2.61	0.03
Profit / (loss) on sale of fixed assets	-	1.64	-	-	-	-
Miscellaneous Income	0.19	0.32	-	4.27	1.04	0.91
	0.38	**9.54**	**3.97**	**7.81**	**3.65**	**0.94**

Note 20: Cost of materials consumed

₹ in Lacs

Particulars	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period ended 31.03.2008
Raw Material						
Opening stock	570.88	430.35	312.67	398.64	201.50	176.54
Add: Purchases	731.48	3,665.26	2,749.05	2,500.61	1,978.28	1,413.12
Less: Closing stocks	635.43	570.88	430.35	312.67	398.64	201.50
	666.93	**3,524.73**	**2,631.37**	**2,586.58**	**1,781.14**	**1,388.16**

Note 21: Purchases of stock-in-trade

₹ in Lacs

Particulars	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period ended 31.03.2008
Purchase of stock in trade	446.69	1,434.44	1,053.44	814.20	1,305.54	980.56
	446.69	**1,434.44**	**1,053.44**	**814.20**	**1,305.54**	**980.56**

₹ in Lacs

Note 22 : Changes in inventories of finished goods, and stock in trade

Particulars	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period ended 31.03.2008
Finished Goods						
Opening Stock	608.78	534.69	626.83	334.33	283.49	47.40
Closing Stock	528.34	608.78	534.69	626.83	334.33	283.49
	(80.44)	74.09	(92.14)	292.50	50.84	236.09
Trading Goods						
Opening Stock	555.91	418.72	339.52	471.45	191.94	-
Closing Stock	619.19	555.91	418.72	339.52	471.45	191.94
	63.28	137.19	79.20	(131.93)	279.51	191.94
	(17.16)	**211.28**	**(12.94)**	**160.57**	**330.35**	**428.03**

Note 23 : Employee benefits expense

Particulars	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period ended 31.03.2008
Salary Wages and Bonus	96.26	386.44	366.08	333.53	273.54	79.67
Contribution to Provident Fund and Other Funds	5.02	21.22	22.08	24.94	18.92	6.84
Staff Welfare Expenses	3.80	16.00	8.72	8.53	7.59	4.58
Director's Remuneration	1.20	0.79	-	-	-	-
	106.28	**424.45**	**396.88**	**367.00**	**300.05**	**91.09**

Note 24 : Finance costs

Particulars	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period ended 31.03.2008
Interest expense						
On bank borrowings	70.12	227.83	115.74	65.45	72.44	8.21
Others	-	14.90	4.97	4.51	2.39	-
Bank Charges	2.13	14.91	8.53	10.94	9.40	3.54
	72.25	**257.64**	**129.24**	**80.90**	**84.23**	**11.75**

Note 25 : Other expenses

Particulars	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period ended 31.03.2008
Manufacturing expenses						
Job Charges	7.26	42.29	27.48	15.73	6.06	0.32
Power & Fuel	12.13	49.87	42.42	41.09	36.29	21.78
Testing & Certification Charges	-	0.19	7.39	6.55	7.16	-
Repairs & Maintenance						
- Plant & Machinery	6.23	13.34	9.68	19.23	9.43	4.38
- Factory Building	0.02	0.10	2.21	6.06	-	-
Security Expenses	1.62	5.42	5.34	3.42	-	-
Consumable & Stores	1.28	6.64	7.86	8.88	6.97	2.63
Packing Materials Consumed	28.49	140.61	103.82	122.41	78.53	48.05
Carriage Inward	3.35	17.64	18.21	19.48	19.67	12.73
Factory Insurance Premium	3.30	1.93	1.39	1.94	2.10	1.43
Other Factory Expenses	0.87	3.62	4.47	8.00	12.67	4.72
	64.55	**281.65**	**230.27**	**252.79**	**178.88**	**96.04**

Administration, Selling and Distribution expenses						
Rent	4.72	18.47	15.56	19.28	12.33	4.61
Rates & Taxes	1.34	4.73	11.37	6.24	6.79	1.76
Repairs & Maintenance						
- Building	1.00	2.42	0.96	0.83	2.13	0.75
- Others	3.06	6.91	3.93	3.43	-	-
Travelling & Conveyence	59.49	71.76	51.72	50.76	62.26	7.02
Foreign Exchange Fluctuation (Net)	3.23	-	-	-	-	-
Communication Costs	3.98	15.71	14.71	16.24	13.46	3.23
Printing & Stationery	1.99	5.73	3.48	4.09	11.13	-
Water & Electricity Charges	3.52	10.43	8.84	7.95	7.53	2.68
Legal and Professional Fees	10.26	8.20	3.52	2.95	14.68	8.26
Auditor's Remuneration	0.56	2.40	2.02	1.41	1.16	0.34
Commision	5.97	22.52	27.52	28.80	-	-
Advertising & Sales Promotion Expenses	11.20	43.63	66.55	60.06	61.32	16.17
Transportation, Freight & Handling Charges	18.79	59.11	52.18	37.82	33.78	10.96
Miscellaneous Expenses	9.51	25.59	24.57	30.13	10.38	9.95
	138.62	**297.61**	**286.93**	**269.99**	**236.95**	**65.73**
	203.17	**580.26**	**517.20**	**522.78**	**415.83**	**161.77**

Payment to Auditor

Particulars	**Period ended 30.06.2012**	**Year ended 31.03.2012**	**Year ended 31.03.2011**	**Year ended 31.03.2010**	**Year ended 31.03.2009**	**Period ended 31.03.2008**
- For Audit fees	0.56	1.36	1.21	1.16	1.16	0.34
- For Other services	-	1.04	0.81	0.25	-	-
	0.56	**2.40**	**2.02**	**1.41**	**1.16**	**0.34**

Accompanying notes to the restated financial statements

1 Backgroung

The Company is mainly engaged in the business of manufacturing and trading of Wires, Cables & Electrical Accessories.

The Restated Statement of Assets and Liabilities as at 30th June 2012, 31st March, 2012, 2011, 2010, 2009, 2008 and the related Restated Statement of Profit and Loss and Restated Statement of Cash Flows for the period ended 30th June, 2012, years ended 31st March, 2012, 2011, 2010, 2009 and period ended 31st March, 2008 (hereinafter collectively referred to as ― Restated Financial Statements) related to the Company have been prepared specifically for inclusion in the offer document to be filed by the Company with Securities and Exchange Board of India (SEBI) in connection with the proposed initial public offering of equity shares of the Company.

The Restated Financial Statements have been prepared to comply in all material respects with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act') and the Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations) issued by SEBI in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992.

2 Non-Adjustment Items

Audit qualifications for the respective periods, which require corrective adjustment in these Restated Financial Statements of the Company are as follows:

For Financial Period ended 30th June, 2008, Years ended 31st March, 2012, 2011, 2010, 2009 and period ended 30th June, 2012 ,31st March, 2008 :

In our opinion, the said Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 except, Accounting Standard 15 (AS -15) relating to Accounting of Employees Benefits. We are unable to comment upon the resultant effect on assets, liabilities and profit for the year as the amount of such benefit is presently not ascertainable.

3 Material Regroupings

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financial statements of the Company and the requirements of the SEBI Regulations.

4 Liabilities in respect of gratuity & leave encashment are accounted for on cash basis which is not in conformity with Accounting Standard (AS)15 (Revised 2005) on Employee Benefits which requires that Gratuity and Leave Encashment Liabilities be accounted for on accrual basis.

5 Contingent Liability not provided for are given in Annexure "XV"

6 Sales are reported net of discounts, rebates and returns.

7 Purchases are stated net of discounts and rate difference.

8 In the opinion of the Board the Current Assets, Loans & Advances are approximately of the value stated and realisable in the ordinary course of business. The Provision for all known liabilities is adequate & not in the excess of the amount reasonably necessary.

9 Trade receivables, trade payables and some of the loans & advances and unsecured borrowings are subject to confirmation and reconciliation. Consequential adjustment thereof, if any, will be given effect into the books of accounts in the year of such adjustments.

10 Related Party Disclosures as required in terms of 'Accounting Standard -18 are given in Annexure XI.

11 Earnings Per Share (EPS) as required in terms of 'Accounting Standard -20 are given in Annexure XVI.

12 During the financial year 2007-2008 the company is formed according to Part IX of Companies Act, 1956 by conversion of Partnership firm M/s. Veto Switchgear & Cables into company and a certificate of incorporation dated 20th June, 2007 has been received from the Registrar of Companies, Maharashtra. Accordingly,

i) Shares have been allotted to the partners of M/s. Veto Switchgears & Cables in their respective profit/loss sharing ratio to the extent of Rs.10.00 Lakhs against their fixed capital standing in the books of the firm.

ii) Balance in respective current accounts of the partners have been considered as unsecured loan/loans & advances, as the case may be.

iii) Pending completion of the formalities of transfer of titles of assets and liabilities acquired, such assets and liabilities are included in the books of the company under the name of the erstwhile firm.

13

(i) During the financial year 2010-2011, the Company at its Extra Ordinary General Meeting held on 22nd March, 2011, increased its Authorised Share Capital from Rs. 500 lakhs (divided into 50 lakh equity shares of face value Rs. 10/- each) to Rs. 600 lakhs (divided into 60 lakh equity shares of the face value Rs. 10/- per share).

(ii) During the financial period ended on 30th June, 2012, the Company at its Extra Ordinary General Meeting held on 14th May, 2012 increased its Authorised Share Capital from Rs. 600 lakhs (divided into 60 lakh equity shares of face value Rs. 10/- each) to Rs. 1700 lakhs (divided into 170 lakh equity shares of the face value Rs. 10/- per share).

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

Annexure "VI"
Statement of secured borrowings outstanding as at 30th June, 2012

Lender	Nature of loan	Sanctioned amount	Primary Security	Collateral Security	Balance as at 31.06.12	Balance as at 31.03.12	Interest rate	No. of EMI	Amount of EMI	Starting date of repayment
Indian Overseas Bank	Term Loan	375.00	Hypothecation of Factory Building, Plant & Machinery	Personal guarantee of three directors.	55.23	74.26	12.25%	60	6.25	3-May-08
Indian Overseas Bank	Term Loan	45.00	Hypothecation of Factory Building, Plant & Machinery	Personal guarantee of three directors.	30.62	32.92	12.25%	60	0.75	20-Jan-11
BMW Financial Services Private Limited	Hire Purchase Loan	37.50	Hypothecation of vehicle financed	Nil	31.55	33.04	11.00%	60	0.82	1-Jul-11
HDFC Bank Limited	Hire Purchase Loan	6.50	Hypothecation of vehicle financed	Nil	4.50	4.80	9.70%	60	0.14	5-Sep-10
ICICI Bank Limited	Hire Purchase Loan	32.00	Hypothecation of vehicle financed	Nil	24.17	26.78	2.22%	36	0.92	15-Nov-11
ICICI Bank Limited	Hire Purchase Loan	3.00	Hypothecation of vehicle financed	Nil	0.56	0.73	10.90%	60	0.06	10-May-08
HDFC Bank Limited	Hire Purchase Loan	3.99	Hypothecation of vehicle financed	Nil	0.49	0.85	9.70%	36	0.13	5-Dec-09
HDFC Bank Limited	Hire Purchase Loan	9.24	Hypothecation of vehicle financed	Nil	9.21	-	11.50%	60	20,328	5-Aug-12
Indian Overseas Bank	Working Capital Loan	1,950.00	Hypothecation of stocks of raw materials, work in process, finished goods, book debts	Personal guarantee of three directors.	1,977.66	1,865.08	12.00%	NA	NA	NA

(Rs. in lakhs)

Annexure "VII"
Statement of Unsecured borrowings taken by the Company

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Interest free loans taken from related parties						
Holding Company						
Veto Electropower (India) Private Limited	-	4.58	741.68	1,193.12	1,542.37	1,392.85
Key Management Personnel						
Babu Lal Gurnani	-	-	-	4.34	67.90	-
Kishore Kumar Gurnani	-	-	-	1.66	-	-
Narain Das Gurnani	-	-	1.35	-	-	-
Vishnu Kumar Gurnani	-	-	-	132.97	0.03	19.50
Enterprises under significantly influence						
Kanchan Cables Private Limited	-	-	-	71.40	14.50	-
Shipra Plastics	-	-	-	5.93	-	-
Gurnani Infradevelopers Private Limited	-	-	-	-	-	79.45
	-	**4.58**	**743.03**	**1,409.42**	**1,624.80**	**1,491.80**

Annexure "VIII"
Statement of loans and advances

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Long term loans and advances						
(Unsecured, Considered Good)						
Security Deposits	16.29	16.29	18.37	18.34	11.80	9.51
Capital Advances	53.87	49.25	58.49	-	-	-
Loans and advances to related parties	425.10	182.19	181.66	182.50	-	-
Advance tax and TDS (Net of provisions)	-	-	-	1.52	-	-
	495.26	**247.73**	**258.52**	**202.36**	**11.80**	**9.51**
Short term loans and advances						
(Unsecured, Considered Good)						
Loans & advances						
- To related parties	43.83	27.69	45.13	23.00	40.53	312.52
- To others	17.28	2.00	2.00	3.00	-	-
Advance recoverable in cash or kind	257.67	104.66	43.39	432.92	128.28	117.32
Other loans and advances						
Loans to employees						
- To Related Parties	27.16	-	-	-	-	-
- To Others	62.43	86.53	83.30	52.26	21.68	1.64
Input VAT Credit	17.32	14.87	8.25	5.63	1.90	0.21
Prepaid expenses	1.10	2.35	1.92	0.23	1.55	0.84
	426.79	**238.10**	**183.99**	**517.04**	**193.94**	**432.53**
Total loans and advances	**922.05**	**485.83**	**442.51**	**719.40**	**205.74**	**442.04**

Loans and advances to related parties includes						
Long term						
Key Management Personnel						
Dinesh Gurnani	-	-	0.20	-	-	-
Related Key Management Personnel						
Dharam Gurnani	-	7.09	6.36	-	-	-
Due from Subssidiary Company						
Veto Electricals Private Limited	170.10	170.10	170.10	182.50	-	-
Enterprise under significant influence						
Security Deposits to :						
Gurnani Infradevelopers Private Limited	250.00	-	-	-	-	-
Yashodevi Raichand Gurnani Charitable Trust	5.00	5.00	5.00	-	-	-
	425.10	**182.19**	**181.66**	**182.50**	**-**	**-**
Short term						
Due from key management pesonnel						
Kishore Kumar Gurnani	4.81	4.81	4.11	-	20.31	105.98
Narain Das Gurnani	-	-	-	0.63	0.20	201.52
Babu Lal Gurnani	-	-	-	-	15.00	-
Vishnu Kumar Gurnani	14.42	-	-	-	-	-
Related key management personnel						
Dharam Gurnani	8.16	-	-	-	-	-
Rajesh Kumar Gurnani	5.67	-	-	-	-	-
Govind Gurnani	4.69	-	-	-	-	-
Pushpa Devi Gurnani	4.32	-	-	-	-	-
Jyoti Gurnani	4.32	-	-	-	-	-
Rohit Gurnani	-	-	-	-	-	-
Shrutikantha Mishra	-	-	-	-	-	-
Vijay Pamnani	-	-	-	0.03	-	-
Kanishka Gurnanni	-	-	-	5.00	-	-
Due from enterprises under significant influence						
Jai Electricals	-	-	21.29	-	-	-
Jai Enterprises, Jaipur	-	-	16.65	-	-	-
Veto Power	-	-	-	2.34	-	-
Gurnani Industries	24.60	22.88	3.09	-	-	-
Yashodevi Raichand Gurnani Charitable Trust	-	-	-	15.00	5.00	5.00
	70.99	**27.69**	**45.14**	**23.00**	**40.51**	**312.50**
	496.09	**209.88**	**226.80**	**205.50**	**40.51**	**312.50**

Annexure "IX"
Statement of Trade Receivales

Particulars	**As at 30.06.2012**	**As at 31.03.2012**	**As at 31.03.2011**	**As at 31.03.2010**	**As at 31.03.2009**	**As at 31.03.2008**
(Unsecured, Considered Good)						
Due for a period exceeding six months from the date they are due for payment	230.09	214.06	92.41	171.30	221.02	47.78
Other debts	1,880.60	1,825.53	1,495.72	1,058.69	1,054.65	729.42
	2,110.69	**2,039.59**	**1,588.13**	**1,229.99**	**1,275.67**	**777.20**

Annexure "X"
Statement of Investments

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Trade, Unquoted Equity Instruments						
Investment in Subsidiaries						
Veto Electricals Private Limited	9.00	9.00	9.00	9.00	-	-
90,000 Equity Shares of Rs.10/- each fully paid up						
Veto Lightings Private Limited	0.51	0.51	0.51	0.51	-	-
5,100 Equity Shares of Rs.10/- each fully paid up						
Vankon Switchgears and Cables Private Limited	0.98	0.98	-	-	-	-
9,800 Equity Shares of Rs.10/- each fully paid up						
Non - trade, Unquoted						
Investment in National Saving Certificates	0.35	0.35	0.35	0.35	0.35	0.30
	10.84	**10.84**	**9.86**	**9.86**	**0.35**	**0.30**

Annexure "XI"
Statement of Other Income

Particulars	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period ended 31.03.2008
Interest Income	0.19	7.58	3.97	3.54	2.61	0.03
Profit / (loss) on sale of fixed assets	-	1.64	-	-	-	-
Miscellaneous Income	0.19	0.32	-	4.27	1.04	0.91
	0.38	**9.54**	**3.97**	**7.81**	**3.65**	**0.94**

Annexure "XII"

Related Party Disclosures:

As required under Accounting Standard 18 "Related Party Disclosure" (AS-18) as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with the related parties of the Company as defined in AS 18:

List of Related Parties and Relationships

Key management personnel

Vishnu Kumar Gurnani (Upto 15th January, 2011)	Director
Babulal Gurnani (Upto 28th January, 2011)	Director
Kishore Kumar Gurnani	Director
Dinesh Gurnani	Director
Narayan Das Gurnani	Director
Mohan Das Gurnani (from 28th January, 2011)	Director

Related key management personnel

Ragini Gurnani
Govind Gurnani
Dharam Gurnani
Rajesh Kumar Gurnani
Babulal Gurnani (from 28th January, 2011)
Harish Gurnani
Sarita Gurnani
Priyanka Gurnani
Vijay Pammani
Kanishka Gurnani
Pushpa Gurnani
Jyoti Gurnani

Enterprises under significantly influence

Poonam Industries
Vijay Industries
Anjali Packaging
Emkay Exports
Jai Enterprises
Shipra Plastics
Jai Electricals
Veto Power
Kanchan Cables Privte Limited
Gurnani Infra Developer Private Limited
Gurnani Real Estate Private Limited
Vimal Power Cables Private Limited

Holding Company

Veto Electropower (India) Private Limited

Subsidiary Companies

Veto Electricals Private Limited
Veto Lightings Private Limited

Related Party Transactions

Sale / Purchase of goods

Particulars	Sale of Goods	Purchase of Goods	Amount Due to Related Parties	Amount due from Related Parties
For the period ended 30th June, 2012				
Key Management Personnel				
Babulal Gurnani	-	-	-	-
Relative of Key Management Personnel				
Vijay Pammani	0.95	-	-	0.19
Holding Company				
Veto Electropower (India) Private Limited	-	-	-	27.94
Enterprises under significant influence				
Poonam Industries	-	8.28	-	-
Anjali Packaging	-	2.50	1.95	-
Jai Enterprises	-	-	1.94	-

Vimal Power Cables Private Limited	-	35.36	3.75	-
Jai Electricals	37.76	-	-	42.01
	39	**46**	**8**	**70**
For the year ended 31st March, 2012				
Related key management personnel				
Babulal Gurnani	1.32	-	-	1.32
Vijay Pammani	0.10	-	-	1.14
Enterprises under significant influence				
Poonam Industries	-	31.89	2.09	-
Anjali Packaging	-	6.92	5.90	-
Jai Enterprises	0.12	9.85	2.04	-
Vimal Power Cables Private Limited	0.26	154.08	13.12	-
Jai Electricals	101.07	-	-	18.03
	103	**203**	**23**	**20**
For the year ended 31st March, 2011				
Enterprises under significant influence				
Poonam Industries	0.04	10.09	-	-
Anjali Packaging	-	2.49	0.72	-
Jai Enterprises	-	151.64	-	-
Vimal Power Cables Private Limited	-	156.29	1.98	-
Vijay Pammani	0.03	-	-	1.04
Jai Electricals	186.87	0.48	-	-
	187	**321**	**3**	**1**
For the year ended 31st March, 2010				
Key Management Personnel				
Babulal Gurnani	1.04	-	-	1.04
Enterprises under significant influence				
Vijay Industries	-	49.27	0.14	-
Jai Enterprises	-	34.11	-	-
Jai Electricals	143.95	-	-	114.15
Emkay Exports	-	121.82	39.14	-
Anjali Packaging	-	3.69	1.83	-
Vimal Power Cables Private Limited	-	131.22	41.87	-
	145	**340**	**83**	**115**
For the year ended 31st March, 2009				
Enterprises under significant influence				
Anjali Packaging	-	2.85	1.22	-
Poonam Industries	-	2.16	0.25	-
Jai Enterprises	-	484.10	1.40	-
Emkay Exports	-	133.66	39.14	-
Vijay Industries	-	153.84	0.14	-
	-	**777**	**42**	**-**
For the year ended 31st March, 2008				
Enterprises under significant influence				
Emkay Exports	-	4.07	1.07	-
Jai Enterprises	-	154.77	0.44	-
Anjali Packaging	-	2.51	0.32	-
Poonam Industries	-	12.38	1.00	-
	-	**174**	**3**	**-**

Remuneration / Salary

Particulars	**Remuneration / Salary**	**Advance Salary - Amount due from Related Party**
30th June, 2012		
Key Management Personnel		
Vishnu Kumar Gurnani	1.20	-
Relative of Key Management Personnel		
Rajesh Kumar Gurnani	0.45	5.67
Ragini Gurnani	-	-
Govind Gurnani	1.10	4.69
Dharam Gurnani	0.56	8.16
Sarita Gurnani	0.45	0.50
Pushpa Gurnani	1.50	4.32

Jyoti Gurnani	1.50	4.32
31st March, 2012		
Key Management Personnel		
Vishnu Kumar Gurnani	0.79	-
Related key management personnel		
Rajesh Kumar Gurnani	1.81	-
Ragini Gurnani	0.40	-
Govind Gurnani	4.23	-
Dharam Gurnani	2.30	-
Sarita Gurnani	1.81	-
Pushpa Gurnani	6.00	-
Jyoti Gurnani	6.00	-
	23	-
31st March, 2011		
Related key management personnel		
Govind Gurnani	2.52	-
Dharam Gurnani	1.91	-
Sarita Gurnani	1.78	-
Priyanka Gurnani	2.75	-
Pushpa Gurnani	6.00	-
Jyoti Gurnani	6.00	-
Rajesh Kumar Gurnani	1.83	-
Kishore Kumar Gurnani	6.00	-
	29	-
31st March, 2010		
Related key management personnel		
Govind Gurnani	2.28	-
Dharam Gurnanai	1.87	-
Rajesh Kumar Gurnani	2.00	-
Sarita Gurnani	1.44	-
Pushpa Gurnani	1.50	-
Miss Jyoti Gurnani	1.50	-
Priyanka Gurnani	3.00	-
	14	-
31st March, 2009		
Related key management personnel		
Govind Gurnani	7.39	-
Dharam Gurnanai	2.25	-
Rajesh Kumar Gurnani	4.97	-
Sarita Gurnani	0.36	-
Priyanka Gurnani	0.75	-
	16	-
31st March, 2008		
Related key management personnel		
Rajesh Kumar Gurnani	0.75	-

Rent

Particulars	**Rent**
30th June, 2012	
Enterprises under significant influence	
Gurnani Infra Developer Private Limited	0.45
31st March, 2012	
Enterprises under significant influence	
Gurnani Infra Developer Private Limited	2.76
31st March, 2011	
Enterprises under significant influence	
Gurnani Infra Developer Private Limited	1.96
31st March, 2010	
Enterprises under significant influence	
Gurnani Infra Developer Private Limited	1.51
31st March, 2009	
Related key management personnel	
Ragini Gurnani	0.40

Enterprises under significant influence	
Gurnani Infra Developer Private Limited	1.80
31st March, 2008	
Related key management personnel	
Ragini Gurnani	0.72

Loans given and repayment thereof

Name	Opening Balance	Loans Given	Receipts	Amount due from Related Parties
For the period ended 30th June, 2012				
Key management personnel				
Vishnu Kumar Gurnani	-	20.39	5.97	14.42
Relative of Key Management Personnel				
Kishore Kumar Gurnani	4.81	-	-	4.81
Enterprises under significant influence				-
Gurnani Industries	22.88	1.80	0.09	24.60
Yashodevi Raichand Gurnani Charitable Trust	5.00	-	-	5.00
Subsidiary Company				-
Veto Electric Private Limited	170.10	-	-	170.10
	203	**22**	**6**	**219**
For the year ended 31st March, 2012				
Key management personnel				-
Kishore Kumar Gurnani	4.11	0.70	-	4.81
Dinesh Gurnani	0.20	-	0.20	-
Narayan Das Gurnani	-	-	-	-
Babu Lal Gurnani	-	-	-	-
Related key management personnel				
Dharam Gurnani	6.36	0.73	-	7.09
Rohit Gurnani	-	-	-	-
Shrutikantha Mishra	-	-	-	-
Vijay Pamnani	-	-	-	-
Kanishka Gurnanni	-	-	-	-
Enterprises under significant influence				
Jai Electricals	21.29	-	21.29	-
Jai Enterprises, Jaipur	16.65	-	16.65	-
Yashodevi Raichnd Gurnani Ch. Trust	5.00	-	-	5.00
Veto Power	-	-	-	-
Gurnani Industries	3.09	19.79	-	22.88
Subsidiary Company				-
Veto Electric Private Limited	170.10	-	-	170.10
	227	**21**	**38**	**210**
For the year ended 31st March, 2011				
Key management personnel				-
Kishore Kumar Gurnani	-	4.11	-	4.11
Dinesh Gurnani	-	0.20	-	0.20
Narayan Das Gurnani	0.63	-	0.63	-
Babu Lal Gurnani	-	-	-	-
Related key management personnel				
Dharam Gurnani	-	6.36	-	6.36
Rohit Gurnani	-	-	-	-
Shrutikantha Mishra	-	-	-	-
Vijay Pamnani	0.03	-	0.03	-
Kanishka Gurnanni	5.00	-	5.00	-
Enterprises under significant influence				
Jai Electricals	-	21.29	-	21.29
Jai Enterprises, Jaipur	-	16.65	-	16.65
Yashodevi Raichnd Gurnani Ch. Trust	15.00	-	10.00	5.00
Veto Power	2.34	-	2.34	-
Gurnani Industries	-	3.09	-	3.09
Subsidiary Company				-

Veto Electric Private Limited	182.50	-	12.40	170.10
	206	**52**	**30**	**227**
For the year ended 31st March, 2010				
Key management personnel				-
Kishore Kumar Gurnani	20.31	-	20.31	-
Dinesh Gurnani				
Narayan Das Gurnani	0.20	0.43	-	0.63
Babu Lal Gurnani	15.00	-	15.00	-
Related key management personnel				
Dharam Gurnani	-			-
Rohit Gurnani	-	-	-	-
Shrutikantha Mishra	-	-	-	-
Vijay Pamnani	-	0.03	-	0.03
Kanishka Gurnanni	-	5.00	-	5.00
Enterprises under significant influence				
Jai Electricals	-			-
Jai Enterprises, Jaipur	-			-
Yashodevi Raichnd Gurnani Ch. Trust	5.00	10.00	-	15.00
Veto Power	-	2.34	-	2.34
Gurnani Industries	-			-
Subsidiary Company				-
Veto Electric Private Limited	-	182.50	-	182.50
	41	**200**	**35**	**206**
For the year ended 31st March, 2009				
Key management personnel				-
Kishore Kumar Gurnani	105.98	-	85.67	20.31
Dinesh Gurnani			-	
Narayan Das Gurnani	201.52	-	201.32	0.20
Babu Lal Gurnani	-	15.00	-	15.00
Related key management personnel				
Dharam Gurnani	-			-
Rohit Gurnani	-	-	-	-
Shrutikantha Mishra	-	-	-	-
Vijay Pamnani	-	-	-	-
Kanishka Gurnanni	-	-	-	-
Enterprises under significant influence				
Jai Electricals	-			-
Jai Enterprises, Jaipur	-			-
Yashodevi Raichnd Gurnani Ch. Trust	5.00	-	-	5.00
Veto Power	-			-
Gurnani Industries	-			-
Subsidiary Company				-
Veto Electric Private Limited	-			-
	313	**15**	**287**	**41**
For the year ended 31st March, 2008				
Key management personnel				-
Kishore Kumar Gurnani	-	105.98	-	105.98
Dinesh Gurnani				
Narayan Das Gurnani	-	201.52	-	201.52
Babu Lal Gurnani	-	-	-	-
Related key management personnel				
Dharam Gurnani				-
Rohit Gurnani	-	-	-	-
Shrutikantha Mishra	-	-	-	-
Vijay Pamnani	-	-	-	-
Kanishka Gurnanni	-	-	-	-
Enterprises under significant influence				
Jai Electricals		-		-
Jai Enterprises, Jaipur		-		-
Yashodevi Raichnd Gurnani Ch. Trust	-	5.00	-	5.00
Veto Power		-		-
Gurnani Industries		-		-
Subsidiary Company				-

Veto Electric Private Limited			-	-
	-	**313**	**-**	**313**

Loans taken and repayment thereof

Particulars	Opening Balance	Loans Taken	Repayment	Amount due from Related Parties
For the period ended 30th June, 2012				
Key Management Personnel				
Vishnu Kumar Gurnani	0.83	-	0.83	-
For the year ended 31st March, 2012				
Holding Company				
Veto Electropower (India) Private Limited	741.68	-	737.09	4.58
Key Management Personnel				
Babu Lal Gurnani	-	-	-	-
Kishore Kumar Gurnani	-	-	-	-
Narain Das Gurnani	1.35	-	1.35	-
Vishnu Kumar Gurnani	-		-	-
Enterprises under significantly influence				
Kanchan Cables Private Limited	-	-	-	-
Shipra Plastics	-	-	-	-
Gurnani Infradevelopers Private Limited	-	-	-	-
	743	**-**	**738**	**5**
For the year ended 31st March, 2011				
Holding Company				
Veto Electropower (India) Private Limited	1,193.12	-	451.45	741.68
Key Management Personnel				
Babu Lal Gurnani	4.34	-	4.34	-
Kishore Kumar Gurnani	1.66	-	1.66	-
Narain Das Gurnani	-	1.35	-	1.35
Vishnu Kumar Gurnani	132.97	-	132.97	-
Enterprises under significantly influence				
Kanchan Cables Private Limited	71.40	-	71.40	-
Shipra Plastics	5.93	-	5.93	-
Gurnani Infradevelopers Private Limited	-		-	-
	1,409	**1**	**668**	**743**
For the year ended 31st March, 2010				
Holding Company				
Veto Electropower (India) Private Limited	1,542.37	-	349.25	1,193.12
Key Management Personnel				
Babu Lal Gurnani	67.90	-	63.56	4.34
Kishore Kumar Gurnani	-	1.66	-	1.66
Narain Das Gurnani	-	-	-	-
Vishnu Kumar Gurnani	0.03	132.94	-	132.97
Enterprises under significantly influence				
Kanchan Cables Private Limited	14.50	56.90	-	71.40
Shipra Plastics	-	5.93	-	5.93
Gurnani Infradevelopers Private Limited	-	-	-	-
	1,625	**197**	**413**	**1,409**
For the year ended 31st March, 2009				
Holding Company				
Veto Electropower (India) Private Limited	1,392.85	149.52	-	1,542.37
Key Management Personnel				
Babu Lal Gurnani	-	67.90	-	67.90
Kishore Kumar Gurnani	-	-	-	-
Narain Das Gurnani	-	-	-	-
Vishnu Kumar Gurnani	19.50	-	19.47	0.03
Enterprises under significantly influence				
Kanchan Cables Private Limited	-	14.50	-	14.50
Shipra Plastics	-	-	-	-
Gurnani Infradevelopers Private Limited	79.45	-	79.45	-
	1,492	**232**	**99**	**1,625**
For the year ended 31st March, 2008				

Holding Company				
Veto Electropower (India) Private Limited	-	1,392.85	-	1,392.85
Key Management Personnel				
Babu Lal Gurnani	-	-	-	-
Kishore Kumar Gurnani	-	-	-	-
Narain Das Gurnani	-	-	-	-
Vishnu Kumar Gurnani	-	19.50	-	19.50
Enterprises under significantly influence				
Kanchan Cables Private Limited	-	-	-	-
Shipra Plastics	-	-	-	-
Gurnani Infradevelopers Private Limited	-	79.45	-	79.45
	-	**1,492**	**-**	**1,492**

Job Work

Particulars	**Job Work**	**Amount Due to Related Parties**
30th June,2012		
Gurnani Industries	0.86	11.86

Security Deposits

Particulars	**Deposits Given**	**Amount Due from Related Parties**
30th June,2012		
Gurnani Infradevelopers Private Limited	250.00	250.00

Annexure "XIII"
Summary of Accounting Ratios

(Rs. & No. In lakhs)

Particulars	As at 30th June, 2012	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2009	As at 31st March, 2008
Net Profit Attributable to Equity Shareholders						
Earning Per Share (EPS) (Rs.) [a/b]						
- Basic [a/b] *	1.50	6.47	4.49	4.56	2.96	3.23
- Diluted [a/d] *	1.50	6.47	4.49	4.56	2.96	3.23
Return on Net Worth (%) [a/g %]	5.28%	26.66%	24.54%	31.15%	34.02%	45.68%
Net Asset Value Per Share (Rs.) [h/e]	28.03	50.35	37.18	27.95	27.16	18.41
Weighted Average No. of Equity Shares	114.63	111.63	108.30	95.33	83.96	66.09
No. of Equity Shares outstanding	116.60	53.82	53.32	49.99	26.91	25.36

Notes :

1	Net Profit after tax adjustments [a]	172.48	722.40	486.57	435.13	248.73	213.25
	Weighted Average No. of Equity Shares [b]	114.63	111.63	108.30	95.33	83.96	66.09
	Total No. of Equity Share for Calculating Diluted EPS [d]	114.63	111.63	108.30	95.33	83.96	66.09
	No. of Equity Shares at the end of the year/period* [e]	116.60	53.82	53.32	49.99	26.91	25.36
	Net Worth [g]	3,268.07	2,710.14	1,982.76	1,397.01	731.13	466.85
	Net Asset [h]	3,268.07	2,710.14	1,982.76	1,397.01	731.13	466.85

2 Formula :

Earning per Share (Rs.)	Net Profit attributable to equity shareholders / Weighted Average number of equity shares outstanding during the period
Net Asset Value Per Share (Rs.)	Net Worth excluding revaluation reserve at the end of the period / Total Number of equity shares outstanding at the end of the year/period
Return on Net Worth (%)	Net Profit after tax adjustments / Net worth at the end of the year/period
Net Asset	Equity Share Capital plus Reserves & Surplus less Miscellaneous Expenditure to the extent not written off.

3 Earning per share (EPS) is calculated afer adjusting for 58,30,000 bonus shares issued, vide resolution passed at the the extra ordinary general meeting held on 11th May, 2012, with retrospective effect as provided in Accounting Standard (AS-20) - Earning Per Share, issued by the Institute of Chartered Accountants of India.

*No. of Equity Shares at the end of the year

(Rs. & No. In lakhs)

Particulars	As at 30th June, 2012	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2009	As at 31st March, 2008
No. of Equity shares of Rs. 10/- each fully paid up	116.60	53.32	53.32	49.99	26.91	25.36
No. of Equity Shares of Rs. 10/- each Rs. 1/- paid up	-	4.98	-	-	-	-
	116.60	**58.30**	**53.32**	**49.99**	**26.91**	**25.36**
Total No. of Equivalent Equity Shares of Rs. 10 each fully paid up at the end of the year/period	**116.60**	**53.82**	**53.32**	**49.99**	**26.91**	**25.36**

Annexure "XIV"
Statement of Capitalisation

(Rs. in lakhs)

Particulars	Pre-Issue as at 30th June, 2012	Pre-Issue as at 31st March, 2012
Debts		
Long Term Debt	70.61	70.61
Short Term Debt	1,977.66	1,869.67
Total Debt	**2,048.27**	**1,940.28**
Equity (shareholder's funds)		
Equity Share Capital	1,166.00	538.21
Reserves & Surplus	2,102.07	2,171.93
Total Equity	**3,268.07**	**2,710.14**
Total Capitalization		
Long Term Debt/Equity Ratio	0.02	0.03
Total Debt/Equity Ratio	0.63	0.72

Annexure "XV"
Statement of Tax Shelter

(Rs. in lakhs)

Particulars	Year ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period ended 31.03.2008
Profit as per books	**217.07**	**753.92**	**493.29**	**409.67**	**268.36**	**241.84**
Normal Rate	32.45%	32.45%	33.22%	33.99%	33.99%	33.99%
MAT Rate	20.01%	20.01%	19.93%	17.00%	11.33%	11.33%
Tax at Normal Rate	70.43	244.61	163.86	139.25	91.22	82.20
Adjustments:						
Exemption u/s 80IC	71.96	668.22	486.56	414.48	235.83	191.69
Depreciation as per books	(24.76)	(105.65)	(90.16)	(87.73)	(75.54)	(51.51)
Depreciation as per IT	20.67	99.08	77.93	84.64	82.33	112.07
Other Adjustment	(0.01)	6.65	1.17	(1.73)	(2.87)	(10.44)
Net Adjustment	**67.86**	**668.30**	**475.50**	**409.66**	**239.75**	**241.81**
Tax Savings thereon	22.02	216.83	157.95	139.24	81.49	82.19

Tax as per Normal Provisions	48.41	27.78	5.91	-	9.73	0.01
Tax as per MAT	43.43	150.84	98.32	69.62	30.41	27.40
Provision for Current Tax	**43.43**	**155.42**	**102.28**	**69.86**	**13.51**	**30.29**
Deferred Tax Liability/(Assets)	(3.83)	(1.22)	(3.43)	(25.83)	30.06	19.10
MAT Credit Entitlement	4.98	(122.68)	(92.13)	(69.49)	(27.54)	(20.80)
Fringe benefit tax	-	-	-	-	3.60	-

Annexure "XVI"
Statement of Contingent Liabilities

(Rs. in lakhs)

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Guarantee given by Banks on behalf of the Company	4.50	4.50	52.50	0.50	0.50	-
Estimated amount of contracts remaining to be executed on capital account	-	5.25	6.50	5.16	-	14.22

Annexure "XVII"
Earning Per Share

(Rs. & No. In lakhs)

Particulars	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Period ended 31.03.2008
Weighted average number of Equity Shares of Rs. 10/- each *						
Number of shares at the end of the year	116.60	53.82	53.32	49.99	26.91	25.36
Weighted average number of Equity Shares outstanding during the year	114.63	111.63	108.30	95.33	83.96	66.09
Weighted average number of Potential Equity Shares outstanding during the year	-	-	-	-	-	-
Total number of Equity share for calculating Diluted Earning Per Share	114.63	111.63	108.30	95.33	83.96	66.09
Net Profit after Tax available for Equity shareholders (Rs. in lakhs)	172.48	722.40	486.57	435.13	248.73	213.25
Basic Earning Per Share (in Rs.)	1.50	6.47	4.49	4.56	2.96	3.23
Diluted Earning Per Share (in Rs.)	1.50	6.47	4.49	4.56	2.96	3.23

* Earning per share (EPS) is calculated afer adjusting for 58,30,000 bonus shares issued, vide resolution passed at the the extra ordinary general meeting held on 11th May, 2012, with retrospective effect as provided in Accounting Standard (AS-20) - Earning Per Share, issued by the Institute of Chartered Accountants of India.

CONSOLIDATED AUDITED FINANCIAL INFORMATION, AS RESTATED

Auditors' Report

To
The Board of Directors
Veto Switchgears and Cables Limited
D-2, 1st Floor, Malad Industrial Estate,
Ramchandra Lane Extension, Kachpada,
Malad (West),
Mumbai – 400064

Dear Sirs,

We have examined the Restated Summary of Consolidated Financial Statements and Other Financial Information of Veto Switchgears and Cables Limited (hereinafter referred as "the Company"), the holding Company and its subsidiaries (hereinafter collectively referred to as "the Group") annexed to this Report which has been prepared for the purposes of inclusion in the Red Herring Prospectus / Prospectus (collectively hereinafter referred to as "Offer Document") in connection with the proposed Initial Public Offer ("IPO") of the Company in accordance with the requirements of:

i. Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (the Act);

ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009 ('the Regulation') issued by the Securities and Exchange Board of India ('SEBI') and amendments made thereto from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992;

iii. The Guidance note on "Reports in Company's Prospectus" (Revised) issued by the Institute of Chartered Accountants of India ('ICAI'), to the extent applicable ('Guidance Note'); and

iv. The instructions received from the Company, requesting to examine the financial information referred to above and proposed to be included in the Offer Document of the Company in connection with its proposed initial public offer of Equity Shares.

The Restated Summary of Consolidated Financial Statements and Other Financial Information have been prepared by the Company and approved by the Board of Directors of the Company.

A. Restated Summary of Consolidated Financial Statements:

1. We have examined the attached Consolidated Summary Statements of Assets and Liabilities, as Restated of the Company as at 30th June, 2012, 31st March 2012, 2011, 2010 **(Annexure "I");** Consolidated Summary Statements of Profits and Losses, as Restated of the Company for the financial period ended on 30th June, 2012 and the financial year(s) ended on 31st March 2012, 2011, 2010 **(Annexure "II");** the Consolidated Summary Statements of Cash Flows, as Restated of the Company the financial period ended on 30th June, 2012 and the financial year(s) ended on 31st March 2012, 2011, 2010 **(Annexure "III");** Significant Accounting Policies **(Annexure "IV")** and Notes to the Re-stated Summary of Consolidated Financial Statements **(Annexure "V")** together referred to as 'Consolidated Summary Statements' as prepared by the Company and approved by the Board of Directors.

2. These statements reflect the Consolidated 'Assets and Liabilities' and Consolidated 'Profits or losses' for each of the relevant periods as extracted from the Consolidated Financial Statements, after making therein the disclosures and adjustments required to be made in accordance with the provisions of Schedule VIII Part A (IX) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

3. We did not audit the financial statements of subsidiaries viz., Veto Electricals Private Limited, Vankon Switchgears and Cables Private Limited, Veto Lightings Private Limited whose financial statements reflect the Group share of total net assets of Rs. 11.02 lakhs, Rs. 11.02 lakhs, Rs. 11.00 lakhs and 11.00 lakhs as at 30th June, 2012, 31st March 2012, 2011 and 2010 respectively and Group share of total revenue of Rs. Nil,Nil, Nil and Nil and net cash inflow / (outflow) 0.06 lakhs Rs. 0.88 lakhs, (Rs. 13.32 lakhs) and Rs. 14.88 lakhs for the period ended on 30th June, 2012 and for the year ended 31st March 2012, 2011 and 2010 respectively, as considered in the Consolidated Financial Statements.

   These Financial Statements and other Financial Information's of the subsidiaries have been audited by other auditors, whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.

4. Based on our examination of these Consolidated Summary Statements, we confirm that the restated profits and losses have been arrived at after charging all expenses including depreciation ***(except provision for Gratuity & Bonus which is accounted on cash basis)*** and after making such adjustments and regrouping as in our opinion are appropriate and more fully described in the Significant Accounting Policies (**Annexure "IV"**) and Accompanying Notes to the Re-stated Summary of Consolidated Financial Statements (**Annexure "V"**) respectively.

5. We have examined the following regrouped/rearranged financial information relating to the Company, proposed to be included in the Offer Document, as approved by the Board of Directors of the Company and attached to this report:

i. Consolidated statement of secured borrowings with terms & conditions and assets charged as security (Annexure "VI").
ii. Consolidated statement of unsecured borrowings taken by the Company (Annexure "VII").
iii. Consolidated statement of Loans & Advances (Annexure "VIII").
iv. Consolidated statement of Trade receivables showing Age-wise analysis from the date they are due for payment (Annexure "IX").
v. Consolidated statement of Investments (Annexure "X").
vi. Consolidated statement of Other Income (Annexure "XI").
vii. Related party disclosures under Accounting Standard 18 (Annexure "XII").
viii. Consolidated Summary of Accounting Ratios based on the adjusted profits/losses, relating to earnings per share, net asset value per share and return on net worth (Annexure "XIII").
ix. Consolidated statement of Capitalization as at 30th June, 2012 (Pre-Issue) (Annexure "XIV").
x. Consolidated statement of Tax Shelter (Annexure "XV").
xi. Consolidated statement of Contingent Liabilities (Annexure "XVI").
xii. Consolidated statement of Earnings Per Share (Annexure "XVII").

6. In our opinion, the Restated Summary of Consolidated Financial Statements and the other Financial Information set forth in Annexure I to XVII read with the significant accounting policies and notes to the restated consolidated financial statements have been prepared in accordance with Part II of Schedule II of the Act and the SEBI Regulations.

7. This report should not in any way construed as a reissuance or redrafting of any of the previous audit report issued by us or by any other firm of Chartered Accountants nor should this report be construed as new opinion on any of the financial statement referred to therein.

8. This Report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Singrodia Goyal & Co.

Chartered Accountants

Firm Reg. No: 112081W

Suresh Murarka

Partner

Membership No. 044739

Place : Mumbai

Date : 12th November, 2012

Annexure I- Consolidated Statement of Assets and Liabilities, as Restated

₹ in Lacs

Particulars	Notes	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
ASSETS					
Non-Current Assets					
Fixed assets	1				
Tangible assets		941.48	949.61	877.79	912.16
Intangible assets		0.44	0.46	1.17	2.16
Capital work in progress		-	-	1.63	-
Non - current investments	2	0.35	0.35	0.35	0.35
Long - term loans and advances	3	325.16	77.64	88.42	19.86
Other non - current assets	4	328.55	335.09	211.22	117.88
		1,595.98	**1,363.15**	**1,180.58**	**1,052.41**
Current Assets					
Inventories	5	1,830.51	1,787.25	1,417.20	1,304.13
Trade receivables	6	2,110.69	2,039.59	1,588.13	1,229.99
Cash and cash equivalents	7	132.84	207.13	220.69	162.49
Short - term loans and advances	8	426.79	238.10	183.99	517.04
Other Current Assets	9	10.00	-	-	-
		4,510.83	**4,272.07**	**3,410.01**	**3,213.65**
Total Assets (A)		**6,106.81**	**5,635.22**	**4,590.59**	**4,266.06**
LIABILITIES					
Minority Interest		**1.34**	**1.34**	**1.35**	**1.39**
Non-current Liabilities					
Long-term borrowings	10	70.61	70.62	109.22	167.68
Deferred tax liabilities (net)	11	14.85	18.68	19.90	23.33
		85.46	**89.30**	**129.12**	**191.01**
Current Liabilities					
Trade payables	12	440.62	548.84	374.72	345.25
Short-term borrowings	13	1,977.75	1,869.76	1,796.63	2,137.41
Other current liabilities	14	295.11	404.66	291.33	194.46
Short term provisions	15	39.32	12.00	15.30	-
		2,752.80	**2,835.26**	**2,477.98**	**2,677.12**
Total Liabilities (B)		**2,839.60**	**2,925.90**	**2,608.45**	**2,869.52**
Total Net Assets (A-B)		**3,267.22**	**2,709.32**	**1,982.14**	**1,396.54**
Represented by					
Share Capital	16	1,166.00	538.21	533.23	499.90
Reserves and Surplus	17	2,101.22	2,171.11	1,448.91	896.64
		3,267.22	**2,709.32**	**1,982.14**	**1,396.54**

Annexure II- Consolidated Statement of Profit and Loss Account, as Restated

₹ in Lacs

Particulars	Notes	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
INCOME					
Revenue from operation	18	1,753.90	6,860.29	5,320.55	4,700.47
Other income	19	0.38	9.54	3.97	7.81
Total Revenue		**1,754.28**	**6,869.83**	**5,324.52**	**4,708.28**
EXPENSES					
Cost of materials consumed	20	666.93	3,524.73	2,631.37	2,586.58
Purchases of stock - in - trade	21	446.69	1,434.44	1,053.44	814.20
Changes in inventories of finished goods, and stock in trade	22	17.16	(211.28)	12.94	(160.57)
Employee benefits expense	23	106.28	424.45	396.88	367.00
Finance costs	24	72.25	257.64	129.24	80.90
Depreciation / Amortisation		24.76	105.65	90.16	87.73
Other expenses	25	203.17	580.50	517.40	523.34
Total Expenses		**1,537.24**	**6,116.13**	**4,831.43**	**4,299.18**
Profit / (Loss) before exceptional items and tax		**217.04**	**753.70**	**493.09**	**409.10**
- Prior Period Items		-	-	-	-
Profit / (Loss) before tax		**217.04**	**753.70**	**493.09**	**409.10**
Less : Tax expenses					
- Current tax		43.43	155.42	102.28	69.86
- MAT credit entitlement		4.98	(122.68)	(92.13)	(69.49)
- Deferred tax liability / (asset)		(3.83)	(1.22)	(3.43)	(25.83)
		44.58	**31.52**	**6.72**	**(25.46)**
Profit / (loss) for the year before minority interest		**172.46**	**722.18**	**486.37**	**434.56**
Minority interest		-	(0.02)	(0.04)	(0.10)
Profit / (loss) for the year		**172.46**	**722.20**	**486.41**	**434.66**

Annexure III- Consolidated Statement of Cash Flows (As Restated)

₹ in Lacs

Particulars	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
A. Cash Flow from Operating Activities				
Profit / (Loss) before tax	**217.04**	**753.70**	**493.09**	**409.10**
Adjustments for:				
Depreciation / Amortisation	24.76	105.65	90.16	87.73
Finance costs	72.25	257.64	129.24	80.90
Profit on sale of fixed assets	-	(1.64)	-	-
Interest income	(0.19)	(7.58)	(3.97)	(3.54)
Operating Profit before Working Capital changes	**313.86**	**1,107.77**	**708.52**	**574.19**
Adjustments for :				
(Increase) / Decrease in inventories	(43.26)	(370.05)	(113.08)	(68.16)
(Increase) / Decrease in trade receivables	(71.10)	(451.46)	(358.14)	45.68
(Increase) / Decrease in short term loans and advances	(188.69)	(66.20)	333.05	(323.10)
(Increase) / Decrease in other current assets	(10.00)	174.12	29.47	(55.56)
Increase/(Decrease) in trade payable	(108.22)	113.32	96.88	(34.04)
Increase/(Decrease) in other current liabilities	(109.60)	-	-	-
Cash generated from / (used in) operations	**(217.01)**	**507.50**	**696.70**	**139.01**
Direct taxes Paid	(16.11)	(158.73)	(86.98)	(70.40)
Net cash flow from / (used in) operating activities	**(233.12)**	**348.77**	**609.72**	**68.61**
B. Cash Flow from Investing Activities				
Purchase of fixed assets	(16.59)	(184.61)	(54.78)	(322.73)
Capital work in progress	-	1.63	(1.63)	-
Sale Proceeds from fixed assets	-	9.45	-	-
(Increase) / Decrease in long term loans & advances	(247.50)	22.92	(68.59)	(8.06)
(Increase) / Decrease in other non current assets	1.55	(1.18)	(1.22)	-
Redemption / maturity of bank deposits (having maturity of more than 3 months)	24.92	(13.44)	(11.54)	-
Interest income	0.19	7.58	3.97	3.54
Net cash flow from / (used in) investment activities	**(237.43)**	**(157.65)**	**(133.79)**	**(327.25)**
C. Cash Flow from Financing Activities				
Proceeds from issue of shares	44.79	4.98	33.33	230.75
Proceeds from issue of shares to minority interest	-	0.02	-	1.49
Proceeds from securities premium	348.37	-	66.67	-
Share issue expenses	(7.71)	-	(0.81)	-
Increase/(Decrease) in short term borrowings	107.99	73.13	(340.77)	127.31
Increase/(Decrease) in long term borrowings	(0.01)	(38.61)	(58.45)	(67.84)
Finance costs	(72.25)	(257.64)	(129.24)	(80.90)
Net cash flow from / (used in) financing activities	**421.18**	**(218.12)**	**(429.27)**	**210.81**
Net increase / (decrease) in cash and cash equivalents	**(49.37)**	**(27.00)**	**46.66**	**(47.83)**
Cash and cash equivalents at the beginning of the year	182.15	209.15	162.49	210.32
Cash and cash equivalents at the end of the year	**132.78**	**182.15**	**209.15**	**162.49**

Annexure "IV": Significant Accounting Policies (As Restated)

1. Basis of Accounting

i) The Financial Statements have been prepared in compliance with the Accounting Standards notified by Companies (Accounting Standard) Rules 2006 and the relevant provisions of the Companies Act, 1956 in all material aspects.

ii) Financial Statements are based on historical cost convention and are prepared on accrual basis.

2. Principles Of Consolidation:

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

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

i) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the balances of like items of assets, liabilities, income and expenditure after fully eliminating the intra-group balances and intra-group transactions resulting in unrealized profit or loss.

ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

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

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

The company follows the accrual basis of accounting except in the following cases, where the same is recorded on the cash basis.

i) Gratuity & Leave encashment liability, if any.

ii) Insurance claim, if any.

4. Revenue Recognition:

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

ii) Sales are recognised when all significant risks and reward of ownership of the goods are passed on to the buyer.

iii) Revenue in respect of export sales is recognised on shipment of products.

iv) Interest is recognised on a time proportion basis taking in to account the amount outstanding and the rate applicable.

5. Fixed Assets

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.

6. Depreciation

i. Depreciation on all Fixed Assets is provided on Written Down Value Methodas per the rates and in the manner specified in Scheduled XIV of the Companies Act, 1956.

ii. Leasehold Land is amortised over the remaining period of the Lease.

iii. Goodwill& Trade mark has been amortized over a period of five years.

7. Valuation of Inventories

i) Raw Materials are valued at lower of cost or net realizable value.
ii) Packing Materials are valued at cost or net realizable value.
iii) Stocks of finished goods are valued at lower of cost or net realisable value.
iv) Stock in trade is valued at lower of cost or net realisable value.

8. 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.

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

10. Foreign Currency Transactions

i) The transactions in foreign currencies on revenue accounts are stated at the rate of exchange prevailing on the date of transaction.
ii) The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realisation is charged to the statement of profit & loss.
iii) Difference on translation Current Assets and Current Liabilities remaining unsettled at the year end are recognised in the statement of profit and loss.

11. Investments

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

12. Miscellaneous Expenditure

Miscellaneous Expenditure, such as Preliminary expenditure, are Written off in the year in which these are incurred.

13. Treatment of Contingent Liabilities

i) Contingent Liabilities in respect of show cause notices received are considered only when they are converted into demands. Payments in respect of such demands, if any are shown as advances.
ii) Contingent Liabilities under various fiscal laws includes those in respect of which the Company/department is in appeal.
iii) Contingent liabilities are disclosed by way of notes to the accounts.

14. Accounting for Taxes on Income

Current taxes

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

Deferred Taxes

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

Annexure V- Notes to Consolidated Financial Statements -As Restated

Note 1 : Fixed assets				
Particulars	**As at 30.06.2012**	**As at 31.03.2012**	**As at 31.03.2011**	**As at 31.03.2010**
Tangible assets				
Land (Mahindra SEZ)				
Gross Block	178.92	178.92	178.92	178.41
Less: Accumulated Depreciation	-	-	-	-
Net Block	178.92	178.92	178.92	178.41
Leasehold Land at SIDCUL				
Gross Block	117.47	117.47	117.47	117.47
Less: Accumulated Depreciation	5.37	5.04	3.74	2.43
Net Block	112.10	112.43	113.73	115.04
Factory Building				
Gross Block	313.71	313.71	303.06	291.10
Less: Accumulated Depreciation	106.42	101.12	77.66	53.58
Net Block	207.29	212.59	225.40	237.52
Plant & Machinery				
Gross Block	505.38	500.96	443.05	422.20
Less: Accumulated Depreciation	219.68	209.45	167.29	120.40
Net Block	285.70	291.51	275.76	301.80
Office Equipments				
Gross Block	7.81	7.77	7.01	14.77
Less: Accumulated Depreciation	3.08	2.92	2.15	4.04
Net Block	4.73	4.85	4.86	10.73
Furniture & Fixtures				
Gross Block	58.98	58.59	54.11	39.03
Less: Accumulated Depreciation	24.23	22.60	14.86	9.08
Net Block	34.75	35.99	39.25	29.95
Computers				
Gross Block	10.74	10.48	9.60	7.78
Less: Accumulated Depreciation	7.97	7.68	5.98	4.29
Net Block	2.77	2.80	3.62	3.49
Vehicles				
Gross Block	167.41	155.93	65.05	52.81
Less: Accumulated Depreciation	52.19	45.41	28.80	17.59
Net Block	115.22	110.52	36.25	35.22
Total tangible assets	**941.48**	**949.61**	**877.79**	**912.16**
Intangible assets				
Goodwill				
Gross Block	5.40	5.40	5.40	5.40
Less: Accumulated Amortisation	5.40	5.40	4.32	3.24
Net Block	-	-	1.08	2.16
Trade Mark				
Gross Block	0.54	0.54	0.11	-
Less: Accumulated Amortisation	0.10	0.08	0.02	-
Net Block	0.44	0.46	0.09	-
Total intangible assets	**0.44**	**0.46**	**1.17**	**2.16**
Capital Work in Progress	-	-	1.63	-
Grand Total	**941.92**	**950.07**	**880.59**	**914.32**

Note 2 : Non - current investments

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
Non - trade, Unquoted				
Investment in National Saving Certificates	0.35	0.35	0.35	0.35
	0.35	**0.35**	**0.35**	**0.35**

Note 3 : Long - term loans and advances

(Unsecured, Considered Good)

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
Capital Advances	53.87	49.25	58.49	-
Security Deposits	16.29	16.29	18.37	18.34
Loans and advances to related parties				
- Loans & Advances	5.00	12.09	11.56	-
- Security Deposits	250.00	-	-	-
Advance tax and TDS (Net of provisions)	-	-	-	1.52
	325.16	**77.64**	**88.42**	**19.86**

Note 4 : Other non - current assets

(Unsecured, Considered Good)

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
MAT credit entitlement	327.67	332.65	209.96	117.84
Fixed Deposits - Held as Margin Money	0.77	2.33	1.21	-
(Maturity Period of more than 12 Months)				
Accrued Interest	0.11	0.11	0.05	0.04
	328.55	**335.09**	**211.22**	**117.88**

Note 5 : Inventories

(as taken valued & certified by the management)

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
Finished goods	528.34	608.78	534.69	626.83
Stock in trade	619.19	555.91	418.72	339.52
Raw materials	635.43	570.88	430.35	312.67
Packing materials	47.55	51.68	33.44	25.11
	1,830.51	**1,787.25**	**1,417.20**	**1,304.13**

Note 6 : Trade receivables

(Unsecured, Considered Good)

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
Due for a period exceeding six months from the date they are due for payment	230.09	214.06	92.41	171.30
Other debts	1,880.60	1,825.53	1,495.72	1,058.69
	2,110.69	**2,039.59**	**1,588.13**	**1,229.99**

Note 7 : Cash and cash equivalents

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
Balances with banks:				
On current accounts	93.67	137.83	194.39	116.67
Cash on hand	39.11	44.32	14.76	45.82
Other bank balances				
Balance with banks - Held as Margin Money	0.06	24.98	11.54	-
	132.84	**207.13**	**220.69**	**162.49**

Note 8 : Short - term loans and advances

(Unsecured, Considered Good)

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
Loans and advances				
To related parties	43.83	27.69	45.13	23.00
To others	17.28	2.00	2.00	3.00
Advance recoverable in cash or kind	257.67	104.66	43.39	432.92
Other loans and advances				
Loans to employees				
- To related parties	27.16	-	-	-
- To others	62.43	86.53	83.30	52.26
Input VAT Credit	17.32	14.87	8.25	5.63
Prepaid expenses	1.10	2.35	1.92	0.23
	426.79	**238.10**	**183.99**	**517.04**

Note 9 : Other Current Assets

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
IPO Expenses Not Written Off	10.00	-	-	-
	10.00	**-**	**-**	**-**

Note 10 : Long-term borrowings

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
Term Loans (Secured)	85.86	107.19	191.80	227.00
Less: Current maturity of long term debt	5.86	77.75	84.00	75.00
Less: Interest accrued but not due	59.00	6.19	6.80	2.00
	21.00	23.25	101.00	150.00
Hire Purchase Loans (Secured)	70.48	66.21	17.45	21.30
Less: Current maturity of long term debt	20.87	18.84	9.23	3.62
	49.61	47.37	8.22	17.68
	70.61	**70.62**	**109.22**	**167.68**

Note 11 : Deferred tax liabilities (net)

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
Deferred Tax Liabilities / (Assets)				
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	14.85	18.68	19.91	23.72
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	-	(0.01)	(0.39)
	14.85	**18.68**	**19.90**	**23.33**

Note 12 : Trade payables

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
Due to Micro, Small & Medium Enterprises	-	-	-	-
Due to Others	440.62	548.84	374.72	345.25
	440.62	**548.84**	**374.72**	**345.25**

Note 13 : Short-term borrowings

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
Working Capital Loans (Secured)	1,977.66	1,865.08	1,053.54	727.67
Interest free loans from related parties (Unsecured)	0.09	4.68	743.09	1,409.74
	1,977.75	**1,869.76**	**1,796.63**	**2,137.41**

Note 14 : Other current liabilities

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
Current maturity of long term debt	79.87	96.59	93.23	78.62
Interest accrued but not due	5.86	6.19	6.80	2.00
Employee Benefits Payable	22.63	18.40	18.02	3.68
Duties and taxes payable	55.05	74.10	45.08	15.86
Trade Deposits	33.58	30.40	25.44	34.42
Advance from Debtors	96.97	176.99	100.24	18.43
Provision for expenses	1.15	1.99	2.52	41.45
	295.11	**404.66**	**291.33**	**194.46**

Note 15 : Short term provisions

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
Provision for tax (net of advance tax & TDS)	39.32	12.00	15.30	-
	39.32	**12.00**	**15.30**	**-**

Note 16 : Share Capital

Particulars	As at 30.09.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
Authorised				
Equity shares of Rs.10/- each	1,700.00	600.00	600.00	500.00
	1,700.00	**600.00**	**600.00**	**500.00**
Issued, Subscribed and Fully Paid Up				
Equity shares of Rs. 10/- each fully paid up	1,166.00	533.23	533.23	499.90
Equity Shares of Rs. 10/- each Rs. 1/- Paid up	-	4.98	-	-
	1,166.00	**538.21**	**533.23**	**499.90**

Note 17 : Reserves and Surplus

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
Securities Premium Account				
Balance at the beginning of the year	65.85	65.86	-	-
Add: On further issue of shares	348.37	-	66.67	-
Less : Utilised for Issue of Bonus Shares	406.51	-	-	-
Less: Share issue expenses	7.71	-	0.81	-
Closing Balance	**-**	**65.86**	**65.86**	**-**
Surplus / (deficit) in the statement of profit and loss				
Balance at the beginning of the year	2,105.25	1,383.05	896.64	461.98
Add : Profit for the year	172.46	722.20	486.41	434.66
Less : Utilised for Issue of Bonus Shares	176.49	-	-	-
Closing Balance	**2,101.22**	**2,105.25**	**1,383.05**	**896.64**
	2,101.22	**2,171.11**	**1,448.91**	**896.64**

Note 18 : Revenue from operation

Particulars	As at 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Sale of Products				
Manufactured Products	1,358.31	5,752.60	4,429.58	3,955.18
Traded Products	415.96	1,534.70	1,230.98	1,082.68
Less: Discounts and Sales returns	20.78	428.34	345.67	337.46
	1,753.49	**6,858.96**	**5,314.89**	**4,700.40**
Other Operating Revenue				
- Scrap Sale	0.41	0.74	3.63	-
Gain on Foreign Exchange Fluctuations (Net)	-	0.59	2.03	0.07
	1,753.90	**6,860.29**	**5,320.55**	**4,700.47**

Note 19 : Other income

Particulars	As at 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Interest Income	0.19	7.58	3.97	3.54
Profit / (loss) on sale of fixed assets	-	1.64	-	-
Miscellaneous Income	0.19	0.32	-	4.27
	0.38	**9.54**	**3.97**	**7.81**

Note 20 : Cost of materials consumed

Particulars	As at 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Raw Material				
Opening stock	570.88	430.35	312.67	398.64
Add: Purchases	731.48	3,665.26	2,749.05	2,500.61
Less: Closing stocks	635.43	570.88	430.35	312.67
	666.93	**3,524.73**	**2,631.37**	**2,586.58**

Note 21 : Purchases of stock - in - trade

Particulars	As at 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Purchase of stock in trade	446.69	1,434.44	1,053.44	814.20
	446.69	**1,434.44**	**1,053.44**	**814.20**

Note 22 : Changes in inventories of finished goods, and stock in trade

Particulars	As at 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Finished Goods				
Opening Stock	608.78	534.69	626.83	334.33
Closing Stock	528.34	608.78	534.69	626.83
	(80.44)	74.09	(92.14)	292.50
Trading Goods				
Opening Stock	555.91	418.72	339.52	471.45
Closing Stock	619.19	555.91	418.72	339.52
	63.28	137.19	79.20	(131.93)
	(17.16)	**211.28**	**(12.94)**	**160.57**

Note 23 : Employee benefits expense

Particulars	As at 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Salary Wages and Bonus	97.46	387.23	366.08	333.53
Contribution to Provident Fund and Other Funds	5.02	21.22	22.08	24.94
Staff Welfare Expenses	3.80	16.00	8.72	8.53
	106.28	**424.45**	**396.88**	**367.00**

Note 24 : Finance costs

Particulars	As at 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Interest expense				
On bank borrowings	70.12	227.83	115.74	65.45
Others	-	14.90	4.97	4.51
Bank Charges	2.13	14.91	8.53	10.94
	72.25	**257.64**	**129.24**	**80.90**

Note 25 : Other expenses

Particulars	As at 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Manufacturing expenses				
Job Charges	7.26	42.29	27.48	15.73
Power & Fuel	12.13	49.87	42.42	41.09
Testing & Certification Charges	-	0.19	7.39	6.55
Repairs & Maintenance	-			
- Plant & Machinery	6.23	13.34	9.68	19.23
- Factory Building	0.02	0.10	2.21	6.06

Security Expenses	1.62	5.42	5.34	3.42
Consumable & Stores	1.28	6.64	7.86	8.88
Packing Materials Consumed	28.49	140.61	103.82	122.41
Carriage Inward	3.35	17.64	18.21	19.48
Factory Insurance Premium	3.30	1.93	1.39	1.94
Other Factory Expenses	0.87	3.62	4.47	8.00
	64.55	**281.65**	**230.27**	**252.79**
Administration, Selling and Distribution expenses				
Rent	4.72	18.47	15.56	19.28
Rates & Taxes	1.34	4.73	11.37	6.24
Repairs & Maintenance				
- Building	1.00	2.42	0.96	0.83
- Others	3.06	6.91	3.93	3.43
Travelling & Conveyance	59.49	71.76	51.72	50.76
Foreign Exchange Fluctuation (Net)	3.23	-	-	-
Communication Costs	3.98	15.71	14.71	16.24
Printing & Stationery	1.99	5.73	3.48	4.09
Water & Electricity Charges	3.52	10.43	8.84	7.95
Legal and Professional Fees	10.26	8.20	3.52	2.95
Auditor's Remuneration	0.56	2.40	2.02	1.41
Commission	5.97	22.52	27.52	28.80
Advertising & Sales Promotion Expenses	11.20	43.63	66.55	60.06
Transportation, Freight & Handling Charges	18.79	59.11	52.18	37.82
Miscellaneous Expenses	9.51	26.83	24.77	30.69
	138.62	**298.85**	**287.13**	**270.55**
	203.17	**580.50**	**517.40**	**523.34**

Payment to Auditor

Particulars	**As at 30.06.2012**	**Year ended 31.03.2012**	**Year ended 31.03.2011**	**Year ended 31.03.2010**
- For Audit fees	0.56	1.36	1.21	1.16
- For Other services	-	1.04	0.81	0.25
	0.56	**2.40**	**2.02**	**1.41**

Accompanying notes to the restated consolidated financial statements

1 Backgroung

The Group is mainly engaged in the business of manufacturing and trading of Wires, Cables & Electrical Accessories.

The Restated Consolidated Statement of Assets and Liabilities as at 30th June, 2012, 31st March, 2012, 2011 and 2010 and the related Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows for the period ended 30th June, 2012 and years ended 31st March, 2012, 2011, 2010 (herein collectively referred to as — Restated Consolidated Financial Statements) related to the Company have been prepared specifically for inclusion in the offer document to be filed by the Company with Securities and Exchange Board of India (SEBI) in connection with the proposed initial public offering of equity shares of the Company.

The Restated Consolidated Financial Statements have been prepared to comply in all material respects with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act') and the Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations) issued by SEBI in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992.

2 Non-Adjustment Items

Audit qualifications for the respective periods, which require corrective adjustment in these Restated Consolidated Financial Statements of the Company are as follows:

For Financial Period ended 30th June, 2012 and Years ended 31st March, 2012, 2011, 2010 :
In our opinion, the said Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 except, Accounting Standard 15 (AS -15) relating to Accounting of Employees Benefits. We are unable to comment upon the resultant effect on assets, liabilities and profit for the year as the amount of such benefit is presently not ascertainable.

3 Material Regroupings

Appropriate adjustments have been made in the restated consolidated summary statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financial statements of the Company and the requirements of the SEBI Regulations.

4 Liabilities in respect of gratuity & leave encashment are accounted for on cash basis which is not in conformity with Accounting Standard (AS)15 (Revised 2005) on Employee Benefits which requires that Gratuity and Leave Encashment Liabilities be accounted for on accrual basis.

5 Sales are reported net of discounts, rebates and returns.

6 Purchases are stated net of discounts and rate difference.

7 In the opinion of the Board the Current Assets, Loans & Advances are approximately of the value stated and realisable in the ordinary course of business. The Provision for all known liabilities is adequate & not in the excess of the amount reasonably necessary.

8 Trade receivables, trade payables and some of the loans & advances and unsecured borrowings are subject to confirmation and reconciliation. Consequential adjustment thereof, if any, will be given effect into the books of accounts in the year of such adjustments.

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

Annexure "VI"

(Rs. in lakhs)

Consolidated statement of secured borrowings outstanding as at 31st March, 2012

Lender	Nature of loan	Sanctioned amount	Primary Security	Collateral Security	Balance as at 30.06.12	Balance as at 31.03.12	Interest rate	No. of EMI	Amount of EMI	Starting date of repayment
Indian Overseas Bank	Term Loan	375.00	Hypothecation of Factory Building, Plant & Machinery	Personal guarantee of three directors.	55.23	74.26	12.25%	60.00	6.25	3-May-08
Indian Overseas Bank	Term Loan	45.00	Hypothecation of Factory Building, Plant & Machinery	Personal guarantee of three directors.	30.62	32.92	12.25%	60.00	0.75	20-Jan-11
BMW Financial Services Private Limited	Hire Purchase Loan	37.50	Hypothecation of vehicle financed	Nil	31.55	33.04	11.00%	60.00	0.82	1-Jul-11
HDFC Bank Limited	Hire Purchase Loan	6.50	Hypothecation of vehicle financed	Nil	4.50	4.80	9.70%	60.00	0.14	5-Sep-10
ICICI Bank Limited	Hire Purchase Loan	32.00	Hypothecation of vehicle financed	Nil	24.17	26.78	2.22%	36.00	0.92	15-Nov-11
ICICI Bank Limited	Hire Purchase Loan	3.00	Hypothecation of vehicle financed	Nil	0.56	0.73	10.90%	60.00	0.06	10-May-08
HDFC Bank Limited	Hire Purchase Loan	3.99	Hypothecation of vehicle financed	Nil	0.49	0.85	9.70%	36.00	0.13	5-Dec-09
HDFC Bank Limited	Hire Purchase Loan	924,000	Hypothecation of vehicle financed	Nil	9.21	-	11.50%	60	20,328	5-Aug-12
Indian Overseas Bank	Working Capital Loan	1,950.00	Hypothecation of stocks of raw materials, work in process, finished goods, book debts	Personal guarantee of three directors.	1,977.66	1,865.08	12.00%	NA	NA	NA

Annexure "VII"

Statement of Unsecured borrowings taken by the Company **Rs. in Lacs**

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
Interest free loans taken from related parties				
Holding Company				
Veto Electropower (India) Private Limited	-	4.58	741.68	1,193.12
Key Management Personnel				
Babu Lal Gurnani	-	-	-	4.34
Kishore Kumar Gurnani	-	-	-	1.66
Narain Das Gurnani	-	-	1.35	-
Vishnu Kumar Gurnani	-	-	-	132.97
Enterprises under significantly influence				
Kanchan Cables Private Limited	-	-	-	71.40
Shipra Plastics	-	-	-	5.93
Gurnani Infradevelopers Private Limited	-	-	-	-
	-	**4.58**	**743.03**	**1,409.42**

Annexure "VIII"

Statement of loans and advances

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
Long term loans and advances				
(Unsecured, Considered Good)				
Security Deposits	16.29	16.29	18.37	18.34
Capital Advances	53.87	49.25	58.49	-
Loans and advances to related parties	255.00	12.09	11.56	-
Advance tax and TDS (Net of provisions)	-	-	-	1.52
	325.16	**77.63**	**88.42**	**19.86**
Short term loans and advances				
(Unsecured, Considered Good)				
Loans & advances				
- To related parties	43.83	27.69	45.13	23.00
- To others	17.28	2.00	2.00	3.00
Advance recoverable in cash or kind	257.67	104.66	43.39	432.92
Other loans and advances				
Loans to employees				
- To Related Parties	27.16	-	-	-
- To Others	62.43	86.53	83.30	52.26
Input VAT Credit	17.32	14.87	8.25	5.63
Prepaid expenses	1.10	2.35	1.92	0.23
	426.79	**238.10**	**183.99**	**517.04**
Total loans and advances	**751.95**	**315.73**	**272.41**	**536.90**
Loans and advances to related parties includes				
Long term				
Key Management Personnel				
Dinesh Gurnani			0.20	-
Related Key Management Personnel				
Dharam Gurnani		7.09	6.36	-
Enterprise under significant influence				
Security Deposits to :				
Gurnani Infradevelopers Private Limited	250.00	-	-	-
Yashodevi Raichand Gurnani Charitable Trust	5.00	5.00	5.00	-
	255.00	**12.09**	**11.56**	**-**
Short term				
Due from key management pesonnel				
Kishore Kumar Gurnani	4.81	4.81	4.11	-
Narain Das Gurnani	-	-	-	0.63
Babu Lal Gurnani	-	-	-	-
Vishnu Kumar Gurnani	14.42	-	-	-
Related key management personnel				
Dharam Gurnani	8.16	-	-	-
Rajesh Kumar Gurnani	5.67	-	-	-
Govind Gurnani	4.69	-	-	-
Pushpa Devi Gurnani	4.32	-	-	-
Jyoti Gurnani	4.32	-	-	-
Rohit Gurnani	-	-	-	-

Shrutikantha Mishra	-	-	-	-
Vijay Pamnani	-	-	-	0.03
Kanishka Gurnanni	-	-	-	5.00
-	-			
Due from enterprises under significant influence	-			
Jai Electricals	-	-	21.29	-
Jai Enterprises, Jaipur	-	-	16.65	-
Veto Power	-	-	-	2.34
Gurnani Industries	24.60	22.88	3.09	-
Yashodevi Raichand Gurnani Charitable Trust	-	-	-	15.00
	70.99	**27.69**	**45.13**	**23.00**
	70.99	**27.69**	**45.13**	**23.00**

Annexure "IX"

Statement of Trade Receivales **(Rs. In lakhs)**

Particulars	**As at 30.06.2012**	**As at 31.03.2012**	**As at 31.03.2011**	**As at 31.03.2010**
(Unsecured, Considered Good)				
Due for a period exceeding six months from the date they are due for payment	230.09	214.06	92.41	171.30
Other debts	1,880.60	1,825.53	1,495.72	1,058.69
	2,110.69	**2,039.59**	**1,588.13**	**1,229.99**

Annexure "X"

Statement of Investments **(Rs. In lakhs)**

Particulars	**As at 30.06.2012**	**As at 31.03.2012**	**As at 31.03.2011**	**As at 31.03.2010**
Non - trade, Unquoted				
Investment in National Saving Certificates	0.35	0.35	0.35	0.35
	0.35	**0.35**	**0.35**	**0.35**

Annexure "XI"

Statement of Other Income **(Rs. In lakhs)**

Particulars	**Period ended 30.06.2012**	**Year ended 31.03.2012**	**Year ended 31.03.2011**	**Year ended 31.03.2010**
Interest Income	0.19	7.58	3.97	3.54
Profit / (loss) on sale of fixed assets	-	1.64	-	-
Miscellaneous Income	0.19	0.32	-	4.27
	0.38	**9.54**	**3.97**	**7.81**

Annexure "XII"

Related Party Disclosures: **(Rs. In lakhs)**

As required under Accounting Standard 18 "Related Party Disclosure" (AS-18) as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with the related parties of the Company as defined in AS 18:

List of Related Parties and Relationships

Key management personnel

Vishnu Kumar Gurnani (Upto 15th January, 2011)	Director
Babulal Gurnani (Upto 28th January, 2011)	Director
Kishore Kumar Gurnani	Director
Dinesh Gurnani	Director
Narayan Das Gurnani	Director
Mohan Das Gurnani (from 28th January, 2011)	Director

Related key management personnel

Ragini Gurnani

Govind Gurnani
Dharam Gurnani
Rajesh Kumar Gurnani
Babulal Gurnani (from 28th January, 2011)
Harish Gurnani
Sarita Gurnani
Priyanka Gurnani
Vijay Pammani
Kanishka Gurnani
Pushpa Gurnani
Jyoti Gurnani

Enterprises under significantly influence

Poonam Industries
Vijay Industries
Anjali Packaging
Emkay Exports
Jai Enterprises
Shipra Plastics
Jai Electricals
Veto Power
Kanchan Cables Privte Limited
Gurnani Infra Developer Private Limited
Gurnani Real Estate Private Limited
Vimal Power Cables Private Limited

Holding Company

Veto Electropower (India) Private Limited

Related Party Transactions

Sale / Purchase of goods

Particulars	Sale of Goods	Purchase of Goods	Amount Due to Related Parties	Amount due from Related Parties
For the period ended 30th June, 2012				
Key Management Personnel				
Babulal Gurnani	-	-	-	-
Relative of Key Management Personnel				
Vijay Pammani	0.95	-	-	0.19
Holding Company				
Veto Electropower (India) Private Limited	-	-	-	27.94
Enterprises under significant influence				
Poonam Industries	-	8.28	-	-
Anjali Packaging	-	2.50	1.95	-
Jai Enterprises	-	-	1.94	-
Vimal Power Cables Private Limited	-	35.36	3.75	-
Jai Electricals	37.76	-	-	42.01
	38.71	**46.14**	**7.64**	**70.14**
For the year ended 31st March, 2012				
Related key management personnel				
Babulal Gurnani	1.32	-	-	1.32
Vijay Pammani	0.10	-	-	1.14
Enterprises under significant influence				
Poonam Industries	-	31.89	2.09	-
Anjali Packaging	-	6.92	5.90	-
Jai Enterprises	0.12	9.85	2.04	-
Vimal Power Cables Private Limited	0.26	154.08	13.12	-
Jai Electricals	101.07	-	-	18.03
	102.87	**202.74**	**23.15**	**20.49**
For the year ended 31st March, 2011				
Enterprises under significant influence				
Poonam Industries	0.04	10.09	-	-
Anjali Packaging	-	2.49	0.72	-
Jai Enterprises	-	151.64	-	-
Vimal Power Cables Private Limited	-	156.29	1.98	-
Vijay Pammani	0.03	-	-	1.04

Jai Electricals	186.87	0.48	-	-
	186.94	**320.99**	**2.70**	**1.04**
For the year ended 31st March, 2010				
Key Management Personnel				
Babulal Gurnani	1.04	-	-	1.04
Enterprises under significant influence				
Vijay Industries	-	49.27	0.14	-
Jai Enterprises	-	34.11	-	-
Jai Electricals	143.95	-	-	114.15
Emkay Exports	-	121.82	39.14	-
Anjali Packaging	-	3.69	1.83	-
Vimal Power Cables Private Limited	-	131.22	41.87	-
	144.99	**340.11**	**82.98**	**115.19**

Remuneration / Salary

Particulars	Remuneration / Salary	Advance Salary - Amount Due from Related Party
30th June, 2012		
Key Management Personnel		
Vishnu Kumar Gurnani	1.20	-
Relative of Key Management Personnel		
Rajesh Kumar Gurnani	0.45	5.67
Ragini Gurnani	-	-
Govind Gurnani	1.10	4.69
Dharam Gurnani	0.56	8.16
Sarita Gurnani	0.45	0.50
Pushpa Gurnani	1.50	4.32
Jyoti Gurnani	1.50	4.32
	6.76	**27.66**
31st March, 2012		
Key Management Personnel		
Vishnu Kumar Gurnani	0.79	-
Related key management personnel		
Rajesh Kumar Gurnani	1.81	-
Ragini Gurnani	0.40	-
Govind Gurnani	4.23	-
Dharam Gurnani	2.30	-
Sarita Gurnani	1.81	-
Pushpa Gurnani	6.00	-
Jyoti Gurnani	6.00	-
	23.34	**-**
31st March, 2011		
Related key management personnel		
Govind Gurnani	2.52	-
Dharam Gurnani	1.91	-
Sarita Gurnani	1.78	-
Priyanka Gurnani	2.75	-
Pushpa Gurnani	6.00	-
Jyoti Gurnani	6.00	-
Rajesh Kumar Gurnani	1.83	-
Kishore Kumar Gurnani	6.00	-
	28.79	**-**
31st March, 2010		
Related key management personnel		
Govind Gurnani	2.28	-
Dharam Gurnanai	1.87	-
Rajesh Kumar Gurnani	2.00	-
Sarita Gurnani	1.44	-

Pushpa Gurnani	1.50	-
Miss Jyoti Gurnani	1.50	-
Priyanka Gurnani	3.00	-
	13.59	-

Rent

Particulars	Rent
30th June , 2012	
Enterprises under significant influence	
Gurnani Infra Developer Private Limited	0.45
31st March, 2012	
Enterprises under significant influence	
Gurnani Infra Developer Private Limited	2.76
31st March, 2011	
Enterprises under significant influence	
Gurnani Infra Developer Private Limited	1.96
31st March, 2010	
Enterprises under significant influence	
Gurnani Infra Developer Private Limited	1.51

Loans given and repayment thereof

Name	Opening Balance	Loans Given	Receipts	Amount due from Related Parties
For the period ended 30th June, 2012				
Key management personnel				
Vishnu Kumar Gurnani	-	20.39	5.97	14.42
Relative of Key Management Personnel				
Kishore Kumar Gurnani	4.81	-	-	4.81
Enterprises under significant influence				-
Gurnani Industries	22.88	1.80	0.09	24.60
Yashodevi Raichand Gurnani Charitable Trust	5.00	-	-	5.00
For the year ended 31st March, 2012				
Key management personnel				-
Kishore Kumar Gurnani	4.11	0.70	-	4.81
Dinesh Gurnani	0.20	-	0.20	-
Related key management personnel				
Dharam Gurnani	6.36	0.73	-	7.09
Enterprises under significant influence				
Jai Electricals	21.29	-	21.29	-
Jai Enterprises, Jaipur	16.65	-	16.65	-
Yashodevi Raichnd Gurnani Ch. Trust	5.00	-	-	5.00
Gurnani Industries	3.09	19.79	-	22.88
	56.70	**21.22**	**38.14**	**39.78**
For the year ended 31st March, 2011				
Key management personnel				-
Kishore Kumar Gurnani	-	4.11	-	4.11
Dinesh Gurnani	-	0.20	-	0.20
Narayan Das Gurnani	0.63	-	0.63	-
Babu Lal Gurnani	-			-
Related key management personnel				
Dharam Gurnani	-	6.36	-	6.36
Vijay Pamnani	0.03	-	0.03	-
Kanishka Gurnanni	5.00	-	5.00	-
Enterprises under significant influence				
Jai Electricals	-	21.29	-	21.29
Jai Enterprises, Jaipur	-	16.65	-	16.65

Yashodevi Raichnd Gurnani Ch. Trust	15.00	-	10.00	5.00
Veto Power	2.34	-	2.34	-
Gurnani Industries	-	3.09	-	3.09
	23.00	**51.70**	**18.00**	**56.70**
For the year ended 31st March, 2010				
Key management personnel				-
Kishore Kumar Gurnani	20.31	-	20.31	-
Narayan Das Gurnani	0.20	0.43	-	0.63
Babu Lal Gurnani	15.00	-	15.00	-
Related key management personnel				
Rohit Gurnani	-	-	-	-
Shrutikantha Mishra	-	-	-	-
Vijay Pamnani	-	0.03	-	0.03
Kanishka Gurnanni	-	5.00	-	5.00
Enterprises under significant influence				
Yashodevi Raichnd Gurnani Ch. Trust	5.00	10.00	-	15.00
Veto Power	-	2.34	-	2.34
	40.51	**17.80**	**35.31**	**23.00**

Loans taken and repayment thereof

Particulars	Opening Balance	Loans Taken	Repayment	Amount due from Related Parties
For the period ended 30th June, 2012				
Key Management Personnel				
Vishnu Kumar Gurnani	0.83	-	0.83	-
For the year ended 31st March, 2012				
Holding Company				
Veto Electropower (India) Private Limited	741.68	-	737.09	4.58
Key Management Personnel				
Babu Lal Gurnani	-	-	-	-
Kishore Kumar Gurnani	-	-	-	-
Narain Das Gurnani	1.35	-	1.35	-
Vishnu Kumar Gurnani	0.06	3,540.00	-	3,540.06
Enterprises under significantly influence				
Kanchan Cables Private Limited	-	-	-	-
Shipra Plastics	-	-	-	-
Gurnani Infradevelopers Private Limited	-	-	-	-
	743.09	**3,540.00**	**738.44**	**3,544.64**
For the year ended 31st March, 2011				
Holding Company				
Veto Electropower (India) Private Limited	1,193.38	-	451.70	741.68
Key Management Personnel				
Babu Lal Gurnani	4.34	-	4.34	-
Kishore Kumar Gurnani	1.66	-	1.66	-
Narain Das Gurnani	-	1.35	-	1.35
Vishnu Kumar Gurnani	133.03	-	132.97	0.06
Enterprises under significantly influence				
Kanchan Cables Private Limited	71.40	-	71.40	-
Shipra Plastics	5.93	-	5.93	-
Gurnani Infradevelopers Private Limited	-	-	-	-
	1,409.74	**1.35**	**668.00**	**743.09**
For the year ended 31st March, 2010				
Holding Company				
Veto Electropower (India) Private Limited	1,542.37	-	349.00	1,193.38
Key Management Personnel				
Babu Lal Gurnani	67.90	-	63.56	4.34
Kishore Kumar Gurnani	-	1.66	-	1.66
Narain Das Gurnani	-	-	-	-
Vishnu Kumar Gurnani	0.03	133.00	-	133.03
Enterprises under significantly influence				

Kanchan Cables Private Limited	14.50	56.90	-	71.40
Shipra Plastics	-	5.93	-	5.93
Gurnani Infradevelopers Private Limited	-	-	-	-
	1,624.80	**197.49**	**412.56**	**1,409.74**

Deposits Given

Particulars	Deposits Given	Amount due to Related Parties
30th June, 2012		
Enterprises under significant influence		
Gurnani Infra Developer Private Limited	250.00	250.00

Annexure "XIII"
Consolidated Summary of Accounting Ratios

(Rs. & No. In lakhs)

Particulars	As at 30th June, 2012	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Net Profit Attributable to Equity Shareholders				
Earning Per Share (EPS) (Rs.) [a/b]				
- Basic [a/b] *	1.50	13.54	9.73	11.74
- Diluted [a/d] *	1.50	13.54	9.73	11.74
Return on Net Worth (%) [a/g %]	5.28%	26.66%	24.54%	31.12%
Net Asset Value Per Share (Rs.) [h/e]	28.02	50.34	37.17	27.94
Weighted Average No. of Equity Shares	114.63	53.33	50.00	37.03
No. of Equity Shares outstanding	116.60	53.82	53.32	49.99

Notes :

1	Net Profit after tax adjustments [a]	172.48	722.23	486.40	434.66
	Weighted Average No. of Equity Shares [b]	114.63	53.33	50.00	37.03
	Total No. of Equity Share for Calculating Diluted EPS [d]	114.63	53.33	50.00	37.03
	No. of Equity Shares at the end of the year[e]*	116.60	53.82	53.32	49.99
	Net Worth [g]	3,267.26	2,709.33	1,982.12	1,396.54
	Net Asset [h]	3,267.26	2,709.33	1,982.12	1,396.54

2 Formula :

Earning per Share (Rs.) = Net Profit attributable to equity shareholders / Weighted Average number of equity shares outstanding during the period

Net Asset Value Per Share (Rs.) = Net Worth excluding revaluation reserve at the end of the year / Total Number of equity shares outstanding at the end of the year

Return on Net Worth (%) = Net Profit after tax adjustments / Net worth at the end of the year

Net Asset = Equity Share Capital plus Reserves & Surplus less Miscellaneous Expenditure to the extent not written off.

3 Earning per share (EPS) is calculated afer adjusting for 58,30,000 bonus shares issued, vide resolution passed at the the extra ordinary general meeting held on 11th May, 2012, with retrospective effect as provided in Accounting Standard (AS-20) - Earning Per Share, issued by the Institute of Chartered Accountants of India.

*No. of Equity Shares at the end of the year

Particulars	As at 30th June, 2012	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
No. of Equity shares of Rs. 10/- each fully paid up	116.60	53.32	53.32	49.99
No. of Equity Shares of Rs. 10/- each Rs. 1/- paid up	-	4.98	-	-
	116.60	**58.30**	**53.32**	**49.99**
Total No. of Equivallent Equity Shares of Rs. 10 each fully paid up at the end of the year/period	**116.60**	**53.82**	**53.32**	**49.99**

Annexure "XIV"
Consolidated statement of Capitalisation

(Rs. in lakhs)

Particulars	Pre-Issue as at 30th June, 2012	Pre-Issue as at 31st March, 2012	As Adjusted for the Issue*
Debt			
Long Term Debt	70.61	70.62	70.61
Short Term Debt	1,977.75	1,869.76	1,977.75
Total Debt	**2,048.36**	**1,940.38**	**2,048.36**
	-		
Equity (shareholder's funds)			
Equity Share Capital	1,166.00	538.21	[*]
Reserves & Surplus	2,101.26	2,171.11	[*]
Total Equity	**3,267.26**	**2,709.32**	**[*]**
	-		
Total Capitalization	-		
Long Term Debt/Equity Ratio	0.02	0.03	[*]
Total Debt/Equity Ratio	0.63	0.72	[*]

** The corresponding As Adjusted for the Issue capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement*

Annexure "XV"
Consolidated statement of Tax Shelter

(Rs. in lakhs)

Particulars	Year ended 30.09.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Profit as per books	**217.07**	**753.73**	**493.08**	**409.10**
Normal Rate	32.45%	32.45%	33.22%	33.99%
MAT Rate	20.01%	20.01%	19.93%	17.00%
Tax at Normal Rate	70.43	244.55	163.79	139.05
Adjustments:				
Exemption u/s 80IC	71.96	668.22	486.56	414.48
Depreciation as per books	(24.76)	(105.65)	(90.16)	(87.73)
Depreciation as per IT	20.67	99.08	77.93	84.64
Other Adjustment	(0.01)	6.45	0.96	(2.30)
Net Adjustment	**67.86**	**668.10**	**475.29**	**409.09**
Tax Savings thereon	22.02	216.77	157.88	139.05
Tax as per Normal Provisions	48.41	27.78	5.91	-
Tax as per MAT	43.43	150.80	98.27	69.53
Provision for Current Tax	**43.43**	**155.42**	**102.28**	**69.86**
Deferred Tax Liability/(Assets)	(3.83)	(1.22)	(3.43)	(25.83)
MAT Credit Entitlement	4.98	(122.68)	(92.13)	(69.49)

Annexure "XVI"
Consolidated statement of Contingent Liabilities

(Rs. in lakhs)

Particulars	As at 30.06.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010
Guarantee given by Banks on behalf of the Company	4.50	4.50	52.50	0.50
Estimated amount of contracts remaining to be executed on capital account	-	5.25	6.50	5.16

Annexure "XVII"
Consolidated statement of Earning Per Share

(Rs. & No. In lakhs)

Particulars	Year ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Weighted average number of Equity Shares of Rs. 10/- each				
Number of shares at the end of the year	116.60	53.82	53.32	49.99
Weighted average number of Equity Shares outstanding during the year	114.63	53.33	50.00	37.03
Weighted average number of Potential Equity Shares outstanding during the year	-	-	-	
Total number of Equity share for calculating Diluted Earning Per Share	114.63	53.33	50.00	37.03
Net Profit after Tax available for Equity shareholders	172.48	722.23	486.40	434.66
Basic Earning Per Share (in Rs.)	1.50	13.54	9.73	11.74
Diluted Earning Per Share (in Rs.)	1.50	13.54	9.73	11.74

** Earning per share (EPS) is calculated afer adjusting for 58,30,000 bonus shares issued, vide resolution passed at the the extra ordinary general meeting held on 11th May, 2012, with retrospective effect as provided in Accounting Standard (AS-20) - Earning Per Share, issued by the Institute of Chartered Accountants of India.*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion of our financial condition and results of operations together with our standalone restated audited financial information for FY 2010, FY 2011 and FY 2012 including the notes thereto and the reports thereon, which are included in this RHP. Our audited financial information, as restated, is prepared in terms of the requirements of Paragraph B, Part II of Schedule II of the Companies Act and the SEBI Regulations. You should also read the sections titled "Risk Factors" and "Forward-Looking Statements" on page xi and x, respectively, of this RHP which discuss a number of factors and contingencies that could impact our financial condition and results of operations.

Overview of the Business

We are an ISO 9001:2008 certified company, engaged in the manufacture and sale of wires & cables and electrical accessories in India. Our product portfolio ranges from industrial cables, stand cables to telephone & co-axial wires, from general switches to modular switches, from ceiling fans to rechargeable fans, compact fluorescent lamps and other electrical accessories. Our products are manufactured at our state-of-art manufacturing unit located in Hardwar, Uttarakhand. We supply our products under the brands "VETO" and "VIMAL POWER" through our large network of dealers to our customers in India as well as select customers abroad.

Our Company was incorporated as a private limited company on June 20, 2007 by conversion of partnership firm "M/s Veto Industries" under part IX of Companies Act, 1956. We are part of Jaipur, Rajasthan based Gurnani Group which has interests in wires & cables, electrical accessories, real estate and hotels. Our Company is promoted by M/s Veto Electropowers (India Private Limited, which is a subsidiary of Gurnani Holding Private Limited, which in turn is owned by Mr. Vishnu Kumar Gurnani, Mr. Mohan Das Gurnani and Mr. Narayan Das Gurnani. Pursuant to the conversion from private limited company to public limited company, our name was changed to "Veto Switchgears and Cables Limited" w.e.f. August 3, 2012 by receiving fresh certificate of incorporation from the Registrar of Companies, Maharashtra, Mumbai. The corporate office of our Company is located in Jaipur, Rajasthan.

Over the years, we have strengthened our manufacturing capacity by undertaking expansion from time-to-time. Most of our products are used in households, offices, factories, etc i.e., B2C (Business to Consumer) and sold over the counter by our network of dealers. The demand for our products has surged due to the growing demand for new homes and offices in India. This is further supported by the growth in various industries across. Thus, in order to improve our market share, we need to increase our presence and market our products in new locations. Further, the demand for our products from the overseas markets has been positive and thus we propose to capitalize the same by increasing our existing capacities.

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Our standalone total income increased to ₹ 6,860.28 lacs in the fiscal year 2012 from ₹ 2,497.69 lacs in the fiscal year 2008 at a CAGR of 28.74%. During the same period, our net profit after tax increased to ₹ 722.41 lacs from ₹ 213.23 at a CAGR of 35.67%.

Plant location and installed capacity

The present facility of our Company is located at Plot no. 65-67 and 74-77, Sector-5, IIE, Sidcul, Hardwar-249403, Uttarakhand. All of our products (except for CFL and fans) are being manufactured and assembled at this facility. The existing installed capacity of the facility for wires & cables is 1,408,000 bundles p.a. and for electrical accessories is 38,000,000 pieces p.a.

Products

Our Company manufactures various products under various categories namely –

Wires & Cables	Multi Stand Cables, L.T. Industrial Cables, Copper Flexible Cables, Telephone & Co-Axial Wires
Electrical Accessories	Carino Modular Switches, Power Modular Switches, Puf General Switches, FM Mini Modular Switches, Bells & Extension Cord, MCB/ Isolater / Distribution Boxes Compact Fluorescent Lamp, Ceiling Fan, Exhaust Fan, Table Fan, Wall Fan, Stand Fan, Rechargeable Fan and other electrical accessories

Competitive Strengths

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

Under the guidance of the highly skilled management, the company documented its internal processes and methodologies which ensures that each department and each employee of our company are aware of their respective roles and obligations, and each activity of construction and development is as per the standards of quality that has been set. This also ensures uniformity in all the processes.

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.

For further details on our Business, please see “Business Overview” on page 54 of this Red Herring Prospectus.

Significant developments subsequent to the date of the last financial statement as disclosed in this RHP

Our Board of Directors are of the opinion that no circumstances have arisen since June 30, 2012 (i.e., the date of the last financial statement as disclosed in the RHP) which have materially and adversely affected or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Factors that may affect results of the Operations

- General economic conditions
- Changes in political and social conditions in India
- The outcome of legal or regulatory proceedings that we are or might become involved in
- Contingent liabilities, environmental problems and uninsured losses
- Increasing competition in the industry;
- Developments affecting the Indian economy
- Changes in laws and regulations that apply to the industry
- Uncertainty in global financial markets

Discussion on Results of Operations for last 3 financial years

The following discussion on the financial operations and performance should be read in conjunction with the audited financial results of the company for the FY 2009, 2010, 2011 and 2012 respectively.

Summary of Revenues, Expenses, and Profitability

(₹ in lacs)

Particulars	Period ended 30.06.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
INCOME					
Revenue from operation	1,753.90	6,860.28	5,320.55	4,700.48	3,896.72
Other income	0.38	9.54	3.97	7.81	3.65
Total Revenue	**1,754.28**	**6,869.82**	**5,324.52**	**4,708.29**	**3,900.37**
EXPENSES					
Cost of materials consumed	666.93	3,524.73	2,631.37	2,586.58	1,781.14
Purchases of stock - in - trade	446.69	1,434.44	1,053.44	814.20	1,305.54
Changes in inventories of finished goods, and stock in trade	17.16	(211.28)	12.94	(160.57)	(330.35)
Employee benefits expense	106.28	424.45	396.88	367.00	300.05
Finance costs	72.25	257.64	129.24	80.90	84.23
Depreciation	24.76	105.65	90.16	87.73	75.54
Other expenses	203.17	580.26	517.20	522.78	415.83
Total Expenses	**1,537.24**	**6,115.89**	**4,831.23**	**4,298.62**	**3,631.98**
Profit / (Loss) before exceptional items and tax	**217.04**	**753.93**	**493.29**	**409.67**	**268.39**
- Prior Period Items		-	-	-	-
Profit / (Loss) before tax	**217.04**	**753.93**	**493.29**	**409.67**	**268.39**
Less : Tax expenses					
- Current tax	43.43	155.42	102.28	69.86	13.51
- MAT credit (entitlement)/utilisation	4.98	(122.68)	(92.13)	(69.49)	(27.54)
- Deferred tax liability / (asset)	(3.83)	(1.22)	(3.43)	(25.83)	30.06
- Fringe benefit tax	-	-	-	-	3.60
	44.58	**31.52**	**6.72**	**(25.46)**	**19.63**
Profit / (loss) for the year/Period	**172.46**	**722.41**	**486.57**	**435.13**	**248.76**

Three months quarter ended June 30, 2012

The revenue for the three months ended June 30, 2012 was Rs.1,754.28 lacs. The profit after tax for the three months ended June 30, 2012 was Rs.172.46 lacs. During the quarter under review the company witnessed the usual demand for its products.

Comparison

Comparison of performance for FY 2012 with FY 2011

Total Income

During the FY 2012, the total income was ₹6869.82 Lacs as compared to ₹5324.52 lacs for FY 2011, an increase of

29.02% due to increased demand in the industry for our products. In addition during the year we had introduced 2 new products i.e. CFL and fan. Our capacity utilization levels have also improved over the last year. Both these factors contributed to higher volumes produced and thereby higher income from manufacturing activity.

Expenditure

Our expenditure on raw material consumption increased to ₹4747.89 lacs in FY 2012 from ₹3697.75 lacs in FY 2011, i.e., an increase of 28.40% mainly on account of increase in the capacity utilization levels as also increase in production led by increase in demand of our products.

Our other expenses i.e. manufacturing and administrative, selling & distribution expenses increased from ₹517.20 lacs in FY 2011 to ₹580.26 lacs in FY 2012, an increase of 12.19%. This increase was mainly on account of the increase in the production and productivity of our Company.

Finance Charges

Finance charges for FY 2012 were ₹257.64 Lacs compared to ₹129.24 Lacs for FY 2011. Since, our business is working capital intensive, we need to increase the cash credit limits in order to increase our production leading to better turnover. Thus, this increase is mainly due to serving these credit limits.

Depreciation

The depreciation for FY 2012 was ₹105.65 Lacs compared to ₹90.16 Lacs for FY 2011, an increase of 17 %. The said increase was mainly due to the capital expenditure incurred on dies, plant & machinery and other misc. fixed assets.

Profit for the year

The net profit for FY 2012 was ₹722.41 Lacs compared to ₹486.57 Lacs for FY 2011 leading to an increase of 48.47%. This was mainly due increase in our utilization levels of the installed capacity which led to increase in production thereby leading to higher sales revenues and at the same time, achieving economies of scale.

Comparison of performance for FY 2011 with FY 2010

Total Income

During the FY 2011, the total income was ₹5324.52 Lacs as compared to ₹4708.29 lacs for FY 2010, an increase of 13% due to increased demand in the industry for our products. Our capacity utilization levels have also improved over the last year. Both these factors contributed to higher volumes produced and thereby higher income from manufacturing activity.

Expenditure

Our expenditure on raw material consumption increased to ₹3697.75 lacs in FY 2011 from ₹3240.21 lacs in FY 2010, i.e., an increase of 14% mainly on account of increase in the capacity utilization levels as also increase in production led by increase in demand of our products.

Our other expenses i.e. manufacturing and administrative, selling & distribution expenses decreased from ₹522.78 lacs in FY 2010 to ₹517.20 lacs in FY 2011, mainly on account of the increase in the production and productivity of our Company.

Finance Charges

Finance charges for FY 2011 were ₹129.24 Lacs compared to ₹80.90 Lacs for FY 2010. Since, our business is working capital intensive, we need to increase the cash credit limits in order to increase our production leading to better turnover. Thus, this increase is mainly due to serving these credit limits.

Depreciation

The depreciation for FY 2011 was ₹90.16 Lacs compared to ₹87.73 Lacs for FY 2010.

Profit for the year

The profit for FY 2011 was ₹486.57 Lacs compared to ₹435.13 Lacs for FY 2010 leading to a increase of 11.82%. This was mainly due to increase in our capacity expansion which led to increase in production thereby leading to higher sales revenues and at the same time, achieving economies of scale.

Comparison of performance for FY 2010 with FY 2009

Total Income

During the FY 2010, the total income was ₹4708.29 Lacs as compared to ₹3900.37 lacs for FY 2009, an increase of 21% due to increased demand in the industry for our products. Our capacity utilization levels have also improved over the last year. Both these factors contributed to higher volumes produced and thereby higher income from manufacturing activity.

Expenditure

Our expenditure on raw material consumption increased to ₹3240.21 lacs in FY 2010 from ₹2756.33 lacs in FY 2009, i.e., an increase of 18% mainly on account of increase in the capacity utilization levels as also increase in production led by increase in demand of our products.

Our other expenses i.e. manufacturing and administrative, selling & distribution expenses increased from ₹415.83 lacs in FY 2009 to ₹522.78 lacs in FY 2010, an increase of 26% was mainly on account of the increase in the production.

Finance Charges

Finance charges for FY 2010 were ₹80.90 Lacs compared to ₹84.23 Lacs for FY 2009, leading to a decrease of ₹3.33 lacs mainly on account of reduction in the outstanding term loans during FY 2010.

Depreciation

The depreciation for FY 2010 was ₹87.73 Lacs compared to ₹75.54 Lacs for FY 2009. The increase of 16% in depreciation was on account of the capital expenditure incurred by adding balanced equipments at Hardwar, Uttarakhand.

Profit for the year

The profit for FY 2010 was ₹435.13 Lacs compared to ₹248.76 Lacs for FY 2009 leading to a increase of 75%. This was mainly due to decrease in raw material costs which were followed by improvement in profit margins.

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. **Unusual or infrequent events or transactions**

   There have been no events to the best of our knowledge, other than as described as above, which may be called "unusual" or "infrequent".

2. **Significant economic changes that materially affected or are likely to affect income from continuing operations**

   Government's focus on the industry in which we run our business will have major bearing on the companies involved in construction and real estate sector. Any major changes in the policies of the Government may have significant impact on our profitability as applicable to these industries.

3. **Future changes in relationship between costs and income**

Except as described in this section and in "***Risk Factors***" and "***Business Overview***" on pages xi and 54, respectively, to the best of our knowledge, there is no future relationship between expenditure and income that will have a material adverse impact on the operations and finances of our Company.

4. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

The increase in revenues is mainly due to increased sales volume as well as increased sales prices due to more value added products. The company mainly caters to wires and cables industry and electrical accessories industry. The demand for these products varies across customer segments and thus we need to introduce new products or services as and when demanded by our clients.

5. Status of any publicly announced new products or business segments

There are no new products or business segments.

6. Seasonality of Business

The business in which our company is engaged is not seasonal.

7. Any significant dependence on a single or few suppliers or customers

We are not dependent on single or few suppliers or customers.

8. Competitive Conditions

We face competition in the wires & cables and electrical accessories sector from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled "Business Overview" on page 54.

FINANCIAL INDEBTEDNESS

Secured Loans

₹ in Lacs

Lender	Nature of loan	Sanctioned amount	Primary Security	Collateral Security	Balance as at 31.03.12	Interest rate	No. of EMI	Amount of EMI	Starting date of repayment
Indian Overseas Bank	Term Loan	375.00	Hypothecation of Factory Building, Plant & Machinery	Personal guarantee of three directors	74.26	12.25%	60	6.25	3-May-08
Indian Overseas Bank	Term Loan	45.00	Hypothecation of Factory Building, Plant & Machinery	Personal guarantee of three directors	32.92	12.25%	60	0.75	20-Jan-11
BMW Financial Services Private Limited	Hire Purchase Loan	37.50	Hypothecation of vehicle financed	Nil	33.04	11.00%	60	0.82	1-Jul-11
HDFC Bank Limited	Hire Purchase Loan	6.50	Hypothecation of vehicle financed	Nil	4.80	9.70%	60	0.14	5-Sep-10
ICICI Bank Limited	Hire Purchase Loan	32.00	Hypothecation of vehicle financed	Nil	26.78	2.22%	36	0.92	15-Nov-11
ICICI Bank Limited	Hire Purchase Loan	3.00	Hypothecation of vehicle financed	Nil	0.73	10.90%	60	0.06	10-May-08
HDFC Bank Limited	Hire Purchase Loan	3.99	Hypothecation of vehicle financed	Nil	0.85	9.70%	36	0.13	5-Dec-09
Indian Overseas Bank	Working Capital Loan	1,950.00*	Hypothecation of stocks of raw materials, work in process, finished goods, book debts	Personal guarantee of three directors	1,865.08	12.00%	NA	NA	NA

*Working Capital Limits have been enhanced to 2250.00 lacs on October 22, 2012

Unsecured Loans

₹ in Lacs

Particulars	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2008
Interest free loans taken from related parties					
Holding Company					
Veto Electropowers (India) Private Limited	4.58	741.68	1,193.12	1,542.37	1,392.85
Key Management Personnel					
Babu Lal Gurnani	-	-	4.34	67.90	-
Kishore Kumar Gurnani	-	-	1.66	-	-
Narain Das Gurnani	-	1.35	-	-	-
Vishnu Kumar Gurnani	-	-	132.97	0.03	19.50
Enterprises under significantly influence					
Kanchan Cables Private Limited	-	-	71.40	14.50	-
Shipra Plastics	-	-	5.93	-	-
Gurnani Infradevelopers Private Limited	-	-	-	-	79.45
	4.58	**743.03**	**1,409.42**	**1,624.80**	**1,491.80**

For further details, please see "Annexure VII" of the Standalone Financial Information in this RHP.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Except as stated in this RHP, there is no outstanding or pending litigation, suit, criminal or civil prosecution, proceeding initiated for offence (irrespective of whether specified in paragraph (I) of Part I of Schedule XIII of the Companies Act) or litigation for tax liabilities against our Company, our Directors or our Promoters or companies promoted by our Promoters and there are no defaults to banks/financial institutions, non-payment of or overdue statutory dues, or dues towards holders of any debentures, bonds and fixed deposits and arrears of preference shares, other unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchange against our Company, our Promoters or Directors. Further, except as stated in this RHP, there are no past cases in which penalties have been imposed on our Company or our Promoters, Directors or companies promoted by the Promoters by concerned authorities, and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company.

Neither our Company nor its Promoters, members of the Promoter Group, Subsidiary, associates and Directors have been declared as wilful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.

Outstanding Litigations

Cases filed against the Company

1. Civil Suit No. 57/201 - Raghunath Mallar v/s Veto Switchgears & Cables Private Limited

Mr. Raghunath Mallar S/o Sh. Vaman Mallar Proprietor Indian Agencies, 7, Choice Tower Beebi Alabi Road, Mangalore ('Petitioner') filed a civil suit bearing No. 57/2011 in the court of Senior Civil Judge, Mangalore against Veto Switchgears & Cables Private Limited ('Defendant No. 1 & 2') and State of Karnataka ('Defendant No.3') through Dy. Commissioner, Mangalore on 3/10/2011 under Order XXXIII Rule 1 and plaint under Section 26 and Order VII Rule 1 of Code of Civil Procedure, 1908. The Petitioner alleged that he was forced to surrender the distributorship, and prayed that the Defendant be directed to call to submit the security amount, pending stock and miscellaneous expenses to the tune of ₹ 2,50,000/- , ₹ 6,19,461.44/- and ₹ 20, 694/- respectively along with an interest at the rate of 18% per annum from the date of suit. The Company has denied the charges and has prayed for a dismissal of the suit. The matter is currently pending before the Presiding Officer and next date in the matter is 04/12/2012.

2. PWA 18/2012 - Kailash Singh v/s Veto Switchgears & Cables Private Limited

Mr. Kailash Singh S/o Sh. Gopilal ('Claimant') filed a Claim Petition under Section 15(2) Payment of Wages act, 1936 before Presiding Officer, Payment of Wages act, 1936, against Our Company ('Respondent No.1') and Sh. Vishnu Kumar Gurnani ('Respondent No.2') which came to be registered as PWA 18/2012. The Claimant has claimed a sum of ₹ 12,88,080/-. The Presiding Officer, has issued notice dt. 18/07/1012 against our Company. On 23/07/2012, Company presented its reply. The matter is currently pending b efore the Presiding Officer and next date in the matter is 10/12/2012.

Cases filed by the Company-

1. Complaint No.1479/2012 - Veto Switchgears & Cables Private Limited v/s Lokmanya Electric Store

Mr. Darshan, Partner M/s. Lokmanya Electric Store, Nashik, Maharashtra ("Accused") had purchased goods of ₹ 1,00,000/- (Rupees 1 lakh) from our Company and for the same two cheques were issued in favour of our Company ("Complainant"). But the cheques got dishonoured on account of 'Exceeds Arrangement'. The Complainant sent a Legal Notice to the Accused on 7/7/2010 regarding the same and to furnish the said amount within 15 days of the receipt of the said notice but the Accused failed to do so. Therefore, the Complainant filed a complaint under Section 142 Negotiable Instruments act, 1881 against the Accused in the Court of Metropolitan Magistrate (Junior Division) no. 7, Jaipur Metropolitan, Jaipur. Court took cognizance of the matter and issued summon to the Accused to appear before court. However, due to constant non-appearance of Accused the Court ordered to issue bailable warrants against the Accused on 28/07/2011. Later, the matter was transferred to Metropolitan Magistrate (Junior Division) no. 17, Jaipur Metropolitan, Jaipur wherein it was

registered as Complaint No.1479/2012. On the last hearing date 8/3/2012, Court has issued bailable warrants and has asked the Accused to appear in the Ciourt on 6/02/2013. Presently, the Complaint is pending before the Court.

2. Complaint No.970/2012 - Veto Switchgears & Cables Private Limited v/s Vidhi Electricals

Mr. Abhilash Vyas and Ms. Sama Sharma, Partners, Vidhi Electricals, Satyam tower, Pashchim Vihar, New Delhi ("Accused") had business relations with our Company ("Complainant") and pursuant to same the Accused had purchased goods of ₹ 2,00,000/- (Rupees 2 lakh) from Veto Switchgears & Cables Private Limited and for the same a cheque was issued in favour of Veto Switchgears & Cables Private Limited ("Complainant"). But the said cheque got dishonoured on account of "Account Transferred to another Branch". The Complainant sent a Legal Notice to the Accused on 2/9/2010 regarding the same and to furnish the said amount within 15 days of the receipt of the said notice but the Accused failed to do so. Therefore, the Company filed a complaint, through his authorised person Mr. Mohanlal, under Section 142 Negotiable Instruments act, 1881 against the Accused in the Court of Metropolitan Magistrate (Junior Division) no. 7, Jaipur Metropolitan, Jaipur. On 29/9/2011 Court took cognizance of the complaint and issued summon to the Accused to appear before the Court. Further, the complaint was later on was transferred to Metropolitan Magistrate (Junior Division) no. 17, Jaipur Metropolitan, Jaipur wherein it was registered as Complaint No.970/2012. On 9/7/2012 Court ordered to issue summons again to the Accused and next date in the matter is 29/11/2012.

3. Complaint No.107/2010 - Veto Switchgears & Cables Private Limited v/s Bhawani Agencies

Leela Bhawani, Proprieter Bhawani Agencies, Governpet, Vijaywada, Andhra Pradesh ("Accused") had purchased goods worth of Rs 50,000/- (Rupees Fifty thousand) from Our Company and for the same a cheque was issued in favour of Our Company. The cheque was dishonoured on account of 'Finds Insufficient'. The Complainant served a Legal Notice, and called him to furnish the said amount within 15 days of the receipt of the notice. But the Accused abstained from doing so. Therefore on 18/1/2010, the Complainant filed a complaint, through his authorised person Mr. Mohanlal, under Section. 142 Negotiable Instruments act, 1881 against the Accused in the Court of Metropolitan Magistrate (Junior Division) no. 7, Jaipur Metropolitan, Jaipur wherein it was registered as Complaint No.107/2010. Court took cognizance of the matter and issued summon to the Accused to appear before Court. The Court ordered the Complainant to submit Bank report regarding the dishonour of cheque and for that time was also given. That Bank report is still pending. Next date in the matter is 21/01//2013.

4. Complaint No.342/2011 - Veto Switchgears & Cables Private Limited v/s Ashish Power Point

B. Nagraju, Partner, Ashish Power Point, MRB Trade, Kurnool, Andhra Pradsh ("Accused") had issued a cheque, of ₹ 1,48,082/- (One Lakh Forty-eight thousand eighty-two rupees) in favour of Our Company on 22/7/2011 drawn on Andhra Bank. Upon Submission the said cheques came dishonoured on account of 'Finds Insufficient'. Pursuant to that the Complainant served a Legal Notice, through Registered post, and called upon the Accused to furnish the said amount within 15 days of the receipt of the said notice. But as the Accused abstained from doing so. The Company filed a complaint, under Section 142 Negotiable Instruments act, 1881 against the Accused in the Court of Metropolitan Magistrate (Junior Division) no. 7, Jaipur Metropolitan, Jaipur wherein it was registered as Complaint No.342/2011. Last date in the matter was 9/7/2012 till then, the cognizance arguments were going on in the matter and next date of hearing in the matter has been fixed on 26/02/2013.

5. Complaint No.967/2012 - Veto Switchgears & Cables Private Limited v/s Krishna Electricals

Kiran, Proprietor, Krishna Electricals, Lakshmi Chowk, Somvarpet, Sangli, Maharashtra ("Accused") issued a cheque, of ₹ 18,830/- (Eighteen thousand Eight hundred-thirty rupees) in favour of the Company on 21/04/2010. Although upon submission the said cheque came to be dishonoured on account of 'Drawer Signature not on Record'. In furtherance of the same the Company served a Legal Notice, and called upon the accused to furnish the said amount within 15 days. However, on failing the Company filed a complaint under Section 142 Negotiable Instruments act, 1881 against the Accused in the Court of Metropolitan Magistrate (Junior Division) no. 7, Jaipur Metropolitan, Jaipur. The complaint was later on transferred to Metropolitan Magistrate (Junior Division) no. 17, Jaipur Metropolitan, Jaipur wherein it was registered as Complaint No.967/2012. Last date in the matter was 9/7/2012 till then, The next date of hearing in the matter is fixed 29/11/2012.

6. Complaint No.973/2012 - Veto Switchgears & Cables Private Limited v/s Ganpati Electricals

Mr. Jitendra Vasan, Proprietor, Ganpati Electricals, Lakkad Bazaar, near Ashoka band, Ludhiana ("Accused") had purchased goods of ₹ 1,20,000/- (Rupees One lakh Twenty thousand) from the Company and for the same a cheque was issued in favour of Company. But upon presentation the said cheque got dishonoured on account of "Payment stopped by the Drawer". The Company in view of the same sent a Legal Notice on 25/8/2010 called it to furnish the said amount within 15 days. The Company then filed a complaint under Section 142 Negotiable Instruments act, 1881 against the Accused in the Court of Metropolitan Magistrate (Junior Division) no. 7, Jaipur Metropolitan, Jaipur. Further, the complaint was later on transferred to Metropolitan Magistrate (Junior Division) no. 17, Jaipur Metropolitan, Jaipur wherein it was registered as Complaint No.973/2012. Court has taken cognizance of the complaint and next date of hearing is fixed on 29/11/2012.

7. Complaint No.2199/2012 - Veto Switchgears & Cables Private Limited v/s Vardhman Eletricals

Sh. Jitendra Kothari, Proprietor, Vardhman Eletricals, R/o 8, Aashirwad, Chaman Chouraha, Beawar, Ajmer ("Accused") in the course of business issued a cheque of ₹ 52,000/- (Rupees Fifty-two thousand) to Our Company. Upon submission the said cheque was dishonoured on account of "Funds Insufficient". In view of the same, the company served a Legal Notice and called upon the Accused to pay the sum due within 15 days. In view of the failure the company filed a complaint under Section 142 Negotiable Instruments act, 1881 against the Accused in the Court of Metropolitan Magistrate (Junior Division) no. 7, Jaipur Metropolitan, Jaipur. Court took cognizance of the matter and issued summon to the Accused to appear before Court. Further, the Complaint was later on was transferred to Metropolitan Magistrate (Junior Division) no. 17, Jaipur Metropolitan, Jaipur wherein it was registered as Complaint No.2199/2012. The next date for hearing in the matter has been fixed on 19/02/2013.

8. Complaint No.2198/2012 - Veto Switchgears & Cables Private Limited v/s Vardhman Eletricals

Sh. Jitendra Kumar Kothari, Proprietor, Vardhman Eletricals, R/o 8, Aashirwad, Chaman Chouraha, Beawar, Ajmer ("Accused") in the course of business, issued a cheque of Rs 29,200/- (Rupees Twenty-nine thousand and Two hundred) to our company. However, upon submission the said cheque got dishonoured on account of "Opening Balance Insufficient". In pursuance of the same the Company served a Legal Notice on the Accused on 3/12/2009, calling upon the said amount within 15 days. But the Accused abstained from doing so. Therefore, having no other option the Company filed a complaint under Section 142 Negotiable Instruments act, 1881 against the Accused in the Court of Metropolitan Magistrate (Junior Division) no. 7, Jaipur Metropolitan, Jaipur. Court took cognizance of the matter and issued summons to the Accused to appear before Court. Further, the Complaint was later on transferred to Metropolitan Magistrate (Junior Division) no. 17, Jaipur Metropolitan, Jaipur wherein it was registered as Complaint No.2198/2012. Court taking a serious note on constant non-appearance of the Accused during the hearing, has ordered to issue bailable warrants against the Accused, if he do not present himself on next date of hearing i.e. 19/02/2013.

9. Complaint No. 237/2010 - Veto Switchgears & Cables Private Limited v/s Shuli Tradelink

Mr. M. C Rajendran, Proprietor Shuli Tradelink, 2nd Floor Ayesha Plaza, A V K Naiyyar Road, Talssary, Kanoor , Kerela ("Accused") had purchased goods worth of Rs 2,25,000/- (Rupees Two lakh Twenty-five Thousand) from the Company and issued a cheque in favour of the company for the same. Affected by the same the Company served a Legal Notice to the Accused on 4/11/2009 and called upon them furnish the said amount within 15 days. In view of the same the Company filed a Complaint bearing No. 237/2010 under Section 142 of Negotiable Instruments act, 1881 against the Accused in the Court of Metropolitan Magistrate (Junior Division) no. 18, Jaipur Metropolitan, Jaipur. On 9/2/2010 Court took cognizance of the matter and issued summons to the Accused to appear before court and present his side. Thereafter court taking a serious note of constant non-appearance of Accused in the matter, the Court ordered to issue bailable warrants against the Accused on 18/03/2010. Next date in the matter is 12/03/2013. Presently the Company has recovered the goods sold to the Accused and the case is settled out of court between the parties but the signatures of the respective parties are pending before the Court regarding the concerned settlement.

10. Complaint No. 238/2010 - Veto Switchgears & Cables Private Limited v/s Shuli Tradelink

Mr. M. C Rajendran, Proprietor Shuli Tradelink, 2nd Floor Ayesha Plaza, A V K Naiyyar Road, Talssary, Kanoor , Kerela ("Accused") had purchased goods worth of Rs 2,86,628/- (Rupees Two lakh Eighty-six thousand six hundred and twenty-eight) from the company and for the same a cheque was issued. Upon presentation the cheque got dishonoured on account of 'Exceeds Arrangement'. The Company served a Legal

Notice to the Accused on 4/11/2009 and requested to pay the said amount within 15 days. The Accused gave a reply to the Notice. However as no amount was paid. The Company filed complaint bearing No. 238/2010 under Section 142 of Negotiable Instruments act, 1881 against the Accused in the Court of Metropolitan Magistrate (Junior Division) no. 18, Jaipur Metropolitan, Jaipur. On 9/2/2010 Court took cognizance of the matter and issued summons to the Accused to appear before court and present his side. Thereafter court taking a serious note of constant non-appearance of Accused in the matter, the Court ordered to issue bailable warrants against the Accused on 18/03/2010. Next date in the matter is 12/03/2013. Presently the Company has recovered the goods sold to the Accused and the case is settled out of court between the parties but the signatures of the respective parties are pending before the Court regarding the concerned settlement.

11. Veto Switchgears & Cables Private Limited v/s Naveen Thavani

Sh. Naveen Thavani, Proprietor, Sai Traders, Shop No. 40, Jayanti Bazaar, Jaipur ("Accused"). Issued a cheque in favour of the Company. However, the cheques given by the Accused got dishonoured for the reason 'Account Closed'. In view of the same the Company served a Legal Notices upon him. But the Accused did not paid any heed to the Notices. Therefore not having any other option, the company filed a Criminal Complaint against the Accused, his wife, Father and Brother, under Section 190 (3) Cr P C for offences under Sections 420 & 120 B of Indian Penal Code, 1860 dt. 21/05/2011 in the Court of Additional Chief Judicial Magistrate No.2, Jaipur Metropolitan, Jaipur wherein Court was pleased to sent the matter for police investigation to Jalupura thana, Jaipur. Police registered the said complainant as FIR No. 116/2011 u/s 420, 120B of IPC, 1860 for an amount of ₹ 4,24,459/- (Rupees Four Lakh twenty-four thousand four hundred and fifty-nine). That during investigations, the Accused signed a consent note with Company, according to which, Accused gave Rs 2 lakh in cash and for rest of the amount a cheque of ₹ 2,24,459/- bearing no.233142 for account No. 66001908514 drawn on State Bank Of Maharashtra, Mansarovar branch, Jaipur was given to the company. Thereafter Accused, on 31/05/2011, again took the abovementioned said cheque from the company and in return gave 9 cheques, each of ₹ 25,000/- of total amount ₹ 2,25,000/- bearing no. 277641 to no.277648 and cheque no.277651 of Account No.01320110010334 drawn on UCO bank Chandpole bazaar branch, Jaipur promising that the said cheques shall get encashed as soon as they are presented in the Bank.

But out of the 9 given cheques, two cheques bearing No.277651 and No. 277641 got dishonoured for the same the Company again filed a Criminal complaint under Section 190 (3) Cr P C for offences under Sections 420 & 120 B of Indian Penal Code, 1860 in the Court of Additional Chief Judicial Magistrate No.2, Jaipur Metropolitan, Jaipur wherein wherein Court sent the matter for police investigation to Jalupura thana, Jaipur. Police after investigation submitted a Final report on 30/09/2011, in the matter, against which the Company has filed a protest petition in the Court. Later on, a Consent Agreement was signed between the Accused and the Company on 04/01/2012, wherein it was agreed upon that, Accused shall submit to the Company, a sum of ₹ 2,25,000/- (the cheque amount) along with ₹ 3,00,000/- regarding the amount of the goods purchased by the Accused i.e. a total sum of ₹ 5,25,000/- within 2 years i.e. till October 2012, and for the same the Company shall not file the protest petition in the Court if such amount is paid within time and shall consent for Final report in the matter. But, if such amount is not paid in such stipulated time then the Company shall be free to take legal recourse against the Accused, which Company deems fit. Presently, the matter is pending in the Court and next date of hearing is 20/02/2013.

12. Veto Switchgears & Cables Private Limited v/s Lucky Electricals

Ashok Kumar, Proprietor Lucky Electricals, Shop No. 298, Indira Bazaar, Jaipur ("Accused") had business relations with Veto Switchgears & Cables Pvt. Ltd. (Complainant) and pursuant to same Accused had purchased goods from the Complainant time to time. Regarding the same cheques were issued in favour of Complainant bearing No. 000013 for amount of ₹ 11.779/-, Cheque no. 000008 for ₹ 26,003/-, Cheque no. 000014 for ₹ 7,819/-, Cheque no. 000015 for ₹ 8,158/- and Cheque no. 000016 for ₹ 8,372/- respectively on separate dates drawn on Bank of Baroda, M I Road branch, Jaipur. The Complainant submitted the said cheques for clearing in his bank but the said cheques got dishonoured. On being inquired about the same and payment of ₹ 1,13,675/-, the Accused assured that the said cheques shall be cleared on or after April 24, 2012. Further, the Accused again purchased goods worth ₹ 2,09,444/- from the Complainant and for the same issued a cheque of his another firm, Lakshmi Shoe Company, bearing no. 501229 dated May 1, 2012 drawn on Bank of Baroda, Malviya Nagar branch, Jaipur. When the said six cheques were presented for encashment by the Complainant, the cheques got dishonoured on account of 'Opening Balance Insufficient'. Regarding the same the Complainant, through his Manager Mr. Mohanlal, filed a Criminal Complaint against the Accused in the Court

of Metropolitan Magistrate No. 7, Jaipur Metropolitan, Jaipur under Section 420, 406 and 413 IPC, 1860 praying that cognizance be taken on the complaint and the total amount of goods, purchased by the Accused, i.e. ₹ 3,23,119/- be recovered from the Accused. Currently the statements of Complainant have been taken by on record u/s 200 CrPC by the Court and the matter has been sent for investigation in Jawahar Nagar Police Station, Jaipur.

Cases Against Our Promoter(s)

1. ITA No. 314/2010- CIT v/s Veto Electropowers (India) Pvt. Ltd.

An appeal has filed by Income Tax Department against M/S Veto Electropowers in Rajasthan High Court, Jaipur Bench, against the order dated 24/12/2010 passed by Income Tax Appellate Tribunal which dismissed the appeal of the Income Tax department claiming that no deduction can be provided to M/s Veto Electropower under Section 10B Income Tax Act, 1961 for assessment year 07-08 and had claimed a sum of ₹ 369.11 lacs from the Company . An appeal from the same was filed by Department before CIT (Appeals) which was also dismissed by the department. As on date as no notice has been served on Veto Electropowers (India) Pvt. Ltd.

Cases Filed by our Promoter(s)

1. Veto Electropowers(India) Pvt. Ltd v/s Income Tax Officer 8(3)(4), Mumbai

An appeal filed before the Commissioner of Income Tax (Appeals)-18, Mumbai, dated 29/12/2011 for the Assessment Year 2009-2010. An appeal dated 29/12/2011 ("Appeal") is pending before Commissioner of Income Tax (Appeals)-18, Mumbai ("Court") under section 246(1) of the I. T. Act, filed by Veto Electropowers(India) Pvt. Ltd. against the order dated 17/11/2011 ("Impugned Order") passed by the of Income Tax Officer 8(3)(4), Mumbai ("ITO") for the Assessment Year 2009 – 2010. A Show cause Notice was issued by ITO under section 143(2) of the Act on 18/8/2010 asking the Company to explain as to why its claim of deduction of ₹ 34,28,602/- under section 10B should not be disallowed. In response, the Company claimed that the amount received from sale of scrap is included into the cost of production, thereby it is eligible to be deducted under Section 10B. The ITO under Section 143(3) of the Income Tax Act, 1961 disallowed the total sale proceeds of the scrap amounting to ₹ 34,28,602/- from the claim of deduction u/s 10B of income tax act. Thereafter, the ITO, by his order dated 17/11/2011 disallowed the deduction claimed under Section 10B and a notice of demand for ₹ 82,400/- under section 156 was issued on the same date. The case is currently pending before the Commissioner of Income Tax (Appeals) - 18, Mumbai.

2. Veto Electropowers (India) Pvt. Ltd. v/s Dy. Commissioner Service Tax, Jaipur

Veto Electropowers (India) Pvt. Ltd. ('Company') filed an appeal against the Order No. IV (a 1) 42/Ref../5T/2009/554 passed by Dy. Commissioner Service Tax, Jaipur, dated 21/01/2010 which was signed on 19/02/2010. The Company had filed a refund claim of ₹ 121307/- pertaining to the period October to December 2008 on 30 06.2009 under section 11B of the Central Excise act, 1944 read with notification No. 41/2007-ST dated 06.10.2007 in respect of refund of service tax on services provided for export of said goods. The Deputy Commissioner sent a show cause notice C.No. IV(41)42REF/ST/200915700-015510 on 29.07.2009, rnentioning that the claim for refund of service tax amounting to ₹ 1098121- is inadmissible. The Company submitted a detailed reply regarding the same on 13/08/2009. After receiving the reply, a personal hearing was held on 17.09.2009 and after that Deputy Commissioner of Customs rejected the Company's claim of tax exemption of ₹ 121726. Aggrieved by the same Company filed an appeal before Commissioner of Central Excise (Appeals), Jaipur. The matter is currently pending before CIT, Jaipur.

3. Veto Electropowers (India) Pvt. Ltd. v/s Dy. Commissioner Service Tax, Jaipur

Veto Electropowers (India) Pvt. Ltd. ('Company') filed an appeal against the Order No.IV(41)67rRef../ST/2009/125 passed by Dy. Commissioner Service Tax, Jaipur, dated 26/02/2010. The Company had filed a refund claim of ₹ 77,686/- pertaining to the period January to March 2009 on 1/10/2010 under section 11B of the Central Excise act, 1944 read with notification No. 41/2007-ST dated 06.10.2007 in respect of refund of service tax on services provided for export of said goods. The Deputy Commissioner had sent a show cause notice C.No.IV(41)67/REF/ST/2009/7644 on 28/10/2009, rnentioning that the claim for refund of service tax amounting to ₹ 77,686/- is inadmissible. The Company submitted a detailed reply regarding the same on 13/11/2009. After receiving the reply, a personal hearing was held on 08/02/2010 and

after that Deputy Commissioner of Customs partly accepted the Company's claim of tax exemption to the extent of ₹ 28235/- and rejected the rest of the claim of ₹ 49,451/-. Aggrieved by the same Company filed an appeal before Commissioner of Central Excise (Appeals), Jaipur. The matter is currently pending before CIT, Jaipur.

Cases Filed against group Companies:-

1. **PWA 84/2012 - Mr. Babulal Kumawat v/s Pinkcity Buildhome Private. Limited.**

   Mr. Babulal Kumawat S/o Sh. Chhangan Lal Kumawat (Applicant) has served a Legal Notice dt. 30/3/2012 to Pinkcity Buildhome Pvt. Ltd. (Respondent) stating that he was engaged by the respondents for welding of Boiler plant and fitting works on their Plot No.5 & 6 Airport Plaza, Tonk road, Jaipur, through work order dt. 3/9/2011 and for the same the remuneration decided was ₹ 74, 491/- , but after completion of work only ₹ 49,600/- were paid to the Applicant. The Applicant demanded the rest of the amount of ₹ 24,891/- to be paid within 7 days. The Respondents, by their reply dt. 19/4/12, stated that the amount claimed by the Applicant was to be given only on the completion of the work, which has not been completed till date and as per the work, (AC package chiller installation, copper M S pipeing, fire fitting and Boiler plant room welding) the Respondents have already paid an extra amount to the Applicant. Thereafter, aggrieved by the same, Applicant filed a Claim Petition No.PWA 84/2012 before Presiding Officer, Payment of Wages act, 1936, against the Respondent claiming a sum of ₹ 49,891/-, including compensation, to be paid to the Applicant by the Respondents. Further, acting on the same on 11/7/2012, Presiding Officer issued notice against the Respondent to present themselves on 18/12/2012. Presently, the matter is pending before the Presiding officer.

2. **Pinkcity Buildhome Private Limited** was given a notice by Sales Tax Department, on basis of the findings that it is a group company of Veto Switchgears & Cables Pvt. Ltd and runs a Hotel in Jaipur city. Regarding the same the Pinkcity Buildhome Pvt. Ltd appeared before the concerned authority and explained that hotel is still not in operation, hence they don't have any sales tax liability as on date. Currently the matter is pending before the Department.

Cases filed by Group company

1. **Pinkcity Buildhome Pvt. Ltd. v/s Jaipur Vidyut Vitaran Nigam Ltd.**

   M/S Pinkcity Buildhome Pvt. Ltd. ('Petitioner') filed a Suit for Pertetual and Temporary injunction under Order 7 Rule 1 and Order 39 Rule 1, 2 & Sec 151 of Civil Procedure Code, 1908, through its Manager Mr. Durgadas Thawani, in the Court of Addl Civil Judge & Metropolitan Magistrate No.2, Jaipur Metropolitan, Jaipur against Chairman, Jaipur Vidyut Vitaran Nigam Ltd ('JVVNL'), Superintendent Engineer, JVVNL and Assistant Engineer, JVVNL, Durgapura, Jaipur. The petitioner has stated in his plaint that in year 2010, he had taken a temporary electricity connection of 36 KVA, for his Plot No. 5,6 Airport Plaza Scheme, Tonk Road, Jaipur. As the workload increased, the said connection became deficient in providing due power, therefore Petitioner, in 2011, applied for increasing the load to 1200 KVA and 1400 KVA. Regarding the same, a demand letter was issued by the Department on August 8, 2011 and the Petitioner was asked to submit an amount of ₹ 12,47,546/- which was submitted by the Petitioner through a demand draft on August 23, 2011.

   The petitioner alleges that the Vigilance team of the Department visited the said plot and a checking report was prepared, based on fabricated instances and facts. On the basis of this report, Assistant Engineer B-4, Durgapura issued a demand notice dt. September 22, 2011 of ₹ 7,83,818/- against the Petitioner, by adjusting a sum of ₹ 1,22,988/- which was already submitted by the petitioner against the bill. Aggrieved by the same, Petitioner gave a representation to Chairman, JVVNL praying that the matter be sent to Settlement Committee, JVVNL. That a bill was raised against the Petitioner for September 2011 wherein the abovementioned amount ₹ 7,83,818/- and the current billed amount ₹ 1, 69, 024 was shown, adding to ₹ 8,09,777/-. This amount was submitted by the Petitioner to the Department on Sept 30, 2011. During this time the complaint of the Petitioner was rejected by the Settlement Committee. Further a bill was raised against the Petitioner on March 16, 2012 wherein the amount submitted on earlier occasion of ₹ 7,83,818/- was again added. Aggrieved by the same, the Petitioner again submitted a Personal representation to Assistant Engineer, JVVNL but no heed was paid to his repeated requests. Having no other Option Petitioner filed the instant suit along with application of temporary injunction. On March 20, 2012, Hon'ble Court took cognizance of the matter and granted a stay in favour of the Petitioner directing that if Petitioner submits the impugned amount under protest, then his connection may not be disconnected by the Respondents. Regarding the same the Petitioner has submitted the amount under protest

to the Department and a representation regarding the same has been given to Assistant Engineer, JVVNL. Next date in the matter is 02/02/ 2013.

2. M/S Pinkcity Buildhome Pvt. Ltd. v/s Sandeep Enterprises

Mr. Keshav Jangid, Proprietor, Sandeep Enterprises, 42 Shyam Vihar, Advocate Colony, Heerapura, Jaipur ("Accused") in the course of business issued a cheque of ₹ 1,00,000/- (Rupees One Lac) to M/S Pinkcity Buildhome Pvt. Ltd. ('Complainant'). Upon submission the said cheque was dishonoured on account of "Funds Insufficient". In view of the same, the Complainant served a Legal Notice and called upon the Accused to pay the sum due within 15 days. In view of the failure, the Complainant filed a complaint under Section 190(3) Criminal Procedure Code for offence under 138 Negotiable Instruments act, 1881 against the Accused in the Court of Metropolitan Magistrate (Junior Division) no.7, Jaipur Metropolitan, Jaipur. Presently, the matter is pending before the Court and statements under section 200 Criminal Procedure Code are to be submitted by the Complainant. The next date for hearing in the matter has been fixed on 10/12/2012.

MATERIAL DEVELOPMENTS

Material Developments since the last Balance Sheet date

For information on Material Developments, please refer to section titled "*Management Discussions and Analysis of Financial Condition and Results of Operations*" on page 168 of this RHP.

GOVERNMENT AND OTHER APPROVALS

Except for certain pending approvals mentioned under this heading, our Company has received the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. Further, except as mentioned herein below, our Company has not yet applied for any licenses, consents, permissions and approvals for the proposed activities as contained in the *Section titled "Objects of the Issue" on page 34of the RHP*. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this RHP.

APPROVALS FOR THE ISSUE

Sl. No.	Name of the Approvals
1.	Our Company has received approval from the SME Platform of NSE dated October 25, 2012 for listing of Equity Shares issued pursuant to the issue.
2.	Our Board of Directors have, pursuant to a resolution passed at its meeting held on June 15, 2012 authorized the Issue, subject to the approval of the shareholders of our Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary.
3.	The Issue of Equity Shares has been authorized by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, 1956 at the Annual General Meeting of shareholders held on August 31, 2012.
4.	A copy of resolution passed at the meeting of Board of Directors held on September 11, 2012, November 20, 2012 and [●] for approving DRHP, RHP and Prospectus respectively.
5.	Approvals received from the all lenders (if required)

APPROVALS/LICENSES/PERMISSIONS PROCURED TO CONDUCT OUR BUSINESS

SL. No.	Nature of Registration/License	Registration /License No.	Issuing Authority	Date of Issue	Date of Expiry
Constitutional Registration					
1.	Certificate of Incorporation	U31401MH2007PTC171844	Registrar of Companies, Mumbai, Maharashtra	June 20, 2007	N/A
2.	Fresh Certificate of Incorporation consequent upon change of name on conversion to Public Limited Company	U31401MH2007PLC171844	Registrar of Companies, Mumbai, Maharashtra	August 3, 2012	N/A
Taxation Registration					
1.	Tax Deduction Account Number	MUMV14864D	Income Tax Department	N/A	N/A
2.	Permanent Account Number	AACCV4990K	Commissioner of Income Tax	February 18, 2010	-
3.	Tax Payer Identification Number (VAT/ CST) **Rajasthan**	08161612168	Commercial Taxes Vitth Bhawan, Jaipur	April 9, 2008	N/A
4.	Tax Payer Identification Number (VA T/ CST) **Gujarat**	24221101210	Asst. Commissioner of Commercial Tax, Unit-4, Surat, Gujarat	April 4, 2008	N/A
5.	Value Added Tax Reg. No. (**Delhi)**	07870333722	Dept. of Value Added Tax, Govt of NCT of Delhi	October 4, 2007	N/A
6.	Value Added Tax Reg. No. (**Maharashtra)**	27040618980V	Sales Tax Officer, Registration Brunch, Mumbai	June 20, 2007	_

SL. No.	Nature of Registration/License	Registration /License No.	Issuing Authority	Date of Issue	Date of Expiry
7.	Value Added Tax Reg. No. (**Uttaranchal)**	05006607956/21.8.06	Commercial Tax Dept. Govt. of Uttaranchal	May 11, 2007	Till the business is continued
8.	Value Added Tax Reg. No. (**Uttar Pradesh)**	0998880776	Dept. of Commercial Taxes, Govt. of Uttar Pradesh	June 12, 2008	Till the business is discontinued
9.	Central Sales Tax Reg. No. (**Delhi)**	07879333722	Notified Authority	October 12, 2007	Until cancelled
10.	Central Sales Tax Reg. No. (**Uttaranchal)**	CST-HB-5055855	Commercial Tax Officer Class II	August 31, 2006	Until cancelled
11.	Central Sales Tax Reg. No. (**Uttar Pradesh**)	09988807776	Commercial Tax Dept. Govt. of Uttar Pradesh	June 26, 2008	Until cancelled
12.	Central Sales Tax Reg. No. **(Maharashtra)**	2740618980C	Sales Tax Officer, Registration Branch, Mumbai	June 20, 2007	_
13.	Service Tax Registration No. For good transport agency services	1181/CEST/DHR/GTO/2007	Supp. Central Custom and Central Excise Range::Hardwar	April 3, 2007	
Other Approvals (Company)					
1.	Certificate of Importer-Exporter Code (IEC)*	0307037843	Office of JT. Director General of Foreign Trade, Ministry of Commerce and Industry, Govt. of India	August 10, 2007	N/A
2.	SII Registration No.	050131200182	Gen. Manger Distt. Industries Centre Roorkee (Hardwar)	November 26, 2007	_
3.	License under section 394 of Mumbai Municipality Corporation Act, 1888	871087233	Mumbai Corporation of Greater Mumbai	December 8, 2010	December 7, 2012
4.	Employee State Insurance Corporation Regd. No. (Jaipur)	61-1436-64 JAIPUR (RAJ.)	Regional Office, Employee State Insurance Corporation,	July 1, 2008	--
5.	Registration with the Employees' Provident Fund Organization Code No.	RJ/20308	Regional Office, Employee State Insurance Corporation,	July 1, 2008	
6.	Bureau of Indian Standard	IS/IEC 60898:Part 1:2002	Director, Bureau of Indian Standard Dehradun Brunch Office	October 27, 2012	October 26 2013
		IS/3854/1997		August 7, 2012	August 6, 2013
		IS/1293:2005		July 13, 2012	July 12, 2013
		IS 694:1990		May 21, 2012	May 20, 2013
7.	Registration under Rajasthan Shops and Commercial Establishments Act, 1958. **(Jaipur)**	SH/157R/9-H/page/24/2011	Inspector, Shops and Commercial Establishment, Jaipur	December 8, 2011	December 31, 2012
Other Approvals (Haridwar Manufacturing Unit)					
1.	Consent to Operate under the Pollution Control Laws for manufacture of Wires & Cables and electrical Accessories	32087/1303 (Consent No.)	Uttranchal Environment Protection & Pollution Control Board E-115 Nehru Colony Hardwar Road Dehradun Tele-0135-2668092	August 28, 2012	March 31, 2015
2.	Authorization under Rule 5 of Hazardous Waste (Management, Handling and	UEPPCCB/HO/Con-V-44/2012	Uttarakhand Environment Protection & Pollution Control Board	August 28, 2012	June 15, 2015

SL. No.	Nature of Registration/License	Registration /License No.	Issuing Authority	Date of Issue	Date of Expiry
	Tran boundary Movement) Rules, 2008. For Industrial Operation using mineral/synthetic oil as lubricant in Hydraulic System or other applications.				
3.	Registration with the Employees' Provident Fund Organization.	UP/34155	Asst. Provident Fund Commissioner Regional Office Dehradun	April 20, 2007	--
4.	Registration and License to work a Factory	H.W.R-424	Director of Factories, Uttaranchal,	December 31, 2007	December 31, 2013
5.	Employee State Insurance Corporation Regd. No.	61-1436-64/HR	Asst. Director Employee State Insurance Corporation, Uttaranchal	June 28, 2007	-
Business Related Approvals					
1.	Engineering Export Promotion Council Membership	M18155	Asst. Director, Engineering Export Council	April 1, 2007	-
2.	ISO 9001:2008 certification for Manufacturing and Exporting of all kind of Electrical Accessories and all kind of PVC Cables	RQ91/D498	Dubai Accreditation Centre. DAC Accreditation No. CB- 015	July 20, 2010	July 19, 2013
3.	Rajasthan Chamber of Commerce & industries	Receipt No 2356 dated 31.03.2012	Secretary , Rajasthan Chambers of Commerce	March 31, 2012	March 31, 2013
4.	Industries Association of Hardwar (Body of Micro, Small & Enterprises of Uttarakhand)	Receipt No 007 dated 21.05.2012	Secretary , Industries Association of Hardwar	May 21, 2012	May 20, 2013
5	Gumasta Dhara Licence for Surat Daepot	CZ/S/7/225135	Surat Municipal Corporation, Surat	August 23, 2012	-
6	Professional Tax Registration for Malad Unit	99321977287P	Maharashtra State Profession Tax	November 19, 2012	-

***** *Our Company has obtained Importer Exporter Code in the name of Veto Switch Gear Pvt. Ltd. However, pursuant to the conversion of the company from private to public the name of the company stands changed. In such condition the certificate contemplates that the said change be effected in the certificate within 60 days and failure to make the same will lead to an automatic withdrawal of the certificate.*

APPROVALS/LICENSES/PERMISSIONS APPLICABLE TO OUR COMPANY BUT NOT APPLIED FOR

Sl. No.	Name of the Approvals/ Licenses	Unit/Establishment
1.	Registration under Shop and Establishment Act.	Malad, Bhiwandi, Ghaziabad, Delhi
2.	Registration under Factories Act, 1948	Malad
3.	Registration under Central Excise Act, 1948	Malad

APPROVALS/LICENSES/PERMISSIONS APPLIED FOR

In addition to the above, following are the licenses/approvals/registrations that our Company has applied for but not procured as on the date of this RHP: -

Sl. No	Nature of Registration/ License	Unit	Date of Application	Issuing Authority(Authorities retained for your understanding)

Sl. No	Nature of Registration/ License	Unit	Date of Application	Issuing Authority(Authorities retained for your understanding)
1.	Pollution Control License	Plot no F-5, Sector-5, IIE, SIDCUL, Roshnabad, Haridwar	March 16, 2010	Uttarakhand Environment Protection & Pollution Control Board

APPROVALS/ LICENSES/ PERMISSIONS FOR THE OBJECTS OF THE ISSUE

The Government and other approvals/licenses/registrations requisite for attainments of the Objects of the Issue will be applied for in due course.

Intellectual Property

We have registered trademarks for certain of our key brands in India. We also have applications pending in India for certain of our key brands, such as Veto, Carino, Puf and other brand. The trademarks and logos of our key brands and related products concepts have significant value and are important to our business. We depend on certain brand names and our corporate name and logo that we may not be able to protect and/or maintain". All the brand names currently being used by our company in relation to its business operations (the "Brand Names") and the status of registration of trademarks of the Brand Names in India is set forth in table below:

A. Trademarks registered in the name of our company

Set forth below are the trademarks registered in the name of our company. Under the Trademarks Act, 1999:

Sl No.	Trademark	Category of Goods or Services	Trademark Number	Valid From	Valid Until
1.	Vimal Power	Class 9	1645737	January 10, 2011	January 24, 2018
2.	Veto Energy	Class 9	1645735	March 31, 2009	January 24, 2018
3.	Veto Energy	Class 11	1645736	March 31, 2009	January 24, 2018
4.	Veto Carino	Class 9	1645733	October 14,2009	January 24, 2018
5.	Veto Carino	Class 11	1645734	October 12, 2009	January 24, 2018

B. Trademarks Pending Registrations

Set forth below are the Trademarks for which application for registration under the Trademarks Act, 1999, have been filed by our company:

Sl. No.	Brand name/ Trademark	Class	Nature of Trademark	Application No.	Date of Application
1.	Veto	9	Word	2050058	November 04, 2010
2.	Veto	11	Word	2050059	November 04, 2010
3.	Carino	9	Word	2050060	November 04, 2010
4.	Carino	11	Word	2050061	November 04, 2010
5.	PUF	9	Word	2074328	December 24, 2010
6.	V Veto Lights	9	Word	2074330	December 24, 2010
7.	Veto Lights	11	Word	2074331	December 24, 2010
8.	Veto Power	9	Word	2074332	December 24, 2010
9.	Veto Power	11	Word	2074333	December 24, 2010
10.	PUF	11	Word	2074329	December 24, 2010
11.	FM	11	Logo	2074335	December 24, 2010
12.	FM	9	Word	2074334	December 24, 2010
13.	V Veto PUF	9	Logo	2376775	August 8, 2012
14.	V Veto PUF	11	Logo	2376777	August 8, 2012
15.	V Veto FM	9	Logo	2376776	August 8, 2012
16.	V Veto FM	11	Logo	2376773	August 8, 2012
17.	Veto	35	Logo	2376774	August 8, 2012
18.	V Veto	35	Logo	2376778	August 8, 2012

C. Trademarks Registered with the Trademark Registry, but not in the name of our company.

Set forth below from S. No. 1 to 7 are the registered trademarks that have been assigned to our company by Mr. Kishore Kumar Gurnani vide assignment deed dated January 22, 2008 and a form TM-24 dated January 30, 2008 has been filed, to bring on record our name, with the Trademark Registry which is pending before Trademark Registrar. Trademark set forth below as S. No. 8 is a registered Trademark which was assigned to Veto Industries by M/s Asian Art Industries vide assignment deed dated July 11, 2003. And Trademarks set forth below from S. No. 9 to 10 are registered Trademarks that have been assigned to our company by Mr. Kishore Kumar Gurnani vide an assignment deed dated February 21, 2011 and a form TM-24 dated April 13, 2011 has been filed, to bring on record our name, with the Trademark Registry which is pending before Trademark Registrar.

Sl. No.	Trademarks	Registration No.	Class	Status
1	Veto	265963	7	Both the parties have filed an application in form TM-24 for bringing on record our company name.
2	Veto	220587	9	Both the parties have filed an application in form TM-24 for bringing on record our company name.
3	Veto	265966	9	Both the parties have filed an application in form TM-24 for bringing on record our company name.
4	Veto	520319	9	Both the parties have filed an application in form TM-24 for bringing on record our company name.
5	Veto	265965	11	Both the parties have filed an application in form TM-24 for bringing on record our company name.
6	Veto	520477	11	Both the parties have filed an application in form TM-24 for bringing on record our company name.
7	Veto	265964	21	Both the parties have filed an application in form TM-24 for bringing on record our company name.
8	Veto Cables	447350	9	Trademark is registered in the name of Bhagwandas Menghraj Joukani.
9	Vankon (Lable)	1678795	9	Both the parties have filed an application in form TM-24 for bringing on record our company name.
10	Vankon (Lable)	1678796	11	Both the parties have filed an application in form TM-24 for bringing on record our company name.

D. Copyright

Set forth below from S. No. 1 to 3 are the registered copyrights that were assigned by M/s Shankar Industries to M/s Veto Industries vide assignment deed dated July 11, 2003 and an application along with the Statement of Further Particulars had been filed by M/s Veto Industries to bring on record its name in the register of copyright. Subsequently M/s Veto Industries has been converted into a company namely Veto Switchgears and Cables Pvt. Ltd.

Sl.No.	Copyright	Author	Registration No.	Date of Grant	Status
1.	Veto	Kundandas Menghraj Joukani	A-53217/96	April 09, 1996	Veto Industries had filed an application along with a Statement of further Particulars to the Registrar of Copyright for registration of changes in the particulars of Copyright i.e. bringing on record its name in the register of copyright.
2.	Veto	Kundandas Menghraj Joukani	A-53218/96	April 09, 1996	Veto Industries had filed an application along with a Statement of further Particulars to the Registrar of Copyright for registration of changes in the particulars of Copyright i.e. bringing on record its name in the register of copyright.
3.	Veto	Kundandas Menghraj Joukani	A-55767/99	-	Application made vide our letter dated September 10, 2012

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue of Equity Shares has been authorized by the resolution of the Board of Directors at their meeting held on June 15, 2012. The shareholders have, at the Annual General Meeting of our Company held on August 31, 2012 have approved the Issue by passing resolutions under section 81(1) and 81(1A) of the Companies Act, 1956.

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the SME Platform of the NSE i.e., "EMERGE" and traded in the SME Normal market. In –principle approval from NSE for listing the Equity Shares has been received pursuant to its letter no. NSE/LIST/184672-5 dated October 25, 2012. The NSE shall be the Designated Stock Exchange.

Prohibition by SEBI or RBI or Governmental authority

Our Company, our associates, our Promoters, our Promoter Group companies, or the companies with which the Directors are associated as directors or promoters, have not been prohibited from accessing or operating in the capital market under any order or direction passed by SEBI.

None of our Company, the associates, the Promoters or the members of the Promoter Group have been declared willful defaulters by the RBI or any Government authority and no violations of securities laws have been committed by them in the past and no proceedings in relation to such violations are currently pending against them.

None of our Directors are associated in any manner with any entity which is engaged in securities market related business and is registered with SEBI for the same.

None of our Directors hold current or have held directorship(s) in the last five years in a listed company whose shares have been or were suspended from trading on BSE or the NSE or in a listed company which has been / was delisted from any stock exchange.

We confirm that there are no regulatory actions initiated/ taken against our Company, promoter group companies and the Promoter in their individual capacity by various agencies/ regulatory bodies.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 106M(2) and other provisions of Chapter XB of the SEBI ICDR Regulations as the post issue face value capital is more than ₹ 1,000.00 lacs and upto ₹ 2,500.00 lacs.

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue has been hundred percent underwritten and that the BRLM and Co-BRLM have underwritten more than 15% of the Total Issue Size. For further details pertaining to said underwriting see chapter titled "General Information" on page 15.

2. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, our Company has entered into an agreement with the BRLM and Co-BRLM and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the market making arrangement see chapter titled "General Information" on page 15.

Further, we undertake that the number of Allottees in the Issue shall be least fifty. Otherwise the entire application money shall be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% p.a. for the period of delay.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR

THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, KEYNOTE CORPORATE SERVICES LIMITED AND THE CO-BOOK RUNNING LEAD MANAGER, INDIAN OVERSEAS BANK HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER AND THE CO-BOOK RUNNING LEAD MANAGER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, KEYNOTE CORPORATE SERVICES LIMITED AND THE CO-BOOK RUNNING LEAD MANAGER, INDIAN OVERSEAS BANK WILL FURNISH TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●].

AS PER REGULATION 106(O) OF THE SEBI ICDR REGULATIONS, ONLY THE PROSPECTUS HAS TO BE FILED WITH SEBI ALONGWITH A DUE DILIGENCE CERTIFICATE AS PER FORM A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS BY THE BRLM. ACCORDINGLY, THIS SECTION WILL BE UPDATED AT THE TIME OF FILING THE PROSPECTUS WITH STOCK EXCHANGE AND ROC AND PROSPECTUS AND DUE DILIGENCE CERTIFICATE AS PER FORM A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS WITH SEBI.

The filing of the Red Herring Prospectus does not, however, absolve our Company from any liabilities under section 63 or section 68 of the Companies Act, 1956 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up, at any point of time, with the BRLM and Co-BRLM any irregularities or lapses in the Red Herring Prospectus.

All legal requirements pertaining to the issue have been complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Mumbai, in terms of Section 56, Section 60 and Section 60B of the Companies Act.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

THE PROMOTER(S)/ DIRECTOR(S) OF VETO SWITCHGEARS AND CABLES LIMITED M/S VETO ELECTROPOWER (INDIA) PRIVATE LIMITED, MR. VISHNU KUMAR GURNANI, MR. MOHAN DAS GURNANI AND MR. NARAYAN DAS GURNANI CONFIRM THAT NO INFORMATION/MATERIAL LIKELY TO HAVE A BEARING ON THE DECISION OF INVESTORS IN RESPECT OF THE SHARES OFFERED IN TERMS OF THIS OFFER DOCUMENT HAS BEEN SUPPRESSED WITHHELD AND / OR INCORPORATED IN THE MANNER THAT WOULD AMOUNT TO MIS-STATEMENT/ MISREPRESENTATION AND IN THE EVENT OF ITS TRANSPIRING AT ANY POINT IN TIME TILL ALLOTMENT/ REFUND, AS THE CASE MAY BE, THAT ANY INFORMATION/MATERIAL HAS BEEN SUPPRESSED/WITHHELD AND/ OR AMOUNTS TO A MIS-STATEMENT/ MISREPRESENTATION, THE PROMOTERS/DIRECTORS UNDERTAKE TO REFUND THE ENTIRE APPLICATION MONIES TO ALL SUBSCRIBERS WITHIN 7 DAYS THEREAFTER WITHOUT PREJUDICE TO THE PROVISIONS OF SECTION 63 OF THE COMPANIES ACT.

Disclaimer statement of our Company, the BRLM and Co-BRLM

Investors may note that our Company, the BRLM and Co-BRLM accept no responsibility for statements made otherwise than in this RHP or in the advertisement or any other material issued by or at the instance of the Issuer and that any one, placing reliance on any other source of information including our Company's website, www.vetoswitchgears.com., would be doing so at his own risk.

The BRLM and Co-BRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement

entered into between the BRLM and the Co-BRLM with our Company and the Underwriting Agreement entered into between the Underwriters and our Company and the Market making Agreement entered into between the BRLM, the Co-BRLM and our Company.

All information shall be made available by our Company, the BRLM and the Co-BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

The BRLM, the Co-BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in future engage, in investment banking transactions with our Company, affiliates or associates or third parties, for which they have received, and may in future receive compensation.

Neither our Company, nor its Directors and officers, nor any member of the Syndicate are liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Caution

Investors that bid in this Issue will be required to confirm and will be deemed to have represented to our Company, the BRLM and the Co-BRLM and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, the BRLM and the Co-BRLM and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares in the Issue.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to FIIs, Eligible NRIs, Eligible QFIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only. No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the RHP has been submitted to the Stock Exchange. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and the RHP may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the RHP nor any sale hereunder shall, under any circumstances create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Our Company has not registered and does not intend to register under the U.S. Investment Company Act in reliance upon Section 3(c)(7) thereof.

Accordingly, the Equity Shares are being offered and sold (i) in the United States only to, and only to U.S. persons that are, "qualified institutional buyers" (as defined in Rule 144A and referred to in this RHP as

"U.S. QIBs"; which, for the avoidance of doubt, does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this RHP as "QIBs") that are also "qualified purchasers" (QPs) (as defined in Section 2(a)(51) of the U.S. Investment Company Act and the rules and regulations thereunder) acting for its own account or for the account of another U.S. QIB that is a QP (and meets the other requirements set forth herein), in reliance on the exemption from registration under the U.S. Securities Act provided by Rule 144A or other available exemption and in reliance upon Section 3(c)(7) of the U.S. Investment Company Act and (ii) outside the United States to non-U.S. persons in reliance on Regulation S.

Each purchaser of Equity Shares inside the United States or who is a U.S. person will be required to represent and agree, among other things, that such purchaser (i) is a U.S. QIB and a QP; and (ii) will only reoffer, resell, pledge or otherwise transfer the Equity Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S and under circumstances that will not require our Company to register under the U.S. Investment Company Act.

Each purchaser of Equity Shares outside the United States that is not a U.S. person will be required to represent and agree, among other things, that such purchaser is a non-U.S. person acquiring the Equity Shares in an "offshore transaction" in accordance with Regulation S.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the Securities Act.

Disclaimer Clause of the SME platform of the National Stock Exchange of India Limited (NSE)

As required, a copy of the Red Herring Prospectus had been submitted to NSE. NSE has given vide its letter no. NSE/LIST/184672-5 dated October 25, 2012 permission to the Company to use the Exchange's name in the offer document as one of the Stock Exchange(s) on which the Company's securities are proposed to be listed. The Exchange has scrutinised the offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document, nor does it warrant that the Company's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquires any of the Company's securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

This Red Herring Prospectus is being filed with the NSE at Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.

A copy of the Red Herring Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Regulation 106(M)(3) of the SEBI (ICDR) Regulations. However a copy of the Prospectus will be filed with SEBI at Corporation Finance Department, SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 while filing the Prospectus with the NSE and RoC, Mumbai.

A copy of the Red Herring Prospectus, along with documents to be filed under Section 60B of the Act, and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration to the Registrar of Companies, Mumbai.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the SME platform of the NSE. Initial listing application has been made to the NSE for permission to list the Equity Shares and for an official quotation of the Equity Shares of our Company. The NSE shall be the Designated Stock Exchange. In case the permission for listing of the Equity Shares is not granted by the NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after the day from which our Company becomes liable to repay it (i.e. from the date of refusal or within ten working days from the Bid/Issue Closing Date, whichever is earlier) then our Company and every director of our Company who is an officer in default shall, on and from expiry of 8 days, be jointly and severally liable to repay that money with interest, at 15% per annum on the application monies as prescribed under Section 73 of the Companies Act.

Our Company with the assistance of the BRLM and the Co-BRLM shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME platform of the NSE are taken within twelve Working Days of Bid/ Issue Closing Date.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of Sub-Section (1) of Section 68A of the Companies Act which is reproduced below:

"Any person who

a. makes in a fictitious name an application to a company for acquiring, or subscribing for, any shares therein, or

b. otherwise induces a company to allot or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."

Consents

Consents in writing of our Directors, our Company Secretary and Compliance Officer, the auditors, the legal advisors, the Bankers to our Company, the Book Running Lead Manager, the Syndicate Members, the Escrow Collection Banks, Refunds Bank(s) and the Registrar to the Issue to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with RoC and have agreed that such consents have not been withdrawn upto the time of delivery of the Prospectus for registration, is as required under Section 60 and 60B of the Companies Act.

M/s. Singrodia Goyal & Co., Chartered Accountants, our statutory Auditors have also given their written consent to the inclusion of their report as appearing in the form and context in which appears in this RHP and also of the tax benefits accruing to the Company and to the members of the Company and such consent and report will not be withdrawn up to the time of delivery of the Prospectus for registration to the Registrar of Companies.

Expert Opinion

Other than reports of our Auditor in respect of the information in the section "Financial Information" and "Statement of Tax Benefits" on page 109 and page 40, no expert opinion has been obtained by our Company in relation to the Issue.

Issue Expenses

The Issue related expenses include, among others, fees payable to intermediaries including BRLM, Co-BRLM, printing and distribution expenses, advertisement and marketing expenses and registrar, legal and depository fees among others and are estimated at ₹ [●] lacs (approximately [●] per cent of the total Issue size) and will be met out of the proceeds of the Issue.

Particulars	**Amount** ***(₹ in lacs)***	**As percentage of total expenses**	**As a percentage of Issue size**
Fees of the Intermediaries (including underwriting	[●]	[●]	[●]

Particulars	Amount *(₹ in lacs)*	As percentage of total expenses	As a percentage of Issue size
commission, market making fees, brokerage and selling commission)			
Advertising, traveling and marketing expenses	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Statutory and other miscellaneous expenses	[●]	[●]	[●]
Total estimated Issue related expenses	[●]	[●]	[●]

Fees payable to the BRLM and Co-BRLM

The total fees payable to the BRLM and the Co-BRLM will be as per the Issue Agreement signed between our Company, BRLM and the Co-BRLM and as per the Market Making Agreement signed between our Company, the BRLM and Co-BRLM, a copy of which is available for inspection at our Registered Office.

Fees payable to the Registrar to the Issue

The total fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement signed with between our Company and the Registrar to the Issue, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will also be reimbursed with all relevant out-of-pocket expenses such as cost of stationery, postage, stamp duty, communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to make refunds to unsuccessful applicants.

Previous public or rights issues in the last 5 years

Our Company has not undertaken any public or rights issue of Equity Shares/ Debentures in the last 5 years.

Previous issue of Equity Shares for consideration other than cash

Other than as disclosed in the section titled "Capital Structure" on page 26, our Company has not made any issue of Equity Shares for consideration other than cash.

Underwriting commission or Brokerage and selling commission on Previous Issues

No sum has been paid or payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Particulars in regard to our Company and other listed companies under the same management within the meaning of Section 370 (1B) of the Companies Act which made any capital issue since inception

Neither our Company nor any other Company under the same management within the meaning of Section 370(1B) of the Companies Act is listed on any of the Stock Exchange(s) and has not made any capital issue since inception.

Promise vis-à-vis Performance – Last 3 issues

Our Company has not made any Public Issue in the past.

Listed ventures of Promoters

There are no listed ventures of our Promoters.

Promise vs Performance – Previous Issues of our Company and our Group / Subsidiary / Associate Companies

Our Company has not made any public issue of Equity Shares since its incorporation. None of our Group / Subsidiary / Associate Companies have made any public issues in the past.

Outstanding Debentures or Bonds or Redeemable Preference shares

As on the date of filing the Red Herring Prospectus, our Company does not have any outstanding debentures or has made any bond issue.

Stock Market Data

This being the first public issue by our Company, no stock market data is available.

Disclosure on Investor Grievances and Redressal System

The Agreement between the Registrar to the Issue and our Company entered on August 16, 2012 provides for retention of records with the Registrar to this Issue for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and making refunds as per the modes disclosed to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number and the designated branch of the relevant SCSB or Syndicate ASBA Bidding Location where the ASBA Form was submitted and the details of the member of the Syndicate through whom the ASBA Form was submitted (in the event the ASBA Form was submitted through a member of the Syndicate).

Disposal of Investor Grievances by our Company

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be ten business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible. Our Company has also constituted an Investors' Grievance Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For further details, please refer to the chapter titled 'Management' on page 77.

Our Company has appointed Ms. Vandana Ravi, Company Secretary as the Compliance Officer and she may be contacted at 230, Sindhi Colony, Raja Park, Jaipur 302004 Tel: +91 141 4100410; Fax: +91 141 4100425; E-mail: cs.vandana@vetoswitchgears.com for redressal of any complaints.

Investors may contact the Compliance Officer at the below mentioned address and/ or Registrar to the Issue at the above mentioned address in case of any Issue related problems such as non-receipt of allotment advice/ share certificates/ demat credit/ refund orders etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in.

Status of outstanding investor complaints

As on date, there were no outstanding investor complaints.

Changes in Auditors during the last three years and reasons thereof

There has been no change in the auditor of the Company since past three years.

Capitalization of Reserves or Profits / Issuance of Equity Shares for consideration other than cash

Our Company has not capitalized any of its reserves or profits / issued shares for consideration other than cash.

Revaluation of Fixed Assets

There has been no revaluation of our Company's fixed assets in the last five years.

Performance vis-à-vis Objects

Our Company has not undertaken any public/ rights issue during the period of ten years immediately preceding the date of filing this RHP.

SECTION VIII – OFFERING INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the SCRR, the SCRA, the Memorandum and Articles of Association of our Company, conditions of RBI approval, if any, the terms of the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Revision Form, the Allotment Advice and Confirmation of Allocation Note ("**CAN**"), Listing Agreements with the Stock Exchange and other terms and conditions as may be incorporated in the Allotment Advice, and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to applicable laws, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchange(s), RBI, FIPB, RoC and / or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends. The Allottees of the Equity Shares in this Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section "Description of Equity Shares and Terms of the Articles of Association" on page 237.

Mode of Payment of Dividend

We shall pay dividend, if declared, to our shareholders as per the provisions of the Companies Act, the Articles of Association of our Company and the Listing Agreements entered into with the Stock Exchange.

Face Value and Issue Price per Share

The face value of each Equity Share is ₹ 10. The Issue Price is ₹ [●]. The Floor Price of Equity Shares is ₹ 48.00 per Equity Share and the Cap Price is ₹ 50.00 per Equity Share. At any given point of time there shall be only one denomination of Equity Shares, subject to applicable law. The Price Band and minimum Bid Lot for the Issue will be decided by our Company in consultation with the BRLM and Co – BRLM.

Compliance with Regulations issued by SEBI

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, 1956 and the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association our Company.

For a detailed description of the main provisions of the Articles of Association such as those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation / splitting, please refer to the section titled "Description of Equity Shares and Terms of the Articles of Association" of our Company on page 237 of this Red Herring Prospectus.

Market Lot and Trading Lot

Under Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. In terms of existing SEBI ICDR Regulations, the trading in the Equity Shares shall only be in dematerialized form for all investors. Since trading of the Equity Shares is in dematerialized mode, the trading will happen in the minimum contract size of 3,000 equity shares and the same may be modified by the SME Platform of NSE from time to time by giving prior notice to investors at large.lot is one Equity Share. Allocation and allotment of Equity Shares through this Issue will be done only in electronic form, in multiple of 3,000 Equity Share, subject to a minimum allotment of 3,000 Equity Shares. For details of allocation and allotment, please refer to the section titled "Issue Procedure" on page 204 of this Red Herring Prospectus.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first bidder, along with other joint bidder, may nominate any one person in whom, in the event of the death of sole bidder or in case of joint bidders, death of all the bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Company's Registered / Corporate Office or to our Registrar and Transfer Agents.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Migration to Main Board

Our company may migrate to the main boards of NSE from the SME Exchanges on a later date subject to the following:

a) If the Paid up Capital of our Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main

board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

b) If the Paid up Capital of our company is more than ₹ 10 crores but below ₹ 25 crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares offered though this Issue are proposed to be listed on the SME Platform of NSE and traded in the SME Normal market, wherein the BRLM and Co-BRLM shall ensure compulsory Market Making through the registered Market Makers of the SME Exchanges for a minimum period of three years from the date of listing of shares offered though this Red Herring Prospectus. For further details of the agreement entered into between or Company, the BRLM and Co-BRLM see chapter titled "General Information" on page 15 of this Red Herring Prospectus.

Arrangement for disposal of odd lot

The trading of the equity shares will happen in the minimum contract size of 3,000 shares. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchanges.

Application by Eligible NRIs, FIIs and FVCIs

As per the extant policy of the Government of India, OCBs cannot participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid cum Application Form, the OCB shall be elgibible to be considered for share allocation.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, there exists a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. It is to be distinctly understood that there is no reservation for NRIs, FIIs or FCVIs registered with SEBI, applicants will be treated on the same basis with other categories for the purpose of allocation.

The allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. The Company, the BRLM and the Co- BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The Company, the BRLM and the Co- BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Restriction on transfer of Equity Shares

Except for lock-in as detailed in "Capital Structure" on page 26 of this Red Herring Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfers of debentures except as provided in the Articles of Association. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. Please see "Description of Equity Shares and Terms of the Articles of Association" on page 237 of this Red Herring Prospectus.

Withdrawal of the Issue

Our Company, in consultation with the BRLM and Co-BRLM, reserves the right not to proceed with the Issue anytime after the Bid Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days, providing reasons for not proceeding with the Issue.

Our Company shall also inform the same to Stock Exchange on which the Equity Shares are proposed to be listed and the BRLM and Co-BRLM through the Registrar shall notify the SCSBs to unblock the ASBA Account within one Working Day from the date of such notification.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

If our Company withdraws the Issue after the Bid Closing Date, our Company shall be required to file a fresh Red Herring Prospectus.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus.

Bid/Issue Period

BID/ ISSUE OPENS ON	Monday, December 3, 2012
BID/ ISSUE CLOSES ON	Wednesday, December 5, 2012

Minimum Subscription

In the event our Company does not receive a minimum subscription of ninety per cent of the offer through offer document including devolvement of Underwriters within sixty days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, we shall pay interest prescribed under section 73 of the Companies Act, 1956.

Option to Receive Securities in Dematerialized Form

Equity Shares being offered through the RHP can be applied for and will be allotted in dematerialized form only.

ISSUE STRUCTURE

Public Issue of [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating upto ₹ 2,500 lacs (the "Issue") by our Company. Of which [●] Equity Shares of ₹ 10 each will be reserved for subscription by Market Makers to the Issue ("Market Maker Reservation Portion") the Issue less the Market Maker Reservation Portion i.e. Issue of [●] Equity Shares of ₹ 10 each is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute [●]% and [●]%, respectively of the post Issue paid up Equity Share capital of the Company.

The Issue is made through the Book Building Process.

Particulars	Qualified Institutional Bidders	Non-Institutional Bidders	Retail Individual Bidders	Market Maker Reservation Portion
Number of Equity Shares*	Not more than [●] Equity Shares or Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than [●] Equity Shares shall be available for allocation	Not less than [●] Equity Shares shall be available for allocation	[●] Equity Shares
Percentage of the Issue Size available for allocation	Not more than 25% of the Net Issue shall be allocated to QIBs. However, not less than 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Not less than 40% of the Net Issue shall be available for allocation	Not less than 35% of the Net Issue shall be available for allocation	[●]% of the Issue
Basis of Allocation, if respective category is oversubscribed	Proportionate, subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each, as follows: (a) [●] Equity Shares, constituting 5% of the Net QIB portion, shall be available for allocation on a proportionate basis to Mutual Funds; (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above	Proportionate	Proportionate	Firm Allotment
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of 3,000 Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of 3,000 Equity Shares thereafter	3,000 Equity Shares and in multiples of 3,000 Equity Shares thereafter	[●] Equity Shares
Maximum Bid	Not exceeding the size of the Issue subject to regulations as applicable to the Bidder	Not exceeding the size of the Issue	Not exceeding the size of the Issue	[●] Equity Shares
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Bid Lot* **	3,000 Equity Shares in multiples of 3,000 Equity Shares.	3,000 Equity Shares in multiples of 3,000 Equity Shares.	3,000 Equity Shares in multiples of 3,000 Equity Shares.	[●] Equity Shares

Particulars	Qualified Institutional Bidders	Non-Institutional Bidders	Retail Individual Bidders	Market Maker Reservation Portion
Trading Lot	3,000 Equity Shares, however the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.	3,000 Equity Shares, however the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.	3,000 Equity Shares, however the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.	[●] Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Who can Apply **	Public financial institutions, as specified in Section 4A of the Companies Act: scheduled commercial banks, mutual funds, foreign institutional investor registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds, (subject to applicable laws) with minimum corpus of ₹ 2500 lacs and pension funds with minimum corpus of ₹ 2500 lacs in accordance with applicable law, National Investment Fund set up by Government of India, insurance funds set up and managed by the army, navy and air force of the Union of India and insurance funds set up and managed by the Department of Posts, India, Nominated Investor(s) and Market Maker (s).	Resident Indian individuals, Eligible NRIs, HUF (applying through the Karta), companies, corporate bodies, scientific institutions, societies trusts, sub accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals and Eligible QFIs	Resident Indian individuals, Eligible NRIs, HUF (applying through the Karta), applying for Equity Shares such that the Bid Amount does not exceed ₹ 2,00,000 in value.	Market maker
Terms of Payment	Full Bid amount on Bidding through the ASBA Process	Full Bid Amount on bidding through the ASBA Process	Full Bid Amount on bidding	Full Bid Amount on bidding

* In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price;

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and co-BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the

Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.

** In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid Cum Application Form.

*** SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the "Circular") standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Price Band (in Rs)	Lot Size (No of shares)
Upto 14	10000
more than 14 upto 18	8000
more than 18 upto 25	6000
more than 25 upto 35	4000
more than 35 upto 50	3000
more than 50 upto 70	2000
more than 70 upto 90	1600
more than 90 upto 120	1200
more than 120 upto 150	1000
more than 150 upto 180	800
more than 180 upto 250	600
more than 250 upto 350	400
more than 350 upto 500	300
more than 500 upto 600	240
more than 600 upto 750	200
More than 750 upto 1000	160
above 1000	100

Further to the circular, at the Initial Public Offer stage the Registrar to Issue in consultation with BRLM and Co-BRLM, our Company and the Designated Stock Exchange shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/ allotment stage, facilitating secondary market trading. At the IPO stage if the price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into. For example: if the proposed price band is at 24-28 than the Lot size shall be 4000 shares. The lot size shall not be reduced by Stock Exchange to below the initial lot size if the trading price is below the IPO issue price. Stock Exchange can review the lot size once in every 6 months / wherever warranted, by giving an advance notice of at least one month to the market. However, as far as possible the Stock Exchange shall ensure that odd lots are not created. Further, Stock Exchange shall ensure that the lot size shall be the same for a securities traded across the Stock Exchange. In case of oversubscription, if the option to retain ten percent of the net offer to public for the purpose of making allotment in minimum lots is exercised, then it shall be ensured by the Issuer/ Stock Exchange/ Merchant Bankers that the post issue paid up capital of the issuer does not go beyond ₹ 2,500 lacs.

Letters of Allotment, refund orders or instructions to SCSBs

Our Company shall credit the Equity Shares to the valid beneficiary account with its Depository Participants within 12 Working Days from the Bid Closing Date to all successful Allottees.

Please note that only Bidders having a bank account at any of the 68 centres where the clearing houses for the NECS as notified by the RBI are eligible to receive refunds or payment through electronic transfer of funds. For all other

Bidders, including Bidders having bank accounts in the said 68 centres who have not updated their bank particulars along with the nine-digit MICR code, the refund orders shall be dispatched within 12 Working Days of the Bid Closing Date through speed post or registered post.

In case of ASBA Bidders, the Registrar to the Issue shall instruct the SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA for withdrawn, rejected or unsuccessful or partially successful ASBAs within 12 Working Days from the Bid Closing Date.

Interest in case of delay in dispatch of refund orders or instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchange and SEBI Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 12 Working Days from the Bid Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or NECS, shall be done within 12 Working Days from the Bid Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 12 Working Days from the Bid Closing Date.
- It shall pay interest at 15% p.a. if the refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or NECS, the refund instructions have not been given to the clearing system in the disclosed manner within 12 Working Days from the Bid Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 12 Working Days of the Bid Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or CAN to the Registrar to the Issue. Refunds will be made by cheques, pay orders or demand drafts drawn on any one or more of the Refund Banker(s) and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Accounts to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bidding Period at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted by the ASBA Bidders, the Designated Branches and the Syndicate ASBA Bidding Locations except that:

i. in case of Bids by QIBs under the Net QIB Portion, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the QIB Bid Closing Date;

ii. in case of Bids by Non-Institutional Bidders, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the Bid Closing Date; and

iii. in case of Bids by Retail Individual Bidders, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. on the Bid Closing Date, which may be extended up to such time as deemed fit by the Stock Exchange after taking into account the total number of applications received up to the closure of timings and reported by BRLM and Co-BRLM to the Stock Exchange within half an hour of such closure.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular Bidder, the details as per the Bid file received from the Stock Exchange may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

Our Company, in consultation with the BRLM and Co-BRLM, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations. The cap shall not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

In case of revision in the Price Band, the Bidding Period shall be extended for at least three additional Working

Days after such revision, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the websites of the BRLM, Co-BRLM and the terminals of the other members of the Syndicate.

ISSUE PROCEDURE

This section applies to all Bidders. QIBs and the Non-Institutional Bidders can participate in the Offer only through the ASBA process. Retail Individual Bidders can participate in the Offer through ASBA as well as non-ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. ASBA Bidders should note that they may submit their ASBA Bids to the members of the Syndicate at the Syndicate ASBA Bidding Centres or to the SCSBs. ASBA Bidders may also apply electronically through the internet banking facility wherever provided for by the SCSB. Bidders other than ASBA Bidders are required to submit their Bids to the Syndicate.

Further, please note that pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2012, certain aspects, such as withdrawal and revision of Bids, manner of allocation to Retail Individual Bidders and announcement of Price Band, have been modified. Please note that such modifications have come into effect from October 12, 2012 and all Bidders are advised to read this section carefully before participating in the Issue.

This section applies to all Bidders. Please note that all Bidders can participate in the Issue through the ASBA process. The SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 ("**Circular**") has made applications by QIBs and Non- Institutional Bidders compulsorily through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders are required to make the full Bid Amount or instruct the relevant SCSB to block the full Bid Amount along with the application.

Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus.

Book Building Procedure

The Issue is being made through the Book Building Process wherein not more than 25% of the Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis. Out of the QIB Portion 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for Allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price.

Further, not less than 40% of the Issue would be available for allocation to Non-Institutional Bidders and not less than 35% of the Issue would be available for allocation to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.

All Bidders applying through cheques or demand drafts are required to submit their Bids through the Syndicate.

All QIBs and Non Institutional Bidders compulsorily and Retail Individual Bidders optionally apply in this Issue through the ASBA process. ASBA Bidders are required to submit their Bids to the SCSBs or to the Syndicate.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID Numbers and the beneficiary account number, shall be treated as incomplete and rejected. Bid cum Application Forms which do not have the details of the Bidders' PAN, (other than Bids made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchange.

Bid-cum-Application Form

Pursuant to SEBI circular CIR/CFD/DIL/4/2011 dated September 27, 2011, Bid cum Application Forms have been standardized and it has been decided that henceforth there would only be a single form for ASBA and non-ASBA Bidders. It has also been decided that the Bid cum Application Form (accompanied with abridged prospectus) would be printed in a booklet form of A4 size paper.

Bid cum Application Forms for ASBA Bidders will also be available on the website of the NSE (www.nseindia.com) at least one day prior to Bid Opening Date. A hyperlink to the websites of the Stock Exchange for this facility will be provided on the websites of the BRLM and Co-BRLM and the SCSBs. Same Bid cum Application Form applies to all ASBA Bids irrespective of whether they are submitted to the SCSBs or to the Syndicate ASBA Bidding Locations.

Copies of the Bid cum Application Form will be available for all categories of Bidders with the members of the Syndicate and at our Registered Office and our Corporate Office. In addition, Bid cum Application Forms in physical form will be available with the Designated Branches, and electronic Bid cum Application Forms will be available on the websites of the SCSBs and of the Stock Exchange at least one day prior to the Bid Opening Date. Copies of the Red Herring Prospectus shall, on a request being made by any Bidder before the Bid Closing Date, be furnished to such Bidder at our Registered Office, our Corporate Office and the Designated Branches.

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate, unless they are using the ASBA Process. Before being issued to the Bidders, the Bid cum Application Form shall be serially numbered. The Bid cum Application Form shall contain information about the Bidders, the price and the number of Equity Shares Bid for. Bidders shall have the option to make a maximum of three Bids (in terms of number of Equity Shares and respective Bid Amount) in the Bid cum Application Form and such options shall not be considered as multiple Bids. The collection centre of the Syndicate will, after the Bid has been uploaded, acknowledge the uploading of the Bid cum Application Form or Revision Form by stamping the acknowledgment slip with the date and time and returning it to the Bidder. This acknowledgment slip shall serve as the duplicate of the Bid cum Application Form for the records of the Bidder and the Bidder shall preserve this and should provide the same for any queries relating to non-Allotment of Equity Shares in the Issue.

Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder. Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the application form.

Bidders can also submit their Bids through the ASBA by submitting Bid cum Application Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained or through the members of the Syndicate/ Sub-Syndicate (ASBA Bids through the members of the Syndicate/ sub-Syndicate shall hereinafter be referred to as the "Syndicate ASBA"). However, ASBA Bids through submitted to the Syndicate is permitted only at the Syndicate ASBA Bidding Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat). Kindly note that Bid cum Application Forms submitted by ASBA Bidders to members of the Syndicate at the Syndicate ASBA Bidding Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit the Bid cum Application Form (A list of such branches is available at http://www.sebi.gov.in/pmd/scsb-asba.pdf).

ASBA Bidders can submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the Bid cum Application Form, which shall be stamped, at the relevant Designated Branch. Bid cum Application Form in physical mode, which shall be stamped, can also be submitted to be members of the Syndicate at Syndicate ASBA Bidding Locations. In case of application in electronic form, the ASBA Bidder shall submit the Bid cum Application Form either through the internet banking facility available with the SCSBs or such other electronically enabled mechanism for Bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids.

The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form. Upon completing and submitting the Bid cum Application Form to the SCSB or to the members of the Syndicate, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form, as would be required for filing the Prospectus with the

RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

To supplement the foregoing, the mode and manner of Bidding is illustrated in the following chart.

Category of Bidder	Permitted modes of Bidding	Application form to be used for Bidding	To whom the application form has to be submitted
Retail Individual Bidders	Either (i) ASBA or (ii) non-ASBA	(i) If Bidding through ASBA, the Bid-cum-Application Form (physical or electronic)	(i) If physical Bid-cum-Application Form is being used, either to the members of the Syndicate only at Syndicate ASBA Bidding Locations* or to the Designated Branch of the SCSB where the ASBA Account is maintained; or (ii) if electronic Bid-cum-Application Form is being used, to the SCSBs, electronically through the internet banking facility.
		(ii) If Bidding through non-ASBA, the Bid-cum-Application Form.	(i) if Bid-cum-Application Form is being used, to the members of the Syndicate at the Bidding Centres as stated in the Bid-cum-Application Form.
Non-Institutional Bidders and QIBs	ASBA (Kindly note that ASBA is mandatory and no other mode of Bidding is permitted as per SEBI Circular dated April 29, 2011	Bid-cum-Application Form (physical or electronic) with an indication of the mode of payment option being "ASBA"	(i) If physical Bid-cum-Application Form is being used, either to the members of the Syndicate only at Syndicate ASBA Bidding Locations* or to the Designated Branch of the SCSB where the ASBA Account is maintained; or (ii) if electronic Bid-cum-Application Form is being used, to the SCSBs, electronically through the internet banking facility.

The prescribed colour of the Bid-cum-Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, Eligible QFIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue

Who can Bid?

1. Indian nationals resident in India who are majors, in single or joint names (not more than three).
2. Indian Nationals, resident in India, who are competent to contract under Indian Contract Act, 1872 as amended and Minors, having valid demat account, as per demographic details provided by Depositaries.
3. HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows:

   Name of Sole or First Bidder: "XYZ Hindu Undivided Family applying through the Karta XYZ", where XYZ is the name of the Karta. Bids by HUFs would be considered at par with those from individuals;
4. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares;
5. Mutual Funds registered with SEBI;
6. Eligible NRIs (whether on a repatriation basis or on a non-repatriation basis), subject to applicable law;

7. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI regulations, as applicable);
8. Multilateral and bilateral development financial institution;
9. Venture capital funds registered with SEBI;
10. Foreign venture capital investors registered with SEBI subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
11. FIIs and sub-accounts registered with SEBI other than a sub-account which is a foreign corporate or foreign individual subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
12. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category;
13. State Industrial Development Corporations;
14. Insurance companies registered with the Insurance Regulatory and Development Authority;
15. Provident funds with a minimum corpus of ₹ 2500 lacs and who are authorized under their constitution to hold and invest in equity shares;
16. Pension funds a with minimum corpus of ₹ 2500 lacs and who are authorized under their constitution to hold and invest in equity shares;
17. National Investment Fund set up by resolution F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
18. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorized under their respective constitutions to hold and invest in equity shares;
19. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable local laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
20. Eligible QFIs under the Non-Institutional Bidders category;
21. Scientific and/or industrial research organizations authorized under their constitution to invest in equity shares;
22. Insurance funds set up and managed by army, navy or air force of the Union of India
23. Limited liability partnerships;
24. Insurance funds set up and managed by the Department of Posts, India; and
25. Any other QIBs permitted to invest, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue.
26. Nominated investors and Market Makers.
27. Any other person eligible to Bid in this Issue, under the laws, rules, regulations, guidelines and polices applicable to them.

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid cum Application Form, the OCB shall be elgibible to be considered for share allocation.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Participation by associates and affiliates of the BRLM, Co-BRLM and the Syndicate Members

The BRLM, the Co- BRLM and the Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM, the Co-BRLM and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis. Such bidding and subscription may be on their own account or their clients. All categories of investors, including associates or affiliates of the BRLM, Co-BRLM and Syndicate Members, shall be treated equally for the

purpose of allocation to be made on a proportionate basis.

Bids by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in this Issue. In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids by Eligible NRIs

Bid cum Application forms (Blue in colour) have been made available for Eligible NRIs at the Registered Office of our Company, Corporate Office of our Company, BRLM, Co-BRLM with Syndicate Members and with select members of the Syndicate.

Eligible NRIs may please note that only such applications as are accompanied by payment in free foreign exchange or by debit to their Non Resident External (NRE) / Foreign Currency Non Resident (FCNR) accounts shall be considered for Allotment under the Eligible NRI category on repatriable basis. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) i.e. on non repatriation basis accounts shall use the Bid cum Application Form meant for Resident Indians (White in colour) and shall not use the forms meant for Eligible NRIs (Blue in colour).

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The Issue of Equity Shares to a single FII should not exceed 10% of the post-Issue paid-up capital of our Company. In respect of a FII investing in Equity Shares of our Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of our Company or 5% of our total issued capital in case such sub-account is a foreign corporate or foreign individual.

A sub account of a FII which is a foreign corporate or foreign individual shall not be considered to be a Qualified Institutional Buyer, as defined under the SEBI Regulations, for this Issue.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended (the "SEBI FII Regulations"), an FII or its sub-account may issue, deal or hold, offshore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by an FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative

instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLM, Co-BRLM and the Syndicate Member that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation of, claim on or an interest in our Company.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 inter alia prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund registered with SEBI should not exceed 25% of its corpus. However, venture capital funds or foreign venture capital investors may invest not more than 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended ("LLP Act") a certified copy of certificate of registration issued under the LLP Act must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by QFIs

Pursuant to a circular dated January 13, 2012, the RBI has permitted Eligible QFIs to invest in equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have been permitted to invest in equity shares of Indian companies which are offered to the public in India in accordance with the SEBI Regulations. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital of the Indian company, respectively. These limits are in addition to the investment limits prescribed under the portfolio investment scheme for FIIs and NRIs. However, in cases of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap.

QFIs shall be included under the Non-Institutional Bidders category. Further, the SEBI in its circular dated January 13, 2012 has specified, amongst other things, eligible transactions for Eligible QFIs (which includes investment in equity shares in public issues to be listed on recognised Stock Exchange and sale of equity shares held by Eligible QFIs in their demat account through SEBI registered brokers), manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions. SEBI has specified that transactions by Eligible QFIs shall be treated at par with those made by Indian non-institutional investors in various respects including, margins, voting rights and public issues.

Eligible QFIs shall open a single non interest bearing Rupee account with an Authorised Dealers ('AD') category-I bank in India for routing the payment for transactions relating to purchase of equity shares (including investment in equity shares in public issues) subject to the conditions as may be prescribed by the RBI from time to time.

Eligible QFIs who wish to participate in the Offer are required to submit the Bid cum Application Form for the Offer. Eligible QFIs are advised to use the Bid cum Application Form meant for Non-Residents (Blue in colour). Eligible QFIs are required to participate in the Issue through the ASBA process.

Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid-cum-Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority

(Investment) Regulations, 2000 (the "**IRDA Investment Regulations**"), are broadly set forth below:

1. **equity shares of a company: The least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;**
2. **the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of Unit Linked Insurance Plans ("ULIPs") ; and**
3. **The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPs).**

In addition, the IRDA, by circular bearing number IRDA/INV/CIR/027/2008-09 dated December 26, 2008 partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub-ceilings. Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid-cum-Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. Provident funds/pension funds can participate in the Offer only through the ASBA process.

Bids by Banking Companies

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30% of the paid-up share capital of the investee company or 30% of the banks' own paid-up share capital and reserves, whichever is less (except in case of certain specified exceptions, such as setting up or investing in a subsidiary company, which requires RBI approval). Additionally, any investment by a bank in the Equity Shares must be approved by such bank's investment committee set up to ensure compliance with the applicable prudential norms for classification, valuation and operation of investment portfolio of banks (currently reflected in the RBI Master Circular of July 1, 2011). Banking companies can participate in the Offer only through the ASBA process.

The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their own independent investigations and are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 2,500 lacs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lacs , a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or SEBI registration certificate (as applicable) and/or bye laws must be lodged with the Bid-cum-Application Form. With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

1) With respect to Bids by VCFs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid-cum-Application Form, as applicable. Failing this, our Company reserves the right to accept or reject any Bid, in whole or in part, in either case without assigning any reasons thereof.

2) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid, in whole or in part, in either case without assigning any reasons thereof.

3) With respect to Bids made by provident funds with minimum corpus of ₹ 2,500 lacs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject such Bid, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application Form, subject to such terms and conditions that our Company, the BRLM and the Co- BRLM may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice/CANs/refund orders/letters notifying the unblocking of the bank accounts of ASBA Bidders, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Offer shall use Demographic Details as obtained from the Depositories.

The above information is given for the benefit of the Bidders. Our Company, its Directors, officers, the BRLM, the Co-BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus. Our Company, the BRLM and the Co-BRLM do not accept any responsibility for the completeness and accuracy of the information stated above.

Maximum and Minimum Bid Size

For Retail Individual Bidders

The Bid must be for a minimum of 3,000 Equity Shares and in multiples of 3,000 Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 2,00,000. In case the Bid Amount is over ₹ 2,00,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off Price option, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process. **A Retail Individual Bidder may either withdraw or revise his or her Bid at any time prior to the finalisation of Allotment.**

For Non-Institutional Bidders and QIBs Bidders

The Bid must be for a minimum of such number of Equity Shares in multiples of 3,000 Equity Shares so that the Bid Amount exceeds ₹ 2,00,000 and in multiples of 3,000 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bids (both in terms of number of Equity Shares Bid for and Bid Amount) at any stage and are required to pay the entire Bid Amount upon submission of the Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to ₹ 2,00,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. **Non-Institutional Bidders and QIBs are not allowed to (i) Bid at Cut-Off Price, (ii) withdraw the Bids at any stage, and (iii) lower the size of the Bids (both in terms of number of Equity Shares Bid for and Bid Amount) at any stage.**

Information for the Bidders:

1. Our Company, the BRLM and Co-BRLM shall declare the Bid/Issue Opening Date and the Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national daily newspapers (one each in English and Hindi) and in one regional daily newspaper with vide circulation, where the Registered Office of our Company is situated. This advertisement shall be in the prescribed format.

2. Our Company will file the Red Herring Prospectus with the ROC at least three days prior to the Bid/ Issue Opening Date.

3. The Syndicate and the SCSBs, as applicable, will circulate copies of the Bid cum Application Form to potential investors and at the request of potential investors, copies of the Red Herring Prospectus. The SCSB shall ensure that the abridged prospectus is made available on its website.

4. Any Bidder (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and / or the Bid cum Application Form can obtain the same from our Registered Office or Corporate Office or from the members of the Syndicate or the SCSBs.

5. Eligible Bidders who are interested in subscribing the Equity Shares should approach the members of the Syndicate or the SCSBs (as applicable) to register their Bid. Bidders can also approach the Designated Branch of the SCSBs to register their Bids under the ASBA process.

6. The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms (other than the ASBA Bid cum Application Form) should bear the stamp of the BRLM, Co-BRLM or Syndicate Member otherwise they will be rejected. Bids by ASBA Bidders may submit the ASBA Form to the Designated Branches of SCSBs directly or through a member of the Syndicate.

7. Please ensure that in the event an ASBA Bid cum Application form is submitted at the terminals of the Syndicate Members and the payment is proposed to be made through the ASBA process, the SCSB with whom the payment is to be blocked has a branch at any of the bidding centres referred to in the Circular.

Bidders are advised not to submit the Bid cum Application Form directly to Escrow Collection Banks and the same will be rejected in such cases and the Bidders will not be entitled to any compensation whatsoever.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to ASBA Bidders, the ASBA Form or the ASBA Revision Form may be submitted to the Designated Branches of the SCSBs or to the Syndicate Member(s)/sub-syndicate members at the Specified Centres.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the members of the Syndicate and SCSBs, as applicable, will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

Additional information specific to ASBA Bidders

ASBA Bid cum Application Forms in physical form will be available with the Designated Branches and with the members of the Syndicate; and electronic ASBA Bid cum Application Forms will be available on the websites of the

SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Further, the SCSBs will ensure that the abridged Red Herring Prospectus is made available on their websites.

SCSBs may provide the electronic mode of Bidding either through an internet enabled Bidding and banking facility or such other secured, electronically enabled mechanism for Bidding and blocking funds in the ASBA Account. Eligible ASBA Bidders may also approach the Designated Branches to register their Bids through the ASBA process.

The SCSBs shall accept Bids only during the Bid Period and only from the ASBA Bidders. The SCSB shall not accept any ASBA Bid cum Application Form after the closing time of acceptance of Bids on the Issue Closing Date. The ASBA Bid cum Application Form shall bear the stamp of the Designated Branch or the members of the Syndicate (in case of Bids through Syndicate ASBA), if not, the same shall be rejected.

Method and Process of Bidding

a) Our Company and the BRLM and the Co-BRLM shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with the RoC and also publish the same in widely circulated national newspapers (one each in English and Hindi) and a widely circulated Marathi newspaper. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Issue Period.

b) The Bid/Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Marathi newspaper with wide circulation and also by indicating the change on the websites of the BRLM, the Co-BRLM and at the terminals of the Syndicate and by intimation to the SCSBs.

c) During the Bid/Issue Period, Bidders (other than ASBA Bidders), who are interested in subscribing for the Equity Shares should approach the Syndicate Members or their authorised agents to register their Bids. The Syndicate Members shall accept Bids from all Bidders and have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders applying through the ASBA process may approach the Designated Branches of the SCSBs or to the Syndicate Member(s)/sub-syndicate members at the Specified Centres to register their Bids.

d) Each Bid-cum-Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph entitled “Bids at Different Price Levels” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

e) The Bidder cannot Bid on another Bid-cum-Application Form after Bids on one Bid-cum-Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid-cum-Application Form or ASBA Bid Cum Application Form to either the same or to another member of the Syndicate or SCBS will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled “Build up of the Book and Revision of Bids”. **Please note that, upon submission of the Bid, Non Institutional Bidders and QIBs are not permitted to withdraw or lower the size of their Bids (both in terms of number of Equity Shares Bid for and Bid Amount) at any stage.**

f) In case of Bidders applying through the ASBA process has submitted the Bid-cum-Application Forms to the Syndicate Member(s)/sub-syndicate members at the Specified Centres or its authorized agents, the Syndicate members shall upload the Bid details in the electronic bidding system of the Stock Exchange. Before accepting the Bid-cum-Application Forms, the Syndicate/sub-syndicate members shall ensure that SCSBs whose name has been entered in the Bid-cum-Application Form has designated a branch in that particular bidding center to accept such Bid-cum-Application Forms. Within two days of the Bid/Issue Closing date, the Syndicate members shall forward a schedule containing the application and amount along with the application forms to the

branch of the SCSBs so authorised to accept the ASBA forms procured by the Syndicate members. Upon receipt of such application forms the SCSBs shall verify whether sufficient funds are available in the ASBA account as mentioned in the application forms. In the event sufficient funds are not available in the relevant ASBA Account, the Designated Branch of the SCSB shall reject such Bids.

g) The members of the Syndicate/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form.

h) Along with the Bid-cum-Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in "Escrow Mechanism- Terms of payment and payment into the Escrow Accounts" on page 215.

i) In case of receipt of the ASBA Form directly from the Bidder, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form, prior to uploading such Bids with the Stock Exchange. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange. If sufficient funds are available in the ASBA Account, the SCSBs shall block an amount equivalent to the Bid Amount mentioned in the ASBA Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

j) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Please note that QIBs and Non-Institutional Bidders shall mandatorily submit their Bids through the ASBA process.

Bids at Different Price Levels and Revision of Bids

1. Our Company, in consultation with the BRLM and the Co- BRLM and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

2. In case of revision in the Price Band, the Bid/Issue Period will be extended for at least three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice in an English national newspaper, a Hindi national newspaper and Marathi newspaper, each with wide circulation and also by indicating the change on the websites of the BRLM, the Co-BRLM, SCSBs and at the terminals of the Syndicate Member(s).

3. Our Company, in consultation with the BRLM and the Co-BRLM will finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

4. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non- Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

5. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders, shall submit the Bid-cum-Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

6. In the event of any revision in the Price Band, whether upward or downward, the minimum application size shall remain 3,000 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of ₹ 48/- to ₹ 50/-.

IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS, EQUITY SHARES WILL BE ISSUED, TRANSFERRED AND ALLOTMENT SHALL BE MADE ONLY IN THE DEMATERIALISED FORM TO THE ALLOTTEES. ALLOTTEES WILL HAVE THE OPTION TO RE-MATERIALISE THE EQUITY SHARES, IF THEY SO DESIRE, AS PER THE PROVISIONS OF THE COMPANIES ACT AND THE DEPOSITORIES ACT IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchange. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under the relevant laws, rules, regulations, guidelines and approvals.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please see "Issue Procedure - Payment Instructions" on page 223.

Electronic Registration of Bids

1. The members of the Syndicate and the Designated branches of the SCSBs will register the Bids using the on-line facility of the Stock Exchange.

2. The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue to amend some of the data fields (currently DP ID, Client ID) entered by them in the electronic bidding system. Bidders are cautioned that a high inflow of Bids typically experienced on the last Working Day of the Bidding may lead to some Bids received on the last Working Day not being uploaded due to lack of sufficient uploading time, and such Bids that could not be uploaded will not be considered for allocation.

3. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted. The BRLM, Co-BRLM, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. However, the Syndicate and/or the SCSBs shall be responsible for any error in the Bid details uploaded by them. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

4. The Stock Exchange will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Bid/ Issue Period. The Syndicate Members and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid/ Issue Closing Date, the Syndicate and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchange. This information will be available with the BRLM and Co-BRLM on a regular basis.

5. Based on the aggregate demand and price for Bids registered on the electronic facility of the Stock Exchange, a graphical representation of consolidated demand and price as available on the website of the Stock Exchange would be made available at the Bidding centres during the Bid/Issue Period.

6. At the time of registering each Bid other than ASBA Bids, the Syndicate shall enter the following details of the Bidders in the on-line system:

7. Name of the Bidder: Bidders should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form.

   - Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
   - Price Option
   - Numbers of Equity Shares Bid for.
   - Bid Amount.
   - Cheque Details.
   - Bid-cum-Application Form number.
   - DP ID and client identification number of the beneficiary account of the Bidder.
   - PAN.

8. With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches of the SCSBs or the Syndicate/ Sub-Syndicate members shall enter the following information pertaining to the Bidder into the online system:

   - Name of the Bidder(s);
   - Application Number;
   - PAN (of First Bidder, in case of more than one Bidder);
   - Investor Category and Sub-Category:

Retail	Non- Institutional	QIBs
(No sub category)	- Individual - Corporate - Other	- Mutual Funds - Financial Institutions - Insurance companies - Foreign Institutional - Investors other than corporate and individual - sub-accounts

   - Number of Equity Shares Bid for.
   - Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.
   - Bid Amount
   - Bank Account number

9. A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or the SCSBs as the case may be. The registration of the Bid by the member of the Syndicate or the SCSB does not guarantee that the Equity Shares shall be allocated/Allotment either by the members of the Syndicate or our Company.

10. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

11. In case of QIB Bidders, only the BRLM and Co-BRLM and their affiliate Syndicate Members also have the right to accept the bid or reject it. However, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds.

12. The permission given by NSE to use its network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our

Company, the BRLM or Co-BRLM is cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

13. It is also to be distinctly understood that the approval given by NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE.

Build up of the book and revision of Bids

(a) Bids received from various Bidders through the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchange main frame on a regular basis.

(b) The Book gets built up at various price levels. This information will be available with the BRLM or Co-BRLM on a regular basis at the end of the Bid/Issue Period and can be obtained from them.

(c) During the Bid/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid-cum-Application Form or ASBA Bid Cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid-cum-Application Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 2,00,000 if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 2,00,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders, who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(h) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

(i) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may get a revised TRS from the Syndicate or the SCSB, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Please note that, upon submission of the Bid, Non Institutional Bidders and QIB Bidders are not permitted to withdraw or lower the size of their Bids (both in terms of number of Equity Shares Bid for and Bid Amount) at any stage.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the BRLM and the Co- BRLM will analyze the demand generated at various price levels and discuss pricing strategy with us.

2. Our Company, in consultation with the BRLM and the co-BRLM shall finalize the 'Issue Price', the number of Equity Shares to be allotted in each category of Bidders.

3. The allocation available to QIBs for not more than 25% of the Issue to the Public, of which 5% shall be reserved for Mutual Funds, would be on a proportionate basis, subject to valid bids being received at or above the Issue Price in the manner as described in the section titled 'Basis of Allotment'. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 40% and 35% of the Issue to the Public, respectively, would be on proportionate basis, in the manner specified in the SEBI (ICDR) Regulations in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

4. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and co-BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

5. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.

6. Allocation to NRIs, Eligible QFIs, FIIs, Foreign Venture Capital Funds registered with SEBI applying on repatriation basis will be subject to the terms and conditions stipulated by the FIPB and RBI while granting permission for Issue/Allocation of Equity Shares to them.

7. Our Company in consultation with the BRLM and the Co- BRLM reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before allocation, without assigning reasons whatsoever.

8. The allotment details shall be uploaded on the website of the Registrar to the Issue.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the BRLM, the Co - BRLM and the Syndicate Members shall enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, Our Company will update and file the updated Red Herring Prospectus with the RoC in accordance with the applicable law, which then would be termed as the "Prospectus". The Prospectus will contain details of the Issue Price, Issue size, underwriting arrangements and will be complete in all material respects.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, Our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one Marathi language daily

newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allotment Note ("CAN")

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Syndicate a list of the Bidders who have been Allotted Equity Shares in the Issue.

(b) The Registrar will then dispatch a CAN to the Bidders who have been Allotted Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder for all the Equity Shares allocated to such Bidder.

Designated Date and Allotment of Equity Shares

a. Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depositary account will be completed within 12 Working Days of the Bid/Issue Closing Date.

b. In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

c. Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

d. Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply in terms of the Red Herring Prospectus and under applicable law;

(b) Ensure that you have Bid within the Price Band;

(c) Read all the instructions carefully and complete the Bid-cum-Application Form;

(d) Ensure that the details about the Depository Participant, PAN and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialised form only;

(e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted either at a Designated Branch of the SCSB or to the Syndicate Member(s)/sub-syndicate members at the Specified Centres.;

(f) With respect to ASBA Bids ensure that the ASBA Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Form;

(g) Ensure that you request for and receive a TRS for all your Bid options;

(h) In case of Bids submitted through ASBA process, ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Form to the respective Designated Branch of the SCSBs or the Syndicate members;

(i) In case of Non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids submitted to the Syndicate and in

case of Bids under the ASBA process funds equivalent to the Bid Amount are blocked in case of any Bids submitted through the SCSBs.

(j) In case of Bids submitted through the ASBA process, instruct the relevant SCSBs not to release the funds blocked in the ASBA Account in respect of the relevant Bid Amounts until receipt of instructions from the Registrar to the Issue to unblock the Bid Amount, based on finalization of the Basis of Allotment;

(k) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(l) Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court and subject to the SEBI circular dated April 3, 2008 from the residents of the state of Sikkim, all Bidders should mention their PAN allotted under the IT Act. Bid Cum-Application Form in which the PAN is not provided will be rejected;

(m) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

(n) Ensure that the name(s) given in the Bid-cum-Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid-cum-Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid-cum-Application Form.

(o) All QIB Bidders and Non-Institutional Bidders shall apply only through the ASBA process.

Don'ts:

a) Do not Bid if you are prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
b) Do not Bid if you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise, or if you are not competent to contract under the Indian Contract Act, 1872, as amended;
c) Do not Bid if you are a US resident;
d) Do not bid after the time prescribed as per the Bid cum Application Form, Pre-issue advertisement and the Red Herring Prospectus and if the Bid is not as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
e) Do not submit your Bids on plain paper;
f) Do not forget to tick the Bidder category on the Bid cum Application Form;
g) In case of ASBA Bids, do not forget to tick the authorization to the SCSB to block funds in the ASBA Account;
h) Do not Bid for lower than the minimum Bid size;
i) Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;
j) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the Syndicate or the SCSBs, as applicable;
k) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;
l) Do not send Bid-cum-Application Forms by post; instead submit the same to a member of the Syndicate or the SCSBs only;
m) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders, for Bid Amount in excess of ₹ 2,00,000);
n) Do not Bid for a Bid Amount exceeding ₹ 2,00,000 (for Bids by Retail Individual Bidders);
o) With respect to ASBA Bids, do not bid if there are inadequate funds in the ASBA Account for enabling the SCSB to block the Bid Amount specified in the ASBA Bid cum Application Form;
p) Do not Bids under power of attorney or if you are a limited company, corporate, trust, etc., unless the Bid is supported with relevant documents;
q) Do not forget to mention the sole or first Bidder's PAN (except for Bids on behalf of the Central or State Government, residents of Sikkim and officials appointed by the courts), DP ID and BAN in the Bid-cum-Application Form;
r) Do not fill up the Bid-cum-Application Form such that the Equity Shares Bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

s) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground; and
t) Do not submit the Bids without the full Bid Amount.

INSTRUCTIONS FOR COMPLETING THE BID-CUM-APPLICATION FORM

Bids must be:

a. Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable.

b. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form. Bidders must provide details of valid and active DP ID, BAN and PAN clearly and without error. Invalid accounts/ suspended accounts or where such account is classified as invalid or suspended may not be considered for allotment. Incomplete or incorrect Bid-cum-Application Forms or Revision Forms are liable to be rejected. Bidders should note that the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid-cum-Application Forms or Revision Forms.

c. Information provided by the Bidders will be uploaded in the online IPO system by the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

d. For Retail Individual Bidders, the Bid must be for a minimum of 3,000 Equity Shares and in multiples of 3,000 thereafter subject to a maximum Bid Amount of ₹ 2,00,000.

e. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of 3,000 Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.

f. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

g. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

h. If the ASBA Account holder is different from the ASBA Bidder, the Bid cum Application Form should also be signed by the account holder as provided in the Bid cum Application Form.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, DP ID and beneficiary account number provided by them in the Bid-cum-Application Form, the Registrar will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT) or unblocking of ASBA Account. It is mandatory to provide the bank account details in the space provided in the Bid-cum-Application Form and Bid-cum-Application Form that do not contain such details are liable to be rejected. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the BRLM, Co-BRLM or the Registrar or the Escrow Collection Banks or the SCSBs nor Our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT"S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST

ENSURE THAT THE NAME GIVEN IN THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID-CUM-APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid-cum-Application Form would not be used for any other purpose by the Registrar.

By signing the Bid-cum-Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid-cum-Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidder's sole risk and neither our Company, the Escrow Collection Banks, Registrar, the BRLM, Co-BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, PAN of the sole/First Bidder, the DP ID and the beneficiary's identity, then such Bids are liable to be rejected.

Bids by Non-Residents including Eligible NRIs, FIIs and Foreign Venture Capital Funds on a repatriation basis

Bids and revision to Bids must be:

On the Bid-cum-Application Form or the Revision Form, as applicable (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained in the Red Herring Prospectus, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision are liable to be rejected.

Bids by Retail Individual Bidders must be for a minimum of 3,000 Equity Shares and in multiples of 3,000 Equity Shares thereafter, subject to a maximum Bid Amount of ₹ 2,00,000.

Bids by QIBs bidding in the Net QIB Portion and Non- Institutional Bidders must be for a minimum of such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of 3,000 Equity Shares thereafter. Bids cannot be made for more than the size of this Issue, subject to applicable investment limits under laws or regulations to the Bidders. QIBs bidding cannot withdraw their Bids after the Bid Closing Date.

Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of up to ₹ 2,00,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 2,00,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, Eligible QFIs or FIIs and all Bidders will be treated on the same basis

with other categories for the purpose of allocation.

Bids under Power of Attorney or by Limited Companies, Corporate Bodies or Registered Societies

In case of bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum & Article of Association and/or Bye Laws must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any bid in whole or in part.

Certain additional documents are required to be lodged along with the Bid cum Application Form by the following entities:

(a) With respect to Bids by FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

(b) With respect to Bids by insurance companies registered with the IRDA, in addition to the above, a certified copy of the certificate of registration issued by the IRDA must be lodged with the Bid cum Application Form.

(c) With respect to Bids made by provident funds with minimum corpus of ₹ 25.00 crore (subject to applicable law) and pension funds with a minimum corpus of ₹ 25.00 crore, a certified copy

Our Company in our absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney and additional documents, as specified above, along with the Bid cum Application Form, subject to such terms and conditions that the Bank and the BRLM and the Co-BRLM may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Retail Individual Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Retail Individual Bidders shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Retail Individual Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Banks and the Registrar to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the ASBA Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Form or for unsuccessful ASBA Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Retail Individual Bidder shall draw a cheque or demand draft or remit the funds electronically through the NEFT/RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. All Retail Individual Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid-cum-Application Form.

2. The Retail Individual Bidders shall, with the submission of the Bid-cum-Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid-cum-Application Form, the Bid of the Bidder shall be rejected.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   I. In case of Resident Retail: "**Escrow Account – Veto Switchgears and Cables - Public Issue - R**"
   II. In case of Non-Resident Retail "**Escrow Account – Veto Switchgears and Cables - Public Issue - NR**"

4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

5. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

6. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.

7. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

8. Within 12 Working Days from the Bid/Issue Closing Date, the Refund Bank shall also refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.

9. Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid-cum-Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/money orders/postal orders will not be accepted.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

QIB Portion will not be considered as multiple Bids. The Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.
In this regard, the procedures which would be followed by the Registrar to detect multiple Bids are given below:

1. All Bids will be checked for common PAN and will be accumulated and taken to a separate process file which would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

3. The Registrar will obtain, from the depositories, details of the applicant‘s address based on the DP ID and Beneficiary Account Number provided in the Bid data and create an address master.

4. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The Bids with same name and same address will be treated as multiple Bids.

5. The Bids will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

Please note that, upon submission of the Bid, ASBA Bidders who are Non Institutional Bidders and QIB Bidders are not permitted to withdraw or lower the size of their Bids (both in terms of number of Equity Shares Bid for and Bid Amount) at any stage.

Permanent Account Number or PAN

The Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the I.T. Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Bid-cum-Application Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

REJECTION OF BIDS

In case of QIB Bidders, our Company in consultation with the BRLM and Co-BRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by NEFT/NECS/Direct Credit/cheque or pay order or draft and will be sent to the Bidder‘s address at the Bidder‘s risk. With respect to ASBA Bids, the Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder‘s bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder‘s bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to ASBA Bids, the amounts mentioned in the ASBA Form does not tally with the amount payable for the value of the Equity Shares Bid for;
2. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
3. Bid by persons not competent to contract under the Indian Contract Act, 1872 except bids by Minors having valid demat account as per demographic details provided by Depositaries. including minors, insane persons;
4. PAN not mentioned in the Bid-cum-Application Form;
5. GIR number furnished instead of PAN;
6. Bids for lower number of Equity Shares than specified for that category of investors;
7. Bids at a price less than the Floor Price;
8. Bids at a price more than the Cap Price;
9. Bids at Cut-off Price by Non-Institutional and QIB Bidders;
10. Bids for number of Equity Shares which are not in multiples of 3,000;
11. Category not ticked;
12. Multiple Bids as defined in the Red Herring Prospectus;
13. In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
14. Bids accompanied by Stockinvest/money order/postal order/cash;
15. Bid-cum-Application Forms does not have the stamp of the BRLM, Co-BRLM or Syndicate Members or the SCSB;
16. Bid-cum-Application Forms does not have Bidder‘s depository account details;
17. Bid-cum-Application Forms are not delivered by the Bidders within the time prescribed as per the Bid-cum-Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid-cum-Application Forms;
18. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depositary Participant‘s identity (DP ID) and the beneficiary‘s account number;
19. With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the bank account;
20. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
21. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
22. ASBA Bids for QIBs not intimated to the BRLM and Co-BRLM;
23. Bids by persons in the United States;
24. Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
25. Bids by QIBs and Non-Institutional Bidders through the non-ASBA process;
26. Bids not uploaded on the terminals of the Stock Exchange; and
27. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.
28. Revision of Bids by Non Institutional Bidders and QIB Bidders resulting in lowering the size of their Bids;

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID-CUM-APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGE OR THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the

Registrar:

Agreement dated November 06, 2012, between NSDL, Our Company and the Registrar;
Agreement dated September 12, 2012, between CDSL, Our Company and the Registrar.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid-cum-Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) If incomplete or incorrect details are given under the heading "Bidders Depository Account Details" in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on the Stock Exchangea having electronic connectivity with NSDL and CDSL. The Stock Exchange where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares of Our Company would be in dematerialised form only for all Bidders in the demat segment of the respective Stock Exchange.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs/ to the Syndicate Member(s)/sub-syndicate members at the Specified Centres, the Bidders can contact the Designated Branches of the SCSBs or the Syndicate/ Sub-Syndicate members, as the case may be.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of the names of the Bidders, Depository Participant's name, DP ID, beneficiary account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither Our Company, nor the BRLM and the Co-BRLM, the Registrar, Escrow Collection Bank(s),Bankers to the Issue, the BRLM, Co-BRLM shall be liable to compensate the

Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned centres, except where the applicant, being eligible, opts to receive refund through direct credit.

2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as mentioned in the Bid-cum-Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

4. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, Our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 12 Working Days of the Bid/Issue Closing Date.

In case of applicants who receive refunds through NECS, NEFT, direct credit the refund instructions will be given to the clearing system within 12 Working Days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 12 Working Days of Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed, are taken within 12 Working Days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, Our Company further undertakes that:

Allotment of Equity Shares shall be made only in dematerialised form within 12 Working Days of the Bid/Issue Closing Date; and

With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 12 Working Days from the Bid/Issue Closing Date.

If the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT or ECS, the refund instructions have not been given in the disclosed manner within 12 Working Days from the Bid/ Issue Closing Date or on refusal by Stock Exchange to grant listing permission for the Equity Shares being offered, our Company shall, within 8 days, repay the money failing which it shall pay interest with interest at 15% per annum, as prescribed under section 73 of the Companies Act.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any sharestherein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of 3,000 Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of 3,000 Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

C. For QIBs

Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Issue size less Allotment to Non Institutional Bidders and Retail shall be available for Allotment to Non- QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. The Allotment to all the QIB Bidders will be made at the Issue Price. The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

- In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of 3,000 Equity Shares thereafter for up to 95% of the QIB Portion.

- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of 3,000 Equity Shares thereafter, along with other QIB Bidders.

- Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

The BRLM, Co-BRLM, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the 'Basis of Allocation' is finalized in a fair and proper manner in accordance with the SEBI Regulations. The drawing of lots (where required) to finalize the 'Basis of Allocation' shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

Method of Proportionate Allotment

In the event of the Issue being over-subscribed, the basis of allotment shall be finalised by Our Company in consultation with the Designated Stock Exchange. The Executive Director/Managing Director/authorized employees of the NSE (Designated Stock Exchange) along with the post Issue Lead Merchant Banker and the Registrars to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner.

The allotment shall be made in marketable lots, on a proportional basis as explained below:

a) Bidders will be categorized according to the number of Equity Shares applied for,

b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio, in that category subject to a minimum allotment of 3,000 Equity Shares. The allotment lot shall be the same as the minimum application lot irrespective of any revisions to the Price Band.

d) In all Bids where the proportionate allotment is less than 3,000 Equity Shares per Bidder, the Allotment shall be made as follows:

I. Each successful Bidder shall be allotted a minimum of 3,000 Equity Shares; and

II. The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.

e) If the proportionate Allotment to a Bidder is a number that is more than 3,000 but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If the decimal is less than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Investors should note that the Equity Shares will be allocated to all successful Bidders in dematerialised form only. Bidders will not have the option of being allocated Equity Shares in physical form.

Illustration of Allotment to QIBs and Mutual Funds ("MF") in the QIB Portion

A. Issue Detail

Sr. No	Particulars	Issue Details
1.	Issue Size	200 Crores equity shares
2.	Allocation to QIB (50%)	100 Crores Equity Shares
	Of which	
	a. Allocation to Mutual Funds	5 Crores Equity Shares
	b. Balance for all QIBs including MFs	95 Crores Equity Shares
5.	No. of QIB applicants	10
6.	No of Shares applied for	500 Crores Equity shares

B. Details of QIB Bids

Sr .No	QIB Bidders	No. of shares bid (in crores)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	**500**

#A1-A5 : (QIB bidders other than MFs), (MF1-MF5) : (QIB Bidders other than Mutual Funds)

C. Details of Allotment to QIB Bidders

Type of QIB Bidders	Equity shares bid for	Allocation of 3.5 crores equity shares to MFs proportionately	Allocation of balance 66.5 crores equity shares to QIBs proportionately	Aggregate allocation to MFs
A1	50	0	6.65	0
A2	20	0	2.66	0
A3	130	0	17.29	0
A4	50	0	6.65	0
A5	50	0	6.65	0
MF1	40	0.7	5.32	6.02
MF2	40	0.7	5.32	6.02
MF3	80	1.4	10.64	12.04
MF4	20	0.35	2.66	3.01
MF5	20	0.35	2.66	3.01
	500	**3.5**	**66.5**	**30.1**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "*Issue Structure*" on page 199.

2. Out of 70 crores equity shares allocated to QIBs, 3.5 crores (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 equity shares in QIB category.

3. The balance 66.5 crores equity shares (i.e. 70 – 3.5 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 equity shares (including five MF applicants who applied for 200 equity shares).
4. The figures in the fourth column entitled "Allocation of balance 66.5 crores Equity Shares to QIBs proportionately" in the above illustration are arrived as under:

   - For QIBs other than Mutual Funds (A1 to A5) = No. of shares bid for (i.e. in column II) X 66.5 /496.5

   - For Mutual Funds (MF1 to MF5) = [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 66.5 / 496.5

   The numerator and denominator for arriving at allocation of 66.5 crore Equity shares to the 10 QIBs are reduced by 3.5 crores Equity shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders or instructions to the SCSBs, disposal of application and application moneys

Our Company shall give credit to the beneficiary account with depository participants within 10 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit. Our Company will ensure dispatch of any refund orders by speed or registered post or direct credit, NEFT or NECS, at the sole or first Bidders' sole risk, within 10 Working Days from the Bid/ Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 10 Working Days of the Bid/ Issue Closing Date. In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 10 Working Days of the Bid/Issue Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar.

Our Company agrees that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders' depositary accounts will be completed within 12 Working Days of the Bid/ Issue Closing Date. Our Company further agrees that if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT or ECS, the refund instructions have not been given in the disclosed manner within 12 working days from the Bid/ Issue Closing Date or on refusal by Stock Exchange to grant listing permission for the Equity Shares being offered, our Company shall, within 8 days, repay the money failing which it shall pay interest with interest at 15% per annum, as prescribed under section 73 of the Companies Act.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar. Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

UNDERTAKING BY OUR COMPANY

We undertake as follows:

1. that the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

2. that all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are to be listed are taken within 12 Working Days of Bid/Issue Closing Date;

3. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by our Company.

4. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 10 Working days of closure of the issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. Instructions to SCSBs to unblock funds in the ASBA Accounts shall be given within nine working days of the Bid/Issue Closing Date

6. that certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time That the instruction for electronic credit of Equity Shares / refund orders / intimation about the refund to nonresident Indians shall be completed within the specified time;.

7. that no further issue of securities shall be made till the securities offered through the Red Herring Prospectus are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.

8. that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

Withdrawal of the Issue

Our Company, in consultation with the BRLM, and the Co- BRLM reserves the right not to proceed with the Issue after the bidding and if so, the reason thereof shall be given as a public notice within two days of the closure of the issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchange where the specified securities were proposed to be listed shall also be informed promptly.

If our Company withdraws the issue after closure of bidding, the issuer shall be required to file a fresh draft offer document with SEBI.

UTILIZATION OF ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

1. All monies received out of this issue of Equity Shares to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act, 1956;

2. Details of all monies utilized out of the issue referred to in sub-item (a) shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate separate head in the Balance Sheet of our Company indicating the purpose for which such monies had been utilized; and

3. Details of all unutilized monies out of the issue of Equity Shares, referred to in sub-item (i) shall be disclosed under an appropriate separate head in the Balance Sheet of our Company indicating the form in which such unutilized monies have been invested;

Our Company shall comply with the requirements of Clause 49 of the listing agreement in relation to the disclosure and monitoring of the utilization of the Net Proceeds; and

Our Company shall not have recourse to the proceeds of the Issue until the approval for trading of the Equity Shares from the Stock Exchange has been received

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made.

Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of Government of India (FIPB) and the RBI.

RBI, vide its circular A.P (DIR Series) Circular No. 53 dated December 17, 2003, permitted FIIs to subscribe to shares of an Indian Company in the public issue without prior approval of RBI, so long as the price of Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents.

Investment by Non-Resident Indians

A variety of special facilities for making investments in India in shares of Indian Companies are available to individuals of Indian nationality or origin residing outside India ("NRIs"). These facilities permit NRIs to make portfolio investments in shares and other securities of Indian companies on a basis not generally available to other foreign investors. Under the portfolio investment scheme, NRIs are permitted to purchase and sell Equity Shares of our Company through a registered broker on the Stock Exchange. NRIs collectively should not own more than 10% of the post-issue paid up capital of our Company. No single NRI may own more than 5% of the post- issue paid up capital of our Company. NRI investment in foreign exchange is now fully repatriable whereas investments made in Indian Rupees through rupee accounts remains non repatriable.

Investment by Foreign Institutional Investors

Foreign Institutional Investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of Equity Shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of our Company. However, the limit of 24% can be raised up to the

permitted sectoral cap for that Company after approval of the board of Directors and shareholders of our Company. The issue of Equity Shares to a single FII should not exceed 10% of the post-issue paid-up capital of our Company. In respect of an FII investing in Equity Shares of a Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that Company.

The above information is given for the benefit of the Bidders and neither our Company nor the BRLM or Co-BRLM are liable for any changes in the regulations after the date of the RHP.

SECTION IX – STATUTORY AND OTHER INFORMATION

Option to subscribe

Other than the present Issue, and except as disclosed in the section "Terms of the Issue" on page 195 of this RHP, our Company has not given any person any option to subscribe to the Equity Shares.

The Investors shall have an option to get the Equity Shares offered in this Issue in physical or dematerialized form.

DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of our Articles relating to, *inter alia*, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

Article No.	Term	Description
3	Share Capital	The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any)and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act. The minimum paid up capital of the Company shall be ₹ 5, 00,000 (Rupees Five Lacs only).
4	Increase in share capital	(a) The Company in the General Meeting may from time to time, by an Ordinary Resolution increase the Share Capital by such sum to be divided into Shares of such amount as may be specified in the resolution. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as resolution shall prescribe, and in particular such shares may be issued with a preferential or qualified rights to dividends and in distribution of assets of the Company and with a right to voting at general meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital has been increased under the provisions of this article the Directors shall comply with the provisions of Section 97 of the Act. (b) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of issue of new shares shall be considered to be part of the then existing capital, and shall rank pari passu with the existing capital of the Company.
5	Further Issue of Shares	(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier ,it is proposed to increase the subscribed capital of the Company by allotment of further shares whether out of unissued share capital or out of increased share capital then: (a) Such further shares shall be offered to the persons who at the date of the offer are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date (b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer and the offer, if not accepted, will be deemed to have been declined. (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person, and the notice referred to in sub-clause (b) shall contain a statement of this right, PROVIDED THAT the Directors may decline, without assigning any reason, to allot any shares to any person in whose favour any Member may renounce the shares offered to him. (d) After the expiry of the time specified in the aforesaid notice or on receipt of

Article No.	Term	Description
		earlier intimation from the person to whom such notice is given declines to accept the shares offered, the Board of Directors may dispose them off in such manner and to such person(s) as they may think in their sole discretion fit. (2) Notwithstanding anything contained in sub-clause (1) hereof, the further shares aforesaid may be offered to any person(s) (whether or not those persons include the persons referred to in clause (a) sub-clause (1) hereof) in any manner whatsoever. (a) If a Special Resolution to that effect is passed by the Company in the General Meeting; or (b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting, (including the casting vote, if :any, of the Chairman) by Members who, being entitled to do so, vote in person, or where proxies are allowed by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company. (3) Nothing in sub-clause (c) of clause(l) hereof shall be deemed; (a) To extend the time within which the offer should be accepted; or (b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the persons in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation. (4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company: (i) To convert such debentures or loans into shares in the Company; or (ii) to subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise) PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term: (a) either has been approved by the Central Government before the issue of the debentures or the raising of the loans, or is in conformity with the rules, if any, made by that government in this behalf, and (b) in the case of debentures or loans other than debentures issued to, or loans obtained from government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in the General Meeting before the issue of the debentures or the raising of the loans.
6	Shares at the disposal of the Directors	Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted

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		may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.
7	Limitation of time for issue of Certificates	The Company shall within three months after the allotment of any of its shares, debentures or debenture stock and within two months after the application for the registration of the transfer of any such shares, debentures or debenture stock deliver the certificate in accordance with the Section 53 of the Act. The certificate of title shall be issued under the common seal of the company specifying any shares or other interest held by any holder which shall be prima facie evidence of the title of the holder. The same shall be signed by such directors or officers or other authorized persons as may be prescribed by the Act.
8	Reduction of capital	The Company may, subject to the provisions of Sections 100 to 105 (both inclusive) and other applicable provisions, if any, of the Act, from time to time by special resolution, reduce its capital and any capital redemption reserve account or premium account in any manner for the time being authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise, and the Company may, if and as far as is necessary, alter its Memorandum and Articles of Association by reducing the amount of its Share Capital and of its shares accordingly. Provided that such special resolution shall not be necessary in case of application of securities premium account in the manner authorized by Section 78 of the Act.
9	Sub-division and consolidation of shares	9A. Subject to the provisions of Section 94 of the Act, the Company in General Meeting may from time to time by an ordinary resolution alter the conditions of its Memorandum of Association as follows:- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. (b) Sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum, so however, than in the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced shares shall be same as it was in the case of the share from which the reduced share is derived (c) Cancel any shares, which is at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person, and diminish the amount of share cancelled. A cancellation of share in pursuance of this sub-clause shall not be deemed to be reduction of share within the meaning of the Act. 9B. Whenever the Company shall do any one or more of the things provided for in the foregoing sub-clauses (a), (b) and (c) the Company shall, within thirty days thereafter give notice to the Registrar as required by Section 95 of the Act, specifying as the case may be, the shares consolidated, divided, sub-divided or cancelled.
10	Buyback of securities	Notwithstanding anything contained in any other Article of the Articles of Association, but subject to the provisions of Section 77 A and 77 B of the Act and Securities & Exchange Board of India (Buy back of Securities) Regulations 1998 as may be in force at any time and from time to time, the Company may acquire, purchase, own, resell any of its own fully/partly paid or redeemable Preference Shares or Equity Shares and any other security as may be specified under the Act, rules and regulations from time to time and may make payment thereof out of funds at its disposal or in any manner as may be permissible or in respect of such acquisition/purchase on such terms and conditions and at such time or times in one or more installments as the Board may in its discretion decide and deem fit. Such Shares which are so bought back by the Company may either be extinguished and destroyed or reissued as may be permitted under the Act or the Regulations as may be in force at the relevant time subject to such terms and

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		conditions as may be decided by the Board and subject further to the rules & regulations governing such issue.
11	Issue of New Share Certificates in place of one defaced, lost or destroyed	If the certificate is worn out, defaced, mutilated or torn or if there is no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity and evidence as the Company may deem necessary to issue a new certificate to the party entitled. The certificate of title of shares and duplicate thereof, whenever necessary shall be issued in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or any statutory modifications or re-enactment thereof for the time being in force. The Company would issue new certificates in replacement of those which are lost within 6 weeks of notification of loss and receipt of proper indemnity.
12	No charge to be levied by the Company	The Company shall not make any charge for- (a) Registration of transfer of shares and debentures (b) For sub-division and consolidation of shares and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts (c) For sub-division of renounceable letters of rights (d) For issue of new certificates in replacement of those which are old, decrepit or worn out, or where the cages on the reverse of recording transfers have been utilized (e) For registration of any power of attorney, probate, letters of administration or similar other documents
13	Dematerialization of Securities	(a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996(hereinafter referred to as "Depository Act"). **Option for Investors** (b) Every person subscribing to securities offered by the Company shall have the option to receive security certificate or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security. **Securities in Depositories to be in Fungible Form** (c) All the securities held by a depository shall be dematerialized and be in fungible form. **Rights of Depositories and Beneficial Owners** (d) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owners. (e) Save as otherwise provided in (a) above, the depository as the registered

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		owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it. (f) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository. **Service of Documents** (g) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs. **Transfer of Securities** (h) Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of who are entered as beneficial owners in the records of a depository. **Allotment of Securities dealt with in a Depository** (i) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities. **Distinctive Numbers of Securities Held in a Depository** (j) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository. **Register and Index of Beneficial Owners** (k) The Register and Index of beneficial owners maintained by a depository under the Depositories Act shall be deemed to be Register and Index of Members and Security holders for the purposes of these Articles.
14	Variation of Shareholders' Rights	(a) If at any time the Share Capital is divided into different classes of shares, rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders on not less than three-fourth of the issued shares of that class, or with the sanction of a special resolution passed at a separate General Meeting of the holders of the shares of that class. To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall, to the extent consistent, apply. (b) The rights conferred upon the holders of the shares (including preference shares, if any) of any class with preferred or other rights or privileges shall not, unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
15		**FORFEITURE AND LIEN ON SHARES**
	If call or installment not paid, notice	If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same, the Board may, at any time, thereafter during such time as the call or installment remains unpaid, serve notice on such

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	may be given	Member requiring him to pay the same, together with interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non- payment.
16	Form of notice	The notice shall name a day (not being less than thirty days from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of nonpayment at or before the time and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.
17	If notice is not complied with share may be forfeited	If the requirements of any such notice as aforesaid be not complied with, any share in respect of which such notice has been given may, at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect.
18	Notice after forfeiture	When any share shall have been so forfeited, notice of the resolution shall be given to the Member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
19	Forfeited share to become property of the company	Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.
20	Power to annul forfeiture	The Board may, at any time before any share so forfeited shall have been re allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
21	Liability on forfeiture	A person whose share has been forfeited shall cease to be a Member in respect of the share, but shall notwithstanding such forfeiture, remain liable to pay, and shall forthwith pay to the Company, all calls, or installments, interests and expenses, owing upon or in respect of such share, at the time of the forfeiture together with interest thereon, from the time of the forfeiture, until payment at fifteen per cent per annum or at such lower rate as the Board may from time to time determine and the Board may enforce the payment thereof, or any part thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.
22	Evidence of forfeiture	A duly verified declaration in writing that the declarant is a Director, Manager or Secretary of the Company and has been authorized by a Board resolution to act as declarant and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company, for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares and the person to whom any such share is sold shall be registered as the holder of such share and shall not be bound to see the application of purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.
23	Forfeiture provisions to apply to non-payment in terms of issue	The forfeiture provisions of these articles shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
24	Company's lien on Shares	The fully paid shares will be free from all lien, while in the case of partly paid shares, the Company's lien, if any, will be restricted to moneys called or payable at a fixed time in respect of such shares. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this article.
25	As to enforcing lien by sale	For the purpose of enforcing such lien, the Board may sell the shares in such manner as it thinks fit, but no sale shall be made until the sum in respect of which

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		such lien exists is presently payable and until a notice in writing of the intention to sell has been served on such Member, the executor or administrator or other legal representative as the case may be and default has been made by him or them in the payment of the money called or payable at a fixed time in respect of such share for thirty days after the date of such notice.
26	Application of proceeds of sales	The net proceeds of the sale shall be received by the Company and after payment of the costs of such sale, applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the share before the sale) be paid to the persons entitled to the share at the date of the sale.
27	Validity of sales in exercise of lien and after forfeiture	Upon any sale after forfeiture or for enforcing lien in the purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchasers' name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only.
28	Board may issue new certificate	Where any share under the powers in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered to the Company by the former holder of such share, the Board may issue a new certificate for such share distinguishing it in such manner as it may think fit from the certificate not so delivered up. On the issue of such certificate the original certificate in respect of such share shall stand automatically cancelled and be void.
29		**CALLS ON SHARES**
	Power to make calls	The Board may, from time to time, subject to the terms on which any shares may have been issued, and subject to the provisions of Section 91 of the Act, make such calls as the Board thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and such Member shall subject to his having been given at least thirty days notice specifying the time or times and place of payment, pay the amount of every call so made on him to the persons and at the times and places so appointed by the Board. A call may be made payable by installments and shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board.
30	When amount payable	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed times whether on account of the nominal amount of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice has been given, and all the provisions herein contained in respect of calls, forfeiture or otherwise shall relate to such amount or installment accordingly.
31	Payment of interest calls or installment	If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being of the shares in respect of which the call shall have been made, or the installments shall be due, shall pay interest for the same at the rate of fifteen per cent per annum or such lower rate of interest as the Board may determine from time to time from the day appointed for the payment thereof till the time of actual payment. The Board shall be at liberty to waive payment of any such interest either wholly or in part.
32	Evidence in action by company against shareholder	On the trial or hearing of any action or suit brought by the Company against any shareholder or his legal representatives to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of defendant is, or was, when the claim arose, on the Register of Members of the Company as a holder, or on the Register maintained by the Depository as the beneficial holder or one of the holders, as the case may be, of

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		the number of shares in respect of which such claim is made, that the resolution making the call is duly recorded in the Minutes Book and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the appointment of the Board who made any call, or that a quorum was present at the Board meeting at which any call was made nor that such meeting was duly convened or constituted, nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
33	Initial payment not to preclude forfeiture	Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.
34	Voting right when calls are in arrears	No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right of lien.
35	Payment in anticipation of call may carry interest :	The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls, then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debentures or other securities, if any, of the Company.
58		**TRANSFER AND TRANSMISSION OF SHARES**
	Execution of transfers etc.	Save as provided in Section 108 of the Act, transfer of a share shall not be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate, or, if no such certificate is in existence, with the Letter of Allotment of the share and such other evidence as the Board may require to prove the title of transferor and transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof. Each signature to such transfer deed shall be duly attested by the signature of one credible witness who shall add his name and address.
59	Instrument of Transfer	The instrument of transfer shall be in writing and all provisions of Section 108 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer or shares and registration thereof. A common form of transfer shall be used.
60	Directors may refuse to register transfer	Subject to the provisions of Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board refuses to register the transfer of, or the transmission by operation of law of the right o, any share of interest of a member in or debentures of the Company.
61		(a) The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s), (i) Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if

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		any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter , then the securities will be transferred; (ii) If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter. (b) The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay. (c) In addition, the Issuer keeping in view the provisions of Section 206A of the Companies Act and Section 27 of the Securities Contracts (Regulation) Act, 1956, shall provide all benefits (i.e. bonus shares, right shares, dividend) which accrued to the investor during the intervening period on account of such delay. (d) The Company agrees that when the signature of the transferor(s) is attested by a person authorised by the Department of Company Affairs, u/s 108(1A) of the Companies Act, 1956, then it shall not refuse to transfer the securities on the ground of signature difference unless it has reasons to believe that a forgery or fraud is involved.
62	Right of Pre-emption	Except as hereinafter provided, no shares in the Company shall be transferable unless and until the right of pre-emption shall have been exhausted.
63	No transfer to minor etc.	The Board shall not issue or register a transfer any share to a minor, insolvent, persons of unsound mind or to any firm or partnership.
64	Instrument of transfer to be deposited at office	Every instrument of transfer shall be deposited at the Office of the Company or at such other place in the same city, town or village in which the Registered Office of the Company is situated, as the Board may from time to time determine for registration, accompanied by the documents and evidence as required under these Articles. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All transfer deeds lying with the Company for a period of three years or more may or may caused to be destroyed by the Board.
65	No fee on transfer or transmission	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other document.
66	Power to close Register of Members or debenture holders	On giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is situated, and subject to the provisions of Section 154 of the Act, register of members or the register of debenture holders may be closed for such periods not exceeding in the aggregate forty five days in each year, but not exceeding thirty days at any one time as the Board may from time to time determine.
67	Persons entitled to shares by transmission	In case of the death of a Member, the survivor, where the deceased was a joint holder, and his legal representative, executor or administrator where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. The Board may require any persons becoming entitled to shares in consequence of the death of any Member to obtain a Grant of Probate or Letter of Administration or other legal representation, as the case may be, from a Competent Court. Provided it shall be lawful for the Board in its absolute discretion to dispense with the production of Probate or Letter of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board may think fit, without in any case being bound to do so. The powers and discretions of the Board under this Article may be delegated and exercised by a Committee of Directors or an officer of the Company duly authorized in this regard.

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68	As to transfer of shares of insane, infant, deceased or bankrupt Members	Any committee or guardian of a person of unsound mind or minor or any person becoming entitled to the transfer of a share in consequence of the death or bankruptcy or insolvency of any Member or by any other lawful means, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may subject to the right of the Board to decline registration under Article 46 of these Articles, elect, either: (a) To be registered himself as a holder of the shares, or (b) To make such transfer of the shares as the deceased or the insolvent Member could have made.
69	Nomination	Notwithstanding anything contained in the Articles of Association or in any other law for the time being in force, where a nomination has been made in the manner prescribed in Section 109A of the Act, purporting to confer on any person the right to vest the shares in, or debentures of the Company, the nominee shall, on the death of the shareholder or holder of debentures of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the shares or debentures of the company or, as the case may be, all the joint holders, in relation to such shares in or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner and the provisions contained in Sections 109A and 109B of the Act, shall be applicable to such cases.
70	Rights of persons entitled to shares by reason of death etc.	The Board may, subject to the provisions of the Act, retain the dividends payable upon a share to which any person becomes entitled under these Articles, until such person or his transferee shall become a Member in respect of such shares.
71	Election under the transmission Article	(a) If the person so becoming entitled under the Transmission Article shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. (b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of the share. (c) All the limitations, restrictions and provisions of these Articles relating to the right of transfer and the registration of instruments of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death, lunacy, bankruptcy or insolvency of the Member or transmission or devolution of his share by any other lawful means had not occurred and the notice of transfer was a transfer signed by that Member.
72	Board may require evidence of transmission	Every transmission of a share shall be verified in such manner as the Board may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration, which the Board at its discretion shall consider sufficient, provided nevertheless there shall not be any obligation on the Company or the Board to accept any indemnity.
73	Right of person entitled to shares under the Transmission Article	A person so becoming entitled under the Transmission Article to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder thereof or by any other lawful means shall, subject to the provisions of these Articles be entitled to the same dividends and other advantages to which he would be entitled as if he were the registered holder of the share except that no such person shall, before being registered as a Member in respect of the share, being entitled to exercise in respect thereof any right conferred by membership in relation to meetings of the Company. Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself as a Member in respect of such share or elect to have some person nominated by him registered as a Member in respect of such share subject to the right of the Board to decline registration under Article 46 of these Articles and, if such notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the

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		requirements of the notice have been complied with.
74	The Company not liable for disregarding of a notice prohibiting registration of transfer	Neither the Company nor any of its Directors or other Officers shall incur any liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of a share made or purporting to be made by any apparent or legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in such share, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered any such notice or referred thereto in any book or record of the Company, and the Company shall not be bound or required to regard to attend or give effect to any such notice nor be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book or record of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board shall so think fit.
77	Joint holders	Where two or more persons are registered as the holder of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship but so that: (a) The Company shall be entitled to decline to register more than three persons as joint holders of any share, and (b) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.
78	Receipts of one sufficient	Any one of the joint holders of a share may give effectual receipts for any dividends or other moneys payable in respect of such share or bonus share.
79	Delivery of certificate and giving notices to first named holders	(a) Only the person whose name stands first in the Register of Members as one of the joint holders of any shares shall unless otherwise directed in writing by all joint holders and confirmed in writing by the Company be entitled to delivery of the certificate relating to such share or to receive notices (which expression shall be deemed to include all documents) from the Company and any notice given to or served on such persons shall be deemed as a notice or service to all the joint holders. (b) Subject to the provisions of these Articles, the person first named in the Register as one of the joint holders shall be deemed as a sole holder thereof for all the matters connected with the Company.
80	Voting right to first named holders	Any one of the joint holders of a share may vote at any meeting personally or by proxy as if he were a sole holder thereof provided that if more than one joint holder of the share is present personally or by proxy then such of them whose name stands higher in the Register in respect of such share shall alone be entitled to vote in respect thereof.
81		**BORROWING POWERS**
	Power to borrow	The Board may, from time to time at its discretion, subject to the provisions of Sections 58A, 292 and 293 of the Act and of these Articles, accept, deposits from Members either in advance of calls or otherwise and generally raise or borrow moneys, either from the Directors, their friends and relatives or from others for the purposes of the Company and/or secure the payment of any such sum or sums of money, provided however, where the moneys to be borrowed together with the moneys already borrowed (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) and then remaining outstanding and undischarged at that time exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves, not set apart for any specific purposes, the Board shall not borrow such money without the sanction of the Company in General Meeting. The Board may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular by receiving deposits, issue of bonds, debentures, perpetual, redeemable, debenture stock, or any security of the Company or by mortgage or charge or other security upon all

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		or any part of the property or undertaking of the Company (both present and future), including its uncalled capital for the time being; provided that the Board shall not give any option or right to any person for making calls on the shareholders of the Company in respect of the amount unpaid for the time being on the shares held by them, without the previous sanction of the Company in General Meeting.
82		**GENERAL MEETING**
	Annual General Meeting	The Company shall in addition to any other meetings, each year hold a General Meeting as its Annual General Meeting in accordance with the provisions of Section 166 of the Act, at such time and place as may be determined by the Board and shall specify the Meeting as such in the notices calling it. All General Meetings other than Annual General Meetings shall be called Extra Ordinary General Meetings. If for any reason beyond the control of the Board, the General Meeting (including an Annual General Meeting) cannot be held on the appointed day, the Board shall have the power to postpone the General Meeting of which a notice should be given to the Members through advertisement in at least two newspapers, of which one should be in the language of the region in which the Office of the Company is situated.
83	Extra-Ordinary General Meeting	The Board may whenever it thinks fit, and shall on the requisition of the members in accordance with the provisions of Section 169 of the Act, proceed to call an Extra Ordinary General Meeting of the Company. The requisitionists may, in default of the Board convening the same, convene the Extra Ordinary General Meeting as provided by section 169 of the Act.
84		As and when the shares in the company are listed on a recognized stock exchange the company shall subject to the provisions of section 192A of the Act and Rules made thereunder, have the power to have the resolutions of the company in general meeting passed through postal ballot in which event there shall be no need to include the item so approved by postal ballot in a general meeting notice or to convene a general meeting to consider the said item.
100		**DIRECTORS**
	Number of Directors	(a) The Board of Directors shall consist of not less than three Directors and not more than twelve Directors. Provided that the Company may from time to time increase or reduce within the maximum limit permissible the number of Directors. Provided further that any increase in the number of Directors exceeding the number prescribed under Section 259 of the Act shall not have any effect unless approved by the Central Government and shall become void if and so far it is disapproved by the Government. (b) The First Directors of the Company shall be : i. Mr. Vishnukumar Rewachand Gurnani ii. Mr. Babulal Rewachand Gurnani iii. Mr. Narayan Das Rewchand Gurnani iv. Mr. Kishore Kumar Vishnukumar Gurnani v. Mr. Vijay Kulmani Pamnani vi. Mr. Srutikanta Mishra The Directors need not hold any qualification shares.
101	Appointment of Nominee Director/s	The terms and conditions upon which the money are borrowed and raised either by the issue of Debenture or otherwise, so requires, the Debenture holders or the person advancing such moneys may appoint one or more persons to the Board of Directors as may be mutually agreed, provided that total number of Directors including those so appointed shall not exceed the maximum fixed by the Articles. All the Directors so appointed, shall be called Nominee Directors. Any person appointed as aforesaid may be removed from office by the appointer and upon the removal or resignation or death or cessation of any such Director, the appointer shall be at liberty to appoint any other person or persons in his or their place/s as long as such right exists. Whenever Directors enter into a contract with Government, Central, State or local

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		or any Bank or Financial Institution or any person (hereinafter referred to as 'the appointer') for borrowing any money or for providing any guarantee or securing or for underwriting or for enter into any other arrangement whatsoever, the Directors shall have power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Board for such period and upon such conditions as may be determined in the agreement. The Directors may also agree that such Directors may be removed from time to time by appointer who may appoint another or other in their place and also fill in any vacancy which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever.
107	Special Remuneration of Directors performing extra service Expenses incurred by a Director for going out on Company's work	(a) If any Director, being willing, shall be called upon to perform extra services or entrusted with any extra work or to make any special exertions for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a Committee of Directors or otherwise, such Director may be remunerated in such manner as may be determined, subject to the provisions of the Section 309 and 314 of the Act. (b) If any Director be called upon or is required to go or reside out of his usual place of residence for Company's business, he shall be entitled to be paid travelling and/or other expenses incurred in connection with the business of the Company.
108	Directors may act notwithstanding vacancy	(a) The continuing Directors may act notwithstanding any vacancy in their body, but so that if and so long as their number is below the number Minimum fixed by the Articles of the Company as the necessary quorum for the Board, the continuing Director or Directors as the case may be, shall, except for the purposes of increasing the number of Directors to that number or for summoning a General Meeting, not act for any other purposes. (b) All acts done by any meeting of the Board or a Committee thereof by any person acting as Director, shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any persons acting as aforesaid, or that they or any of them were disqualified, be valid as if every such Director or such person had been duly appointed and was qualified to be a Director.
109	When office of Director to become vacant	(a) Subject to the provisions of Section 283(1) of the Act, the office of a Director shall become vacant, if : i) he is found to be of unsound mind by a Court of competent jurisdiction; or ii) he applies to be adjudicated an insolvent; or iii) he is adjudicated an insolvent; or iv) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the Office Gazette, removed the disqualification incurred by such failure; v) any office or place of profit under the Company or any subsidiary thereof is held by him in contravention of Section 314 of the Act; or vi) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer without obtaining leave of absence from the Board of Directors; or vii) he becomes disqualified by an order of the Court under Section 203 of the Act; or viii) he is removed in pursuance of Section 284 of the Act; or ix) he (whether by himself or by any person for his benefit or on his account)

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		or any firm in which he is a partner or any private company of which he is a Director, accepts a loan or any guarantee or security for a loan from the Company in contravention of Section 295 of the Act; or x) he acts in contravention of Section 299 of the Act; or xi) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or xii) he having been appointed a Director by virtue of his holding any office or other employment in the company ceases to hold such office or other employment in the Company.
	Resignation	(b) Subject to the provisions of the Act, a Director may resign his office at any time by giving notice in writing addressed to the company or to the Board of Directors.
110	Appointment of Chairman	(a) The Board may from time to time appoint any Director to be the Chairman of the Board, for a fixed term or without any limitation as to the period for which he is to hold such office and if the elected chairman is not present within 30 minutes of the time of appointment for holding the meeting, the Directors present shall choose any other Director to be the Chairman of such meeting. (b) Save as otherwise expressly provided in the Act, questions arising at the meeting of the Board shall be decided by a majority of votes and in case of equality of votes, the Chairman of the Board, if any, shall have a second or casting vote.
111	Managing Director(s)/ Whole-time Director(s)	(a) Subject to the provisions of Sections 267, 269, 309 and 317 and Schedule XIII of the Act, the Board may from time to time appoint any one or more Director to be the Managing Director(s) and/or Whole time Director(s) of the Company on such terms and conditions and at such remuneration as the Board may think fit, and from time to time (subject to the provisions of any contract between him and the Company) remove or dismiss him from office and appoint another in his place. (b) A Managing Director or whole time Director shall subject to the provisions of any contract between him and the Company, and subject to provisions of Article 96(a) above in case of Managing Director, be subject to the same provisions as to resignation and removal as the other Directors and shall ipso facto and immediately cease to be Managing Director or whole time Director as the case be, if he ceases to hold the office of Director for any cause. (c) Subject to the provisions of the Act, the Board of Directors may, from time to time, entrust to and confer upon a Managing Director or Whole time Director for the time being, such of the powers as are exercisable under these Articles by the Board as it may think fit, and may entrust or confer such powers for such periods and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it may think fit. The Board may from time to time revoke, withdraw, alter or vary all or any of such powers.
112		**PROCEEDINGS OF THE BOARD OF DIRECTORS**
	Meeting of Directors	The Directors may meet together as a Board for the dispatch of business from time to time and shall so meet at least once in every three calendar months and at least four such meetings shall be held in every year. The Board may adjourn and otherwise regulate its meetings and proceedings as it may think fit.
113	Quorum	Subject to Section 287 of the act, the quorum for a meeting of the Board shall be one third of its total strength (excluding Directors if any, whose places may be vacant at the time and any fraction contained in the one third being rounded off as one), or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two third of the total strength, the number of Directors who are not interested, and are present at the meeting, being not less than two, shall be the quorum for such time.
114	Adjournment of meeting for want of quorum	If at a meeting of the Board, a quorum shall not be present then the meeting shall stand adjourned to such day, time and place as the Chairman and in his absence, the vice Chairman and failing both of them, the Director or Directors present at

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		the meeting may fix.
115	When meeting to be convened	A Director may, and the Manager or Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.
116	Question at Board Meeting how decided	Questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
117	Board may appoint Committee	Subject to the provisions of the Act and the restrictions contained in Section 292 of the Act and these Articles, the Board may from time to time and at any time, delegate any of its powers to a Committee(s) consisting of such Director or Directors as it think fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part, and either as to persons or purposes, but every Committee of the Board so formed shall, in the exercise of the power so delegated conform to any regulations that may from time to time be imposed on it by the Board. All the matters at any meeting of a Committee(s) shall be decided by a majority of votes. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
118	Meeting of the Committee, how to be governed	The meetings and proceedings of any such Committee of the Board shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto and are not superseded by any regulations made by the Board under these Articles.
119	Resolution by circulation	(a) Subject to the provisions of the Sections 289, 292 and 297 of the Act, a resolution passed by circulation, without a meeting of the Board or a Committee of the Board shall be as valid and effectual as a resolution duly passed at a meeting of the Board or a Committee thereof duly called and held. (b) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution has been circulated in draft together with the necessary papers, if any, to all the Directors or to all the Members of the Committee at their respective addresses registered with the Company and has been approved by a majority of Directors or members of the Committee as are entitled to vote on the resolution.
122		**SECRETARY**
	Secretary	Subject to the provisions of Section 383A of the Act, the Directors may appoint a Secretary of the company for such term, at such remuneration and upon such conditions as they may think fit and the Secretary so appointed may be removed by them. The Directors may appoint a temporary substitute for the Secretary, who shall for the purpose of these presents, be deemed to be Secretary. The main function of the Secretary shall be the responsibility for maintaining registers required to be kept under the Act, for making the necessary documents registered with the Registrar and for carrying out all other administrative and ministerial acts, duties and functions which a Secretary of a company is normally supposed to carry out, such as giving the necessary notices to the members, preparing agenda of meetings, issuing notice to Directors, preparing minutes of meetings of members and of Directors and of any other statutory documents, and shall carry out and discharge such other functions and duties that the Directors or the Managing Director may from time to time require him to do.
123		**COMMON SEAL**
	The Seal in custody and use	(a) The Board shall provide for a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Board shall provide for the safe custody of the seal for the time being, and the seal shall never be used except by the authority of the Board or a Committee of the Board previously given.
	Deeds how executed	(b) The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India. (c) Subject to the provisions of the Act and these Articles every deed or other instrument, to which the seal of the Company is required to be affixed, by the

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		authority of the resolution of the Board shall, unless the same is executed by a duly constituted attorney of the Company, be signed by at least one Director and the Secretary or some other person appointed by the Board for the purpose, on every such deed or instrument.
124		**NOTICES & DOCUMENTS**
	Right of Auditor to attend General Meeting	All notices of and other communications relating to any General Meeting of the Company or adjourned meeting as the case may be which any Member of the Company or any other person is entitled to have sent to him shall also be forwarded to the Auditors of the Company and each of the Auditors shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.
125	Services of notices on Company	A notice may be served on the Company or an officer thereof by delivering it at its Registered Office or by sending it to the Company or officer at the Registered Office of the Company by registered post or cable confirmed by registered post. The term notice in these Articles shall include summons, notice, requisition, order or legal process and any document in relation to or in the winding up of the Company.
126	Service of notice on Members by Company	A notice may be served by the Company on any Member either personally or by sending it by post to him to his registered address, or if he has no registered address in India to the address, if any, within India supplied by him to the Company for giving of notice to him.
127	Persons entitled to notice of General Meeting	Notice of every General Meeting shall in addition to the Members and Auditors of the Company in accordance with the provisions of the Act, be given to Directors of the Company.
128	Omission of notice not to invalidate proceedings	Any accidental omission to give notice to, or the non receipt of notice by any Member or other person to whom it should be given shall not invalidate the proceedings at the meeting.
129	Service of documents by advertisement	A document advertised in a newspaper circulating in the neighborhood of the Registered Office of the Company shall be deemed to be fully served on the day on which the advertisement appears, on every Member of the Company who has no registered address in India and has not supplied to the Company an address within India for giving of notice to him. Where a document is sent by post, service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document and to have been effected in the case of a notice of meeting at the expiration of 48 hours after the letter containing the same is posted and in any other case, the time at which the letter would be delivered in the ordinary course of post.
130	Service of documents on legal representatives	A document may be served by the Company to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignees of the insolvent or by any like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.
131	Document or notice by Company and signature thereto	Any document or notice to be served or given by the Company may be signed by a Director or secretary or some person duly authorized by the Board of Directors for such purposes and the signature thereto may be written, printed or lithographed or stamped.
132	Authentication of documents and proceedings	Save as otherwise expressly provided in the Act, or these Articles a document or proceeding requiring authentication by the Company may be signed by a director, Chief Executive, the Manager, the Secretary or a duly Authorized Officer of the Company and need not be under its Common Seal.
133	Transferee etc.	Every person who by operation of law, transfer or other means whatsoever shall

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	bound by prior notices	become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register has been duly given to the person from whom he derived his title to such share.
134	Notice valid though Members deceased	Subject to the provisions of Articles herein mentioned, any notice or document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding such Member be then deceased and whether or not Company has notice of his demise, be deemed to have been duly served, in respect of any registered share, whether held solely or jointly with other persons by such Member, until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any, jointly interested with him or her in any share.
135	Division of profits	**DIVIDENDS AND RESERVES** (a) The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the Members in proportion to the amount of capital paid up on the share held by them respectively. (b) Where capital is paid in advance of calls, such capital may carry interest but shall not, in respect thereof, confer a right to dividend or participate in profits. (c) All dividends including interim dividend shall be deposited in a separate bank account within five days of its declaration unless within the said period of five days the dividend has been disbursed.
136	Dividend to registered shareholders only	No dividend shall be paid by the Company in respect of any share except to the registered shareholder of such share or to his order or to his banker.
137	Reserves	(a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends, and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board may, from time to time think fit. (b) The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.
138	Notice of dividend	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act and these Articles.
139	Dividend not to bear interest	No dividend shall bear interest against the Company.
140	Unclaimed dividend	No unpaid or unclaimed dividend shall be forfeited by the Board and the Company shall comply with all the provisions of Section 205 A of the Act in respect of unclaimed or unpaid dividend.
141	Unpaid or Unclaimed Dividends	Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of the dividend, the company shall within which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the company in that behalf in any scheduled bank, to be called “Unpaid Dividend Account of Veto Switchgears and Cables Limited”. Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 205C of the Act. No unclaimed or unpaid divided shall be forfeited by the Board.
142	Loss of dividend warrants etc.	The Company may issue a duplicate cheque or dividend warrant or interest warrant on shareholder or holder of debenture furnishing such indemnity or otherwise as the Board may think proper.

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143	Restrictions on amount of dividend	No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.
144	Declarations of interim dividends	The Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the financial position of the Company.
145	Dividend how remitted	Dividend may be paid by cheques or warrant or by a pay slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the Member or person entitled or in case of joint holders to that one of them first named in the Register in respect of the joint holding or in case of registered shareholder having registered address outside India by telegraphic transfer to such bank as may be designated from time to time by such Members or in any other manner authorized by law. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any dividend lost to the Member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other person by any means whatsoever.
146		**ACCOUNTS & AUDIT**
	Inspection of Accounts & Audit	(a) The Company shall keep at its registered office proper books of accounts as would give true and fair view of the state of affairs of the Company or its transactions. (b) Where the Board decides to keep all or any of the books of accounts at any place other than the office of the Company, the Company shall within 7 days of the decision file with the Registrar a notice in writing giving the full address of that other place. (c)The Company shall preserve the books of accounts relating to a period not less than 8 years preceding the current year together with the vouchers relevant to any entry in such books of accounts in good order. (d) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have compiled with this Article, if proper Books of Account relating to the transactions affected at the branch office are kept at the branch office and proper summarized returns, made up to date at intervals of not more than three months, are sent by the branch office to the Company at its Officer or other place in India, at which the Company's books of accounts are kept as aforesaid. (e) The books of accounts shall give true and fair view of the state of affairs of the Company or branch office, as the case may be and explain its transactions. The books of accounts and other books and papers shall be open to inspection by any director during business hours. (f) The Board shall time to time determine the time and place and under what conditions or regulations the accounts and books of the Company or any of them shall be open for inspection of Members not being Directors and no Members shall have authority to inspect the books of accounts or documents of the Company except as conferred by law or authorized by the Board (g) Once at least every year, the accounts of the Company shall be examined and correctness of the Profit & Loss account and Balance Sheet be ascertained by the Auditor, whose appointment and duties shall be governed in accordance with the provisions of the Act, or any statutory modifications thereof for the time being in force.
147		**WINDING UP** Subject to the provisions to the Act, and these Articles- (a) if the Company shall be wound up and the assets available for distribution among the Members as such shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on

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		the shares, held by them respectively. And if in a winding up, the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital, at the commencement of the winding up, paid up on the shares held by them respectively. This clause is, however, without prejudice to the rights of the holders of shares issued upon preferential or special terms and conditions. (b) If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital such assets shall be so distributed so that as nearly as may be, the losses shall be borne by the Members in the proportion to the capital paid up or which ought to have been paid up at the commencement of winding up on the shares held by them respectively. If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide amongst the contributories, in specie or kind, the whole or any part of the assets of the Company, and may, with the like sanction, vest the whole or any part of the assets of the Company in trustees upon such trusts for the benefits of the contributories, or any of them as the liquidator, with the like sanction, shall think fit.
148		**INDEMNITY**
	Indemnity	Every Director or officer or auditor or agent or employee of the Company or any person employed by the Company (whether an officer or not) shall be indemnified by the Company out of the assets of the Company against any liability incurred by him as such Director or officer or auditor or agent or employee of the Company or any person employed by the Company and it shall be duty of the Directors to pay out of the funds of the Company all costs, charges, losses and damages which any such persons may incur or become liable to by reason of any contract entered into or any act or thing done concurred in or omitted to be done by him in any way or about the execution or discharge of his duties (except if any such person shall incur or sustain through or by his own wrongful act neglect or default) including expenses and in particular and so as to not to limit the generality of the foregoing provisions against all liabilities including expenses incurred by him such as Director or officer or auditor or agent or employee of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged in connection with any application under Section 633 of the Act, in which relief is granted to him by the court. Subject to the Section 201 of the Act, no Director or auditor or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damages arising from the bankruptcy, insolvency, or tortuous act of any person, firm or Company to or whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error or judgement or oversight on his part, or for any other loss, damage or misfortune whatever, which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonest willful neglect or default.
149		**SECRECY CLAUSE**
	Secrecy	149A. Every Director, Manager, Auditor, Trustee, Member of Committee, Officer, Agent, Servant, Accountant or other Person employed in the business of the Company shall, if so required by the Board, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such

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		declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
	No shareholder to enter the premises of the Company without permission	149B. Subject to Article , no member or other person (other than a Director) shall be entitled, to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or communicate.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to in para (A) below (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered into by our Company.

The contracts together with the documents referred to in para (B) below may be inspected at the registered office of our Company between 11.00 a.m. to 2.00 p.m. on any working day from the date of this RHP until the closure of the subscription list.

(A) MATERIAL CONTRACTS

1. Issue Agreement dated September 5, 2012 between our Company, the BRLM and the Co-BRLM to the Issue;

2. Issue Agreement dated August 16, 2012 between our Company and the Registrar to the Issue;

3. Tripartite Agreement dated September 12, 2012 entered into between our Company, CDSL and the Registrar to the Issue;

4. Tripartite Agreement dated November 6, 2012 entered into between our Company, NSDL and the Registrar to the Issue;

5. Market Making agreement dated November 19, 2012 between our Company, the BRLM, the Co-BRLM and the Marker Maker to the Issue.

6. Escrow Agreement dated November 19, 2012 between our Company, the BRLM, the Co-BRLM, Syndicate Members, Escrow Collection Banks and the Registrar to the Issue.

7. Syndicate Agreement dated November 19, 2012 between our Company, BRLM, the Co-BRLM and the Syndicate Members.

8. Underwriting Agreement dated November 19, 2012 between our Company, BRLM, the Co-BRLM and the Syndicate Members.

(B) DOCUMENTS FOR INSPECTION

1. Memorandum and Articles of Association of our Company;

2. Copy of Certificate of Incorporation dated June 20, 2007 issued by the Registrar of Companies, Mumbai;

3. Copy of fresh Certificate of Incorporation dated August 3, 2012 issued by the Registrar of Companies, Mumbai, issued pursuant to the conversion from private limited company to public limited company;

4. Resolution passed at the Board meeting dated June 15, 2012, authorising the Issue and resolutions under section 81(1) and 81(1A) of the Companies Act, 1956 passed in AGM of the members of our Company held on August 31, 2012 approving the Issue;

5. Copy of resolution dated August 31, 2012 for appointment of our current Managing Director;

6. Consents of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Bankers to our Company, Bankers to the Issue, the BRLM, the Co-BRLM, Syndicate Member(s), Underwriter(s), IPO Grading Agency, Registrar of the Issue, Legal Advisor to the Issue to include their names in the RHP to act in their respective capacities.

7. The Report of Statutory Auditors being M/s Singrodia Goyal & Co, as set out herein dated November 12, 2012 relating to our Standalone and Consolidated audited financial information, as restated;

8. A statement of tax benefits dated August 18, 2012 received from M/s Singrodia Goyal & Co, Statutory Auditors regarding tax benefits available to our Company and its shareholders;

9. Certificate dated November 20, 2012 from M/s Singrodia Goyal & Co, Statutory Auditors regarding "Sources & deployment of funds";

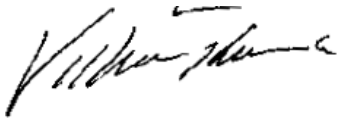
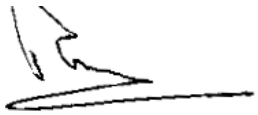
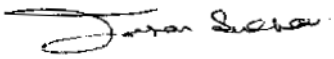
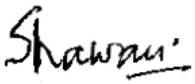
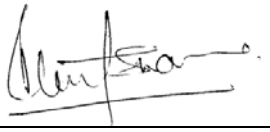
10. Due Diligence Certificate dated [●] to SEBI by the BRLM and the Co-BRLM;

11. In-principle listing approval from NSE vide its letter no. NSE/LIST/184672-5 dated October 25, 2012.

Any of the contracts or documents mentioned in the RHP may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify that no statement made in the RHP contravenes any of the provisions of the Companies Act and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, the Government and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in the RHP are true and correct.

Name	Signature
Mr. Mohan Das Gurnani *Non- Executive Chairman*	
Mr. Vishnu Kumar Gurnani *Managing Director*	
Mr. Dinesh Gurnani *Whole -Time Director*	
Mr. Murlidhar Kaurani *Non-Executive Independent Director*	
Mr. Mohan Sukhani *Non-Executive Independent Director*	
Mr. Gonind Ram Thawani *Non-Executive Non- Independent Director*	
Mr. P. V. Sharma *Group CFO*	

Place: Jaipur, Rajasthan

Date: November 20, 2012

ANNEXURE A

Price Information of Past Issues handled by BRLM & Co-BRLM

1. Price information of past issues handled by Keynote Corporate Services Limited

Sr No	*Issue Name*	*Issue Size ₹(Cr.)*	*Issue price₹*	*Listing date*	*Opening price on listing date ₹*	*Closing price on listing date ₹*	*% Change in Price on listing date (Closing) vs. Issue Price*	*Benchmark index on listing date (Closing)*	*Closing price as on 10th calendar day from listing day ₹*	*Benchmark index as on 10th calendar days from listing day (Closing)*	*Closing price as on 20th calendar day from listing day ₹*	*Benchmark index as on 20th calendar days from listing day (Closing)*	*Closing price as on 30th calendar day from listing day ₹*	*Benchmark index as on 30th calendar days from listing day (Closing)*
1.	Globus Spirits Limited	75.00	100.00	23/09/2009	110.00 (BSE) 101.00 (NSE)	90.75 (BSE) 91.00 (NSE)	(9.25%) (BSE) (9.00%) (NSE)	16,719.50 (SENSEX) 4969.95 (NIFTY)	88.70 (BSE)* 88.90 (NSE)*	16886.41 (SENSEX) 5003.20 (NIFTY)	80.40 (BSE) 80.40 (NSE)	17,026.67 (SENSEX) 5054.25 (NIFTY)	85.65 (BSE) 85.80 (NSE)	16,789.74 (SENSEX) 4988.60 (NIFTY)
2.	Thangamayil Jewellery Ltd.	28.75	75.00	19/02/2010	70.00 (BSE) 75.70 (NSE)	71.10 (BSE) 71.05 (NSE)	(5.20%) (BSE) (5.27%) (NSE)	16,191.63 (SENSEX) 4,844.90 (NIFTY)	67.40 (BSE)* 67.85 (NSE)*	16,772.56 (SENSEX) 5,017.00 (NIFTY)	73.25 (BSE) 73.50 (NSE)	17,098.33 (SENSEX) 5,116.25 (NIFTY)	75.95 (BSE)* 76.95 (NSE)*	17,410.57 (SENSEX) 5205.20 (NIFTY)
3.	Emmbi Polyarns Limited	38.96	45.00	24/02/2010	45.50 (BSE) 46.00 (NSE)	28.65 (BSE) 28.75 (NSE)	(36.33%) (BSE) (36.11%) (NSE)	16,255.97 (SENSEX) 4858.60 (NIFTY)	25.45 (BSE) 22.20 (NSE)	16,994.49 (SENSEX) 5088.70 (NIFTY)	22.90 (BSE) 22.80 (NSE)	17,164.99 (SENSEX) 5128.90 (NIFTY)	22.60 (BSE) 22.60 (NSE)	17,558.85 (SENSEX) 5260.40 (NIFTY)
4.	Prakash Steelage Limited	68.75	110.00	25/08/2010	118.55 (BSE) 122.00 (NSE)	187.95 (BSE) 185.00 (NSE)	70.86% (BSE) 68.18% (NSE)	18,179.64 (SENSEX) 5462.35 (NIFTY)	181.80 (BSE) 182.10 (NSE)	18,221.43 (SENSEX) 5479.40 (NIFTY)	156.40 (BSE) 156.65 (NSE)	19,208.33 (SENSEX) 5760.00 (NIFTY)	145.60 (BSE) 145.65 (NSE)	19,861.01 (SENSEX) 5959.55 (NIFTY)
5.	Bedmutha Industries Limited	91.80	102.00	14/10/2010	114.40 (BSE) 113.50 (NSE)	180.80 (BSE) 179.15 (NSE)	77.25% (BSE) 75.64% (NSE)	20,497.64 (SENSEX) 6177.35 (NIFTY)	204.20 (BSE)* 203.00 (NSE)*	20,303.12 (SENSEX) 6105.80 (NIFTY)	176.05 (BSE) 174.95 (NSE)	20,345.69 (SENSEX) 6119.00 (NIFTY)	116.95 (BSE) 116.15 (NSE)	20,156.89 (SENSEX) 6071.65 (NIFTY)
6.	Gravita India Limited	45.00	125.00	16/11/2010	218.75 (BSE) 201.10 (NSE)	210.40 (BSE) 209.70 (NSE)	68.32% (BSE) 67.76% (NSE)	19865.14 (SENSEX) 5988.70 (NIFTY)	257.65 (BSE) 257.45 (NSE)	19,318.16 (SENSEX) 5799.75 (NIFTY)	255.70 (BSE)* 256.10 (NSE)*	19,981.31 (SENSEX) 5992.25 (NIFTY)	235.40 (BSE) 235.40 (NSE)	19,647.77 (SENSEX) 5892.30 (NIFTY)
7.	Servalakshmi Paper Limited	60.00	29.00	12/05/2011	30.00 (BSE) 29.00 (NSE)	19.00 (BSE) 19.05 (NSE)	(34.48%) (BSE) (34.31%) (NSE)	18,335.79 (SENSEX) 5,486.15 (NIFTY)	11.75 (BSE)* 11.80 (NSE)*	17,993.33 (SENSEX) 5,386.55 (NIFTY)	11.05 (BSE) 11.10 (NSE)	18,503.28 (SENSEX) 5,560.15 (NIFTY)	10.19 (BSE) 10.20 (NSE)	18,268.54 (SENSEX) 5,485.80 (NIFTY)

**Being non trading day, price data is considered for next trading day.*

2. Summary statement of price information of past issues handled by Keynote Corporate Services Limited

Financial Year	*Total no. of IPOs*	*Total Funds Raised (₹. Cr.)*	*Nos. of IPOs trading at discount on listing date*			*Nos. of IPOs trading at premium on listing date*			*Nos. of IPOs trading at discount as on 30th calendar day from listing day*			*Nos. of IPOs trading at premium as on 30th calendar day from listing day*		
			Over 50%	*Between 25-50%*	*Less than 25%*	*Over 50%*	*Between 25-50%*	*Less than 25%*	*Over 50%*	*Between 25-50%*	*Less than 25%*	*Over 50%*	*Between 25-50%*	*Less than 25%*
2009-10	3	142.71	Nil	1	2	Nil	Nil	Nil	Nil	1	1	Nil	Nil	1
2010-11	3	205.55	Nil	Nil	Nil	3	Nil	Nil	Nil	Nil	Nil	1	1	1
2011-12	1	60.00	Nil	1	Nil	Nil	Nil	Nil	1	Nil	Nil	Nil	Nil	Nil

3. Price information of past issues handled by Indian Overseas Bank

Sr No	*Issue Name*	*Issue Size ₹(Cr.)*	*Issue price ₹*	*Listing date*	*Opening price on listing date ₹*	*Closing price on listing date ₹*	*% Change in Price on listing date (Closing) vs. Issue Price*	*Benchmark index on listing date (Closing)*	*Closing price as on 10th calendar day from listing day ₹*	*Benchmark index as on 10th calendar days from listing day (Closing)*	*Closing price as on 20th calendar day from listing day ₹*	*Benchmark index as on 20th calendar days from listing day (Closing)*	*Closing price as on 30th calendar day from listing day ₹*	*Benchmark index as on 30th calendar days from listing day (Closing)*
1.	Servalakshmi Paper Limited	60.00	29.00	12/05/2011	30.00 (BSE) 29.00 (NSE)	19.00 (BSE) 19.05 (NSE)	(34.48%) (BSE) (34.31%) (NSE)	18,335.79 (SENSEX) 5,486.15 (NIFTY)	11.75 (BSE)* 11.80 (NSE)*	17,993.33 (SENSEX) 5,386.55 (NIFTY)	11.05 (BSE) 11.10 (NSE)	18,503.28 (SENSEX) 5,560.15 (NIFTY)	10.19 (BSE) 10.20 (NSE)	18,268.54 (SENSEX) 5,485.80 (NIFTY)

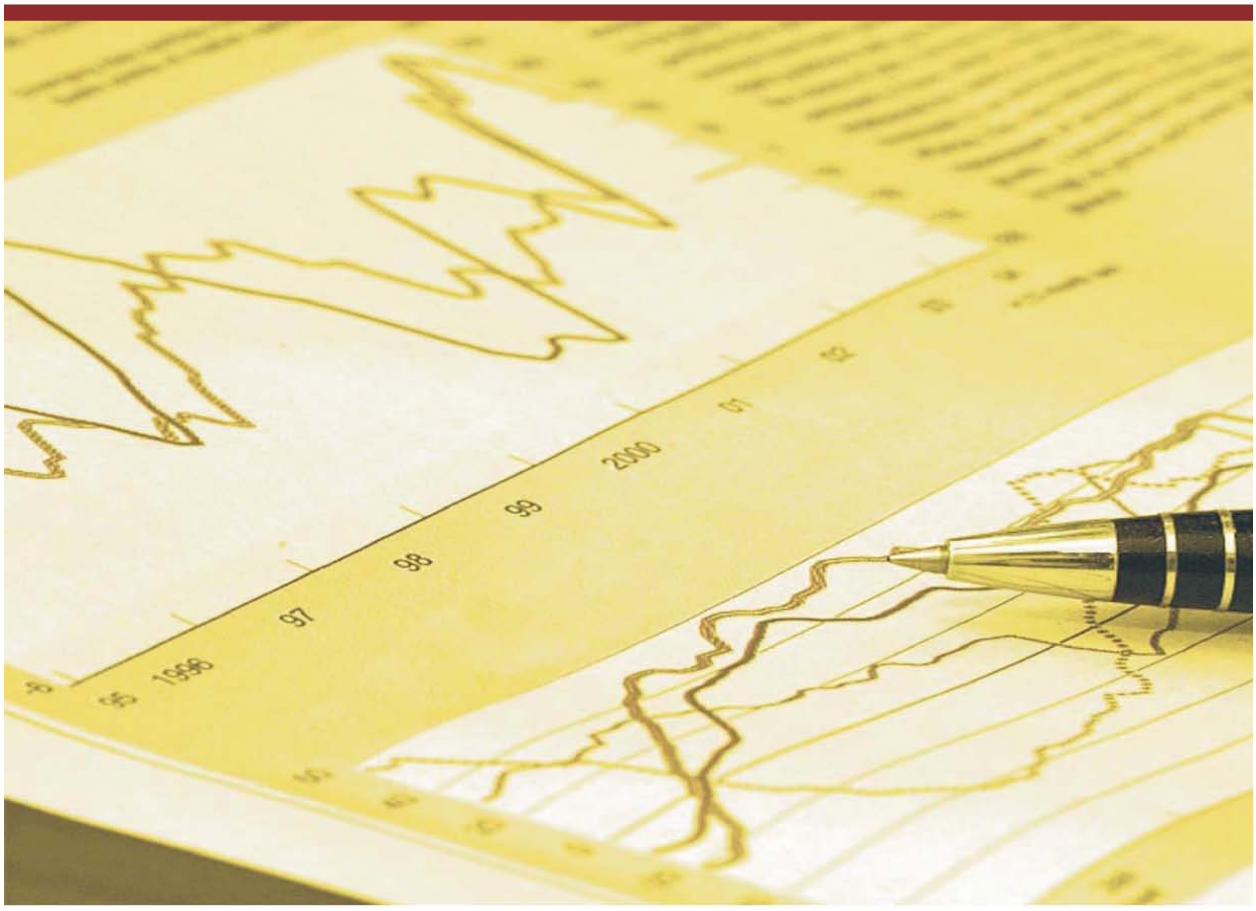
4. Summary statement of price information of past issues handled by Indian Overseas Bank

Financial Year	*Total no. of IPOs*	*Total Funds Raised (₹. Cr.)*	*Nos. of IPOs trading at discount on listing date*			*Nos. of IPOs trading at premium on listing date*			*Nos. of IPOs trading at discount as on 30th calendar day from listing day*			*Nos. of IPOs trading at premium as on 30th calendar day from listing day*		
			Over 50%	*Between 25-50%*	*Less than 25%*	*Over 50%*	*Between 25-50%*	*Less than 25%*	*Over 50%*	*Between 25-50%*	*Less than 25%*	*Over 50%*	*Between 25-50%*	*Less than 25%*
2011-12	1	60.00	Nil	1	Nil	Nil	Nil	Nil	1	Nil	Nil	Nil	Nil	Nil

IPO GRADING REPORT

October 2012

CRISIL SME Fundamental Grading



Veto Switchgears and Cables Ltd

CRISIL SME Fundamental Grade 4/5

(Superior)

CRISIL SME Fundamental Grading

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Phone: +91 22 3342 3561
Email: clientservicing@crisil.com

CRISIL SME fundamental grading scale

The CRISIL SME fundamental grade reflects the fundamentals of the company as compared to other SMEs in India.

CRISIL SME Fundamental Grade	Assessment
SME 5/5	Excellent fundamentals
SME 4/5	Superior fundamentals
SME 3/5	Good fundamentals
SME 2/5	Moderate fundamentals
SME 1/5	Poor fundamentals

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Veto Switchgears and Cables Ltd

CRISIL SME Fundamental Grade 4/5 (Superior)

October 19, 2012

Grading summary

CRISIL has assigned a CRISIL SME fundamental grade of 'SME 4/5' (pronounced 'SME four on five') to the proposed IPO of Veto Switchgears and Cables Ltd (Veto). This SME fundamental grade indicates that the fundamentals of the company are superior compared to other SMEs in India.

Key strengths

- Veto Switchgears and Cables Ltd (Veto) manufactures and sells wires, cables and electrical accessories. The company has a diversified product basket, which includes around 20 product categories. It sells electrical accessories under the 'Veto' brand, and wires and cables under the 'Vimal Power' brand. In FY12, wires and cables contributed 54% to Veto's revenues and the rest was contributed by electrical accessories.
- Veto has an extensive presence in Rajasthan and derives 70% of its revenues from the state. The company is also present in Delhi, Gujarat, Madhya Pradesh, West Bengal and Assam and has nearly 2,400 dealers. 'Veto' and 'Vimal Power' are well known brands in the north western region of India. The company leverages its dealer network by introducing new products or variants of existing products.
- Veto stands to benefit from the healthy growth expected in its products due to a) rise in disposable per capita income of Indians leading to growth in real estate and construction sectors, b) increasing preference of Indian consumers for branded products, especially in the electrical accessories and consumer appliances segment, and c) government policies focusing towards improvement of electricity supply, especially in rural areas.
- Veto's promoters have a long standing presence in PVC (polyvinyl chloride) wires and cables business which has enabled them to expand the electrical accessories business and increase the dealer network in the domestic market.

Key challenges

- Veto's scale of operations is small and its product offerings are limited compared to big players in the industry viz., Havells, KEI Industries, Anchor, and others, which limits its bargaining power with dealers/distributors. We believe the company's plan to establish itself in other geographies is likely to take some time because it will have to invest in advertising and brand building.
- Veto's operations are working capital intensive as reflected in its working capital cycle of 200 days. It has to maintain an inventory of two to three months in anticipation of orders. It also gives credit of around 100 days to its dealers to counter intense domestic competition. However, it gets minimal credit from its suppliers which include suppliers of copper and PVC/PVC compounds.
- Veto has strong inter-linkages with its group entities and in the past has extended and received interest free loans from promoters and other group companies. However, Veto's reliance on related parties for debt funds has reduced over a period of time, as the company has substituted these loans with bank loans.
- Copper accounts for nearly 45% of Veto's total raw material costs. The company is entirely dependent on a single supplier for sourcing its copper requirements. The company's margins may be adversely affected in case it is unable to pass on the increases in copper prices to end consumers.

(One-time assessment)

CRISIL SME FundamentalGrading

Key financials

- Veto's operating income has grown at 20.8% CAGR over FY09-12 to Rs 686 mn led by management's focus on augmenting distribution network, new product launches and branding.
- The company's EBITDA margin has expanded to 16.2% in FY12 from 10.9% in FY11. We expect moderation in EBITDA margin going forward due to increase in employee costs and marketing and advertising expenses.
- Average PAT margin over FY10-12 was 9.6%. The company's Hardwar plant received 100% income tax holiday over FY08-12. While Veto is liable to pay minimum alternate tax (MAT), it set off its income tax with MAT credit. Therefore, its effective tax rate was negligible during this period. Starting FY13, the Hardwar plant is entitled to 30% income tax holiday for a period of five years.

Company background

Incorporated in 2003 as a partnership firm under the name Veto Industries, the company's name was changed to 'Veto Switchgears and Cables' in April 2007. Subsequently in June 2007, the partnership firm was converted into a private limited entity and was re-named as 'Veto Switchgears and Cables Private Ltd'. The company was rechristened as 'Veto Switchgears and Cables Ltd' in 2012. It manufactures and sells wires and cables and electrical accessories in India. The product portfolio encompasses industrial, stand, telephone cables and co-axial wires, general and modular switches, ceiling and rechargeable fans, compact fluorescent lamps (CFLs) and other electrical accessories. Except for CFLs and fans (the production of which are outsourced), all products are manufactured in Hardwar, Uttarakhand. Electrical accessories are sold under the 'Veto' brand while wires and cables are sold under the 'Vimal Power' brand. The company is promoted by Veto Electropowers (India) Pvt. Ltd (VEIPL), which is a subsidiary of Gurnani Holding Pvt. Ltd, which in turn is owned by the Gurnani family. VEIPL manufactures and exports wires and PVC cables to the Gulf countries.

Please see disclaimer on inside cover

Veto Switchgears and Cables Ltd

Grading Rationale

Business prospects

- The demand for Veto's products (electrical accessories, wires and cables) is expected to increase due to a) rise in disposable per capita income of Indians leading to growth in real estate and construction sectors, b) increasing preference of Indian consumers for branded products, especially in the electrical accessories and consumer appliances segments, and c) government policies focusing towards improvement of electricity supply, especially in rural areas.
- Veto has an extensive distribution network in Rajasthan. Total number of dealers (including other states) has grown from 1,366 in FY09 to 2,375 in FY12. The company has also been proactive in augmenting its product portfolio. It recently launched CFLs and fans under the 'Veto' brand. It has also introduced products at various price points; for example, it sells premium category modular switches under the 'Carino' brand and affordable switches under the 'Puf' brand. Focus on branding, increasing distribution network and new product launches has led to revenue increasing at 20.8% CAGR over FY09-12.
- The company sells all its products under 'Veto' and 'Vimal Power' brands, which are well known in north-western India. While the 'Veto' brand is owned by the company, 'Vimal Power' is owned by its parent VEIPL. Both Veto and VEIPL are entitled to use each others' brands but do not pay any royalty.
- The company faces intense competition from organised and unorganised players. To counter competing brands, it provides flexible credit terms to its dealers (three to four months), which has led to a longer working capital cycles compared to that of bigger players such as Havells.
- Firmly entrenched in Rajasthan, Veto now plans to strengthen its position in other states too. The company's products are already available in Gujarat, Delhi, West Bengal, Madhya Pradesh and Assam. It has plans to export electrical accessories and has therefore purchased land for a new manufacturing facility through its subsidiary Veto Electricals Pvt. Ltd.
- The company's manufacturing facility is located in Hardwar. The company has increased its capacity to manufacture accessories from 14 mn pieces to 38 mn pieces in FY11. Capacity utilisation in both accessories and wires and cables manufacturing is less than 30% at present. The facility is entitled to excise duty and income tax benefits for a period of 10 years since FY08.
- Copper accounts for nearly 45% of Veto's total raw material costs. Further, the company is entirely dependent on a single supplier for sourcing its copper requirements. Veto's margins may be adversely affected in case it is unable to pass on the increases in copper prices to the end consumers.

Management and corporate governance

- The promoters have nearly three decades of experience in the industry. Most of the senior management and some middle management positions are occupied by the promoters. Senior management personnel including the managing director, whole-time director and the CFO are involved in operations of other group companies also. However, there is no policy with regards to allocation of costs of shared resources between the group companies.
- The board consists of six directors, of whom three are independent. We believe the size of the board is appropriate for the current size of the company and its planned progress. The board has diverse expertise in areas of government administration, textiles, finance and marketing. While the independent directors are known to the promoters, they have been associated with Veto only since August 2012.
- Veto Electropowers (India) Private Ltd (VEIPL), the holding company of Veto, is in the same line of business and manufactures and exports wires and cables to Gulf countries. VEIPL is an export oriented unit (EOU). Veto will have to compete with VEIPL if the latter enters the Indian market; this may impact Veto's operations.

(One-time assessment)

CRISIL SME FundamentalGrading

Financials

- Veto's revenues have grown at 20.8% CAGR over FY09-12 to Rs 686 mn led by management's focus on augmenting distribution network, new product launches and brand building. Going forward, the management expects entry into new regions and introduction of new products to drive higher volumes.
- EBITDA margin expanded from 10.9% to 13.3% over FY09-11 primarily due to operating leverage. Decline in advertising costs and slower growth in employee costs (compared to revenues) expanded EBITDA margin further to 16.2% in FY12. We expect employee costs to increase in the future as the company plans to increase marketing and manufacturing activities, which will require manpower addition. Advertising and promotional expenses will also increase as the company enters new markets. This is likely to moderate Veto's EBITDA margin.
- Veto's working capital cycle has remained stable at around 200 days since FY09. While the company sells goods on credit to its dealers, it does not get any credit from copper and PVC suppliers. Working capital cycle may expand in the future if the company offers more credit to its dealers to drive sales.
- Veto's net-debt to equity has declined from 2.9x in FY09 to 0.7x in FY12 but its interest cost has increased during this period. The company had relied on interest free loans from related parties for debt funds in the past. However, these loans have been gradually replaced by bank loans, leading to rise in interest costs. Veto's interest coverage is at 3.9x, as of FY12.
- Veto's average PAT margin over FY10-12 is 9.6%. Over FY08-12, the company's Hardwar plant enjoyed 100% income tax benefit; it will receive 30% income tax holiday for the next five years. As of FY12, the company has un-utilised MAT credit entitlement of Rs 33.5 mn, which it expects to set off against income tax over the next few years.
- The company has registered a healthy return on equity (RoE) in the past few years – average RoE over FY10-12 is 33.5%. This was supported by low interest cost (due to interest free loans from related parties) and low effective tax rate. We expect Veto's RoE to decline from current levels due increase in equity capital post IPO, moderation in operating margin, higher interest costs and gradual increase in effective tax rate.

Please see disclaimer on inside cover

Peer comparison

Parameters	Veto Switchgears & Cables	Havells	V Guard Industries	Anchor	Finolex Cables	KEI Industries
Product / Service	Manufactures cables, wires, electrical accessories such as switchgears and other items.	Manufactures switchgears, cables and wires, consumer durables, lighting and luminaries	Manufactures industrial and domestic switchgear, cables and wires, consumer durables.	Manufactures cables, wires , lighting, luminaries, consumer durables and home automation systems	Manufactures cables and wires, switches lighting and luminaries and pipes and fittings	Manufactures cables and wires
Market capitalisation (Rs mn)	Unlisted	81,416	12,449	Unlisted	6,745	1,195
Revenue (Rs mn)	686 (FY12)	40,109 (FY12)	10,091 (FY12)	10,136 (FY09)	22,188 (FY12)	12,623 (FY11)
Revenue Growth (FY09-12 CAGR)	20.8%	19.7%	45.2%	46.5% (FY06-09)	12.6%	8.4% (FY08-11)
Average EBITDA margin (FY10-12)	13.9%	12.0%	10.6%	15.3% (FY07-09)	10.4%	7.3% (FY09-11)
Average PAT margin (FY10-12)	9.6%	8.0%	5.4%	7.2% (FY07-09)	3.9%	0.8% (FY09-11)

Note: Standalone financials

Source: Industry, CRISIL Research

Veto Switchgears and Cables Ltd

Income statement

(Rs mn)	FY09	FY10	FY11	FY12
Operating income	**389**	**470**	**532**	**686**
EBITDA	**43**	**57**	**71**	**111**
EBITDA margin	**10.9%**	**12.2%**	**13.3%**	**16.2%**
Depreciation	8	9	9	11
EBIT	**35**	**49**	**62**	**100**
Interest	8	8	13	26
Operating PBT	**27**	**41**	**49**	**75**
Other income	0	0	0	1
Exceptional inc/(exp)	1	-	(0)	-
PBT	**28**	**41**	**49**	**75**
Tax provision	2	(3)	1	3
Minority interest	-	-	-	-
PAT (Reported)	**26**	**44**	**49**	**72**
Less: Exceptionals	1	-	(0)	-
Adjusted PAT	**25**	**44**	**49**	**72**

Ratios

	FY09	FY10	FY11	FY12
Growth				
Operating income (%)	55.8	20.8	13.0	29.0
EBITDA (%)	39.5	35.1	23.3	56.5
Adj PAT (%)	16.7	74.9	11.8	48.7
Adj EPS (%)	9.9	(5.8)	4.8	36.0
Profitability				
EBITDA margin (%)	10.9	12.2	13.3	16.2
Adj PAT Margin (%)	6.4	9.2	9.1	10.5
RoE (%)	41.5	40.9	28.8	30.8
RoCE (%)	12.9	14.2	15.9	23.0
RoIC (%)	13.6	16.1	16.8	23.9
B/S ratios				
Inventory days	139	123	119	119
Creditors days	51	37	45	54
Debtor days	115	104	117	113
Working capital days	194	211	194	187
Gross asset turnover (x)	6.1	5.7	5.5	6.3
Net asset turnover (x)	7.0	7.2	7.4	9.3
Sales/operating assets (x)	6.4	6.7	7.1	8.7
Current ratio (x)	5.4	7.6	6.5	5.5
Debt-equity (x)	3.2	1.7	1.0	0.8
Net debt/equity (x)	2.9	1.6	0.9	0.7
Interest coverage	4.2	6.0	4.8	3.9

Per share

	FY09	FY10	FY11	FY12
Adj EPS (Rs)	4.6	4.4	4.6	6.2
Book value	13.6	14.0	18.6	23.2

Balance Sheet

(Rs mn)	FY09	FY10	FY11	FY12
Liabilities				
Equity share capital	27	50	53	54
Reserves	46	90	145	217
Minorities	-	-	-	-
Net worth	**73**	**140**	**198**	**271**
Convertible debt	-	-	-	-
Other debt	233	238	200	204
Total debt	**233**	**238**	**200**	**204**
Deferred tax liability (net)	5	2	2	2
Total liabilities	**311**	**380**	**400**	**477**
Assets				
Net fixed assets	58	73	70	77
Capital WIP	10	-	6	5
Total fixed assets	**68**	**73**	**76**	**82**
Investments	0	1	2	4
Current assets				
Inventory	124	130	142	179
Sundry debtors	132	144	181	225
Loans and advances	21	63	37	56
Cash & bank balance	21	15	21	18
Marketable securities	-	-	-	-
Total current assets	**298**	**352**	**381**	**478**
Total current liabilities	**55**	**46**	**59**	**87**
Net current assets	**243**	**306**	**322**	**391**
Intangibles/Misc. expenditure	**0**	**0**	**0**	**0**
Total assets	**311**	**380**	**400**	**477**

Cash flow

(Rs mn)	FY09	FY10	FY11	FY12
Pre-tax profit	27	41	49	75
Total tax paid	1	(0)	(1)	(3)
Depreciation	8	9	9	11
Working capital changes	(64)	(69)	(10)	(72)
Net cash from operations	**(28)**	**(20)**	**47**	**11**
Cash from investments				
Capital expenditure	(22)	(14)	(11)	(17)
Investments and others	(0)	(1)	(1)	(2)
Net cash from investments	**(22)**	**(15)**	**(13)**	**(18)**
Cash from financing				
Equity raised/(repaid)	2	23	10	0
Debt raised/(repaid)	43	6	(38)	4
Dividend (incl. tax)	-	-	-	-
Others (incl extraordinaries)	(0)	-	0	(0)
Net cash from financing	**44**	**29**	**(29)**	**4**
Change in cash position	(6)	(6)	6	(3)
Closing cash	21	15	21	18

Note: Standalone financials

Per share data adjusted for 1:1 bonus shares issuance in May 2012

All figures have been reclassified as per CRISIL standards

Source: CRISIL Research

(One-time assessment)

CRISIL SME FundamentalGrading

IPO Details

The proposed IPO is in the form of fresh issue of shares up to Rs 250 mn. Veto plans to use the maximum amount for long term working capital requirements (Rs 158 mn), modernisation of its existing facility in Hardwar (Rs 47 mn), and brand building activities (Rs 20 mn); the remaining to be used for general corporate purposes and to meet issue expenses (not available at the time of grading).

Pre-IPO share holding pattern

Name	No of shares	Percentage
Promoter shareholding (A)	11,660,000	100.00
Institutional (B)	-	-
Non-Institution (C)	-	-
Total (A+B+C)	11,660,000	100.00

Source: DRHP

Issue details

Type of issue	Fresh issue
Issue size	Rs 250 mn
Face value	Rs 10
Price band	Not available at the time of grading
Lead managers	Keynote Corporate Services Ltd, Indian Overseas Bank
Legal advisors to the issue	Mindspright Legal
Registrar to the issue	Bigshare Services Private Ltd

Source: DRHP

Objects of issue

Particulars	Total fund requirement (Rs mn)	Amount deployed till July 2012 (Rs mn)	Estimated amount to be utilized from net proceeds (Rs mn)
Modernisation of existing facility at Hardwar, Uttarakhand	47	-	47
Incremental long-term working capital requirement	158	-	158
Enhancement of the company's brand through advertising and other brand building activities	20	-	20
General corporate purposes[#]	-	-	-
To meet the Issue expenses[#]	-	-	-
Total[*]	**225**	**-**	**225**

* Total does not include expense for general corporate purpose and issue related expenses; #not yet available

Source: DRHP

Please see disclaimer on inside cover

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- Largest team of economy and industry research analysts in India
- Coverage on 70 industries and 139 sub-sectors; provide growth forecasts, profitability analysis, emerging trends, expected investments, industry structure and regulatory frameworks
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