



VETO SWITCHGEARS AND CABLES LTD.

Regd. Office : 506, 5th FLOOR PLOT NO. B-9, LANDMARK BUILDING, NEW LINK ROAD,
ANDHERI (WEST), MUMBAI, MAHARASHTRA 400053



CIN :L31401MH2007PLC171844

Date: 04th September, 2020

To,

BSE Limited
Corporate Relation Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai -400001

National Stock Exchange Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G-Block,
Bandra-Kurla Complex, Bandra (East)
Mumbai -400051

SCRIP CODE: 539331; VETO

Dear Sir/Madam,

SUB: Annual Report of Veto Switchgears And Cables Limited For The Financial Year Ended 31st March 2020, Including The Notice Of 13th Annual General Meeting.

REF: Regulation 34 (1) Of SEBI (Listing Obligations And Disclosure Requirement) Regulations, 2015 ("Listing Regulations").

We wish to inform you that the 13th Annual General Meeting (AGM) of the Company will be held on Tuesday, 29th September 2020 at 01:30 P.M. through Video Conferencing, in compliance with the relevant provisions of the Companies Act, 2013 and the Rules made thereunder read with General Circular No. 14/2020 dated 8th April 2020, General Circular No. 17/2020 dated 13th April 2020 and General Circular 20/2020 dated 5th May 2020 issued by the Ministry of Corporate Affairs read with Circular No. SEBI/ HO/ CFD / CMD1/ CIR/P/2020/79 dated 12th May 2020, issued by the Securities and Exchange Board of India (applicable norms).

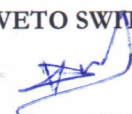
Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Integrated Annual Report of the Company along with the Notice of AGM for the financial year 2019-20 which is being sent through electronic mode to the Members.

The Integrated Annual Report containing the Notice is also uploaded on the Company's website www.vetoswitchgears.com

Kindly take the same on your record

Thanking You.

FOR VETO SWITCHGEARS AND CABLES LIMITED


Varsha Rane Choudhary
Company Secretary cum Compliance Officer

Encl: As above

Corporate Office :

4th Floor, Plot No. 10, Days Hotel, Airport Plaza Scheme, Behind Hotel Radisson Blu, Tonk Road,
Durgapura, Jaipur-302 018 (Rajasthan) Tel : 0141-6667777 Extn. 775
Email : info@vetoswitchgears.com, vetoswitchgears@yahoo.co.in, Website : www.vetoswitchgears.com
Factory : Plot No. 65-67 & 74-77, Sector -5, IIE, SIDCUL, Ranipur, Haridwar-249403



VETO SWITCHGEARS AND CABLES LIMITED

Regd. Office: 506, 5th Floor, Plot No. B-9, Landmark Building, New Link Road,
Andheri (West), Mumbai, Maharashtra-400058;
CIN: L31401MH2007PLC171844;
Tel No. : 0141-6667777/750;
Website : www.vetoswitchgears.com
Email : cs@vetoswitchgears.com

Notice is hereby given that the 13th Annual General Meeting (AGM) of the members of Veto Switchgears and Cables Limited will be held on Tuesday, the September 29th, 2020 at 01.30 P.M. through Video Conferencing (VC), to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited financial statements of the company (including audited consolidated financial statements) for the financial year ended on 31st March 2020 together with the Reports of the Board of Directors and Auditors thereon.
2. To re-appoint Ms. Jyoti Gurnani (DIN: 06953899) as a director, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS :

3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s Rajesh Goyal & Co., Cost Accountants having Firm Registration No. 000031 appointed by the Board of Directors of the company as Cost Auditors to conduct the audit of the cost records of the company for the financial year 2020-2021, amounting to Rs. 15,000/- (Fifteen Thousand Rupees only) inclusive of Goods and Service tax as applicable and re-imbursalment of out of pocket expenses incurred by them in connection with the aforesaid audit, as recommended by the Audit Committee and approved by the Board of Directors of the company, be and is hereby ratified and confirmed.”

Regd. Office:
By order of the Board
506, 5th Floor Plot No. B-9, Landmark Building
New Link Road, Andheri (West),
Mumbai, Maharashtra 400058

For Veto Switchgears And Cables Limited

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

Place: Jaipur
Date: 4th September 2020

NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 5th May, 2020, physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business under Item No.3 to be transacted at the Annual General Meeting (AGM) is annexed hereto.
3. Details as required in Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations') in respect of the Directors seeking appointment / re-appointment at the AGM is attached as Annexure forming part of this Notice.
4. The Board of Directors of the Company had appointed M/s. K. M. Tulsian & Associates (Firm Registration No. 111075W), as the Statutory Auditor(s) of the Company for a period of five years commencing from the conclusion of the 10th Annual General Meeting till the conclusion of 15th Annual General Meeting to be held in the year 2022, subject to the ratification by members at every Annual General Meeting to be held subsequent to the 10th Annual General Meeting on such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors. (Company shall place the matter relating to such appointment for ratification by members at every annual general meeting:-Omitted by the Companies (Amendment) Act, 2017- Amendment Effective from 7th May 2018 therefore no ratification by member in AGM)
5. In compliance with the MCA Circulars and SEBI Circular, the notice of AGM and Annual Report are being sent in electronic mode to Members whose e-mail address is registered with the depository participant(s)/STA. Members who have not registered their e-mail address are requested to register the same with their respective depository participant(s)/STA.
6. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since, this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
7. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorized under the said Board resolution to attend and vote on their behalf at the Meeting.
8. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
10. Pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 read with Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 23, 2020 to Tuesday, September 29, 2020 (both days inclusive).
11. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.vetoswitchgears.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com.

- 12 Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility for voting by electronic means for all its Members to enable them to cast their vote electronically and the business may be transacted through such e-voting.
- A member may exercise his/her vote at the General Meeting by electronic means and the Company may pass any resolution by electronic voting system in accordance with the provisions of the aforesaid Rule.
 - For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized agency.
 - The facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by CDSL.
 - The Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
 - The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the AGM but shall not be entitled to cast their vote again.
13. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
14. The remote e-voting period commences on 26th September, 2020, Saturday (9.00am) and ends on 28th September, 2020 Monday (5:00 pm).
- Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 22nd September, 2020, Tuesday may opt for remote e-voting and cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting at the Meeting.
 - Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again.
15. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
16. The Company has appointed Ms. Manisha Kalra,, Practicing Company Secretaries, to act as Scrutinizer for conducting the e-voting process in accordance with the law and in a fair and transparent manner.
17. The Scrutinizer shall, at the Annual general meeting, unblock the votes in the presence of at least two witnesses, who are not in employment of the company and make a Scrutinizer's report of the votes cast in favor of or against, if any, forthwith to the Chairman of the company.
18. The results declared along with the scrutinizer's report shall be placed on the website of the Company www.vetoswitchgears.com, and on RTA's or CDSL's, website within two days of passing of resolution at the Annual general meeting of the company held on September 29th, 2020. The same shall be communicated by the Company to the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited.

19. The recorded transcript of the forthcoming AGM on 29th September, 2020, shall also be made available on the website of the Company **www.vetoswitchgears.com** in the Investor Relations Section, as soon as possible after the Meeting is over.
20. All documents referred to in the accompanying Notice and the Explanatory Statement will be available for inspection in electronic mode. Members can inspect the same by sending an e-mail to **cs@vetoswitchgears.com**.
21. The annual accounts of the subsidiary companies along with the related detailed information are available for inspection at the Corporate Office of the Company and of the subsidiaries concerned and copies will be made available to Shareholders of Veto switchgears and cables Limited and its subsidiary companies upon request.
22. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
23. The Securities Exchange Board of India (SEBI) mandates the submission of Permanent Account Number (PAN) by every participant in securities market. The Companies Act, 2013 and rules made thereunder also require the further details to be submitted to the Company like email address, Father's/Mother's/ Spouse's name. Members holding shares in electronic form are, therefore requested to submit PAN and other details to their Depository Participants with whom they are maintaining demat accounts. Members holding shares in physical form can submit their PAN and other details to the Company's Registrar and Share Transfer Agent.
24. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made thereunder, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests to the Secretarial Department in the prescribed form.

E-VOTING

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER :-

- (i) The voting period begins on Saturday, the 26th September 2020 9:00 A.M. and ends on Monday, the 28th September 2020 5:00 P.M. (both inclusive). During this period shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The members should Log on to the e-voting website **www.evotingindia.com**
- (iv) Click on “Shareholders” module.
- (v) Now Enter your User ID
 - (a) For CDSL: 16 digits beneficiary ID,
 - (b) For NSDL: 8 Character DPID followed by 8 Digits Client ID,
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the company.

Or

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at **https://www.cdslindia.com** from Login – Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then reach directly the company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for “Veto Switchgears and Cables Ltd.” on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app “m-Voting” available for android based mobiles. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id i.e. cs@vetoswitchgears.com/info@bigshareonline.com

2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id i.e. cs@vetoswitchgears.com/info@bigshareonline.com

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops/ IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requesting advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id i.e. cs@vetoswitchgears.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id i.e. cs@vetoswitchgears.com). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and one approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@vetoswitchgears.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Rakesh Dalvi (022-23058542) or Mr. Mehboob Lakhani (022-23058543).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058738 / 022-23058542/43.

Regd. Office:
By order of the Board
506, 5th Floor Plot No. B-9, Landmark Building
New Link Road, Andheri (West),
Mumbai, Maharashtra 400058

For Veto Switchgears And Cables Limited

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

Place: Jaipur
Date: 4th September 2020

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3

The Board, on the recommendation of the Audit Committee, in its Meeting held on 29th June 2020 has approved the appointment and remuneration of M/s Rajesh Goyal & Co., as the Cost Auditors of the company having Firm Registration No. 000031 to conduct the audit of the cost records of the company for the financial year 2020-21 at a fee of Rs. 15,000 per annum subject to TDS, Service Tax etc., as applicable.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2021.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 3 of the Notice.

The Board recommends the Resolution set out at Item No. 3 of the Notice for approval by the shareholders.

**By order of the Board for
Veto Switchgears And Cables Limited**

**Regd. Office:
By order of the Board
506, 5th Floor Plot No. B-9, Landmark Building
New Link Road, Andheri (West),
Mumbai, Maharashtra 400058**

For Veto Switchgears And Cables Limited

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

**Place: Jaipur
Date: 4th September 2020**

Annexure to the Notice
DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT/APPOINTMENT AT
13TH ANNUAL GENERAL MEETING (AGM)

Name of the Director	Ms. Jyoti Gurnani (DIN: 06953899)
Date of Birth	19/01/1988
Date of the Appointment	27/08/2014
Brief Profile / Expertise in Specific field of areas	She is a Director of our Company. She is a Graduate and participates actively in the growth and development of the Company. She has no other Directorships. She is the Chairperson of Internal Complaint Committee.
Directorship held in other public Companies as on 31.03.2020 (excluding foreign Companies and Private Companies)	She has no Directorships in any other public companies.
Membership/Chairmanship of Committees of other public Companies (as on 31.03.2020)*	None
Number of shares held in the Company (as on 31.03.2020)	NIL
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	She is sister of Mr. Akshay Kumar Gurnani
Terms and conditions of appointment or re-appointment	Appointment as an executive director and is liable to retirement by rotation.

V Veto[®]
SINCE 1967
ALL ELECTRICAL SEGMENT

13th
ANNUAL REPORT
2019-2020

THE SMART WAY TO
POWER YOUR HOME





Celebrating 50 Years
of Excellence

**The Smart Way to Power
YOUR HOME**

Our Success Story...

“Success is not final, failure is not fatal: it is courage to continue that counts.”

Winston Churchill

Veto Group has started its operation of manufacturing Electrical Accessories, Wires and Cables in the year 1967.

During the course of time and the efforts applied by the team, the group has expanded to its manifold and achieved the set targets.

Throwing back to the Year 2007, M/s Veto Switchgears and Cables, Partnership Firm, through its Existing partners mutually agreed to register the business into the form of a Company under Companies Act, 1956 as a Private Limited Company.

And, in the Year 2012, the company came up with an Initial Public Offer and got listed at National Stock Exchange of India Limited (NSE) through SME platform. On February 2015, the Company migrated from SME Platform to NSE Main Board and in the same year, it got listed on Bombay Stock Exchange Limited (BSE).

With the passage of time, in the month of October, 2015, the company incorporated a wholly owned subsidiary company in UAE (Dubai) in the name of VETO Overseas Private F.Z.E. The company is leading with the continuous progressive results.

Another Wholly Owned Subsidiary Company in India in the name of Veto Electricals Private Limited which has its own manufacturing plant (100% Export Unit) at Light Engineering Zone, Mahindra SEZ, Jaipur. Its commercial production started from July, 2017 onwards.

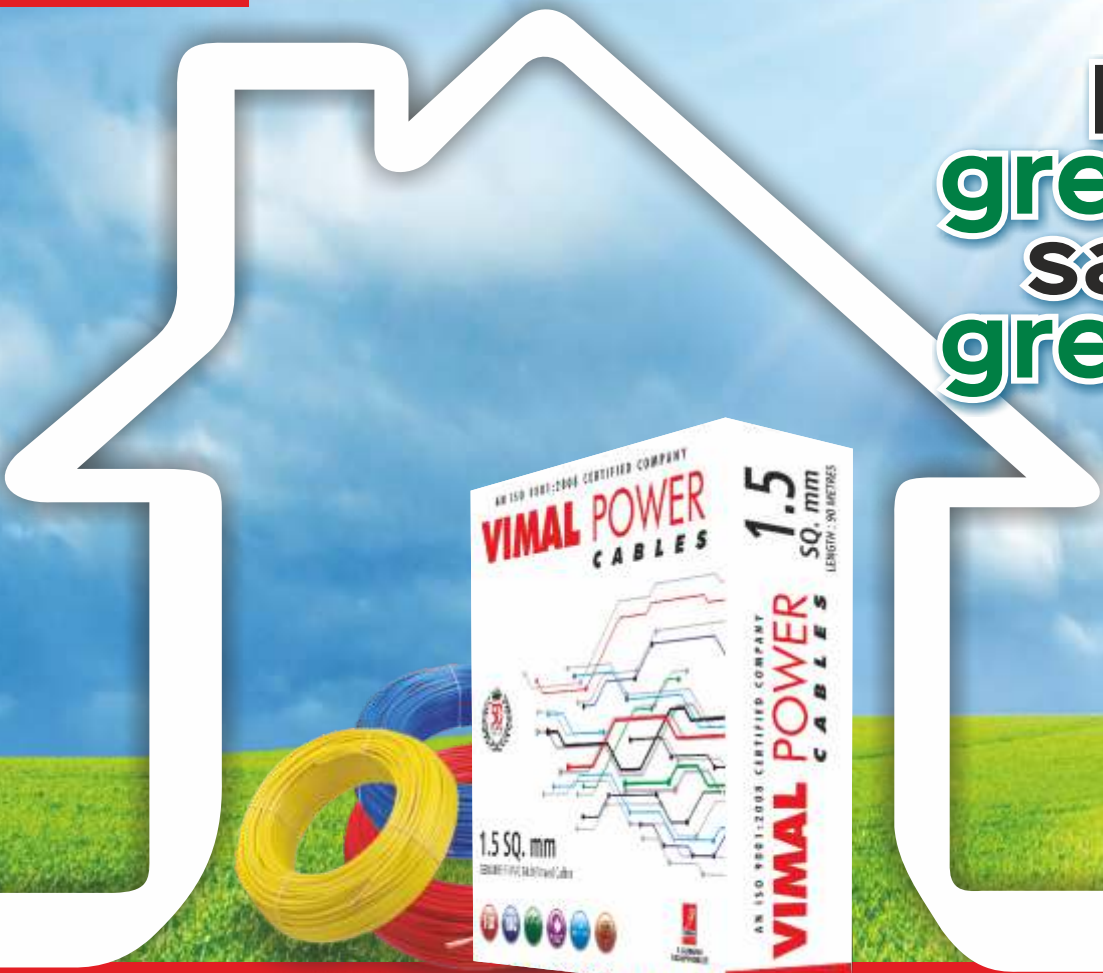
Another newly incorporated on 18th November 2019 a wholly owned subsidiary company in India under the name of Veto LED Lightings Private Limited.

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

Coming together is a beginning, keeping together is a progress, and working together is a success. As this quote, our teamwork has played a pivotal role in shaping our sterling performance.



live green save green



VIMAL POWER CABLES

MODULAR SWITCHES • WIRES & CABLES • LED LIGHTING FANS • MCB & DISTRIBUTION BOARDS



Bird's Eye View :

1. Board of Directors	6
2. Who's Who/ Key Management Executives	7
3. Board's Committees	8
4. Board Profile	9
5. Key Performance Indicators	11
6. CEO's Message	12
7. Our Vision, Mission & Core Values	14
8. Director's Reports	15
• Management Discussion and Analysis	
9. Annexure to Director's Report	43
10. Corporate Governance Report	46
• General Shareholder's Information	
11. Corporate Social Responsibility	66
12. Extract of Annual Return	68
13. Secretarial Audit Report	84
14. Affirmation by Chairman	92
15. Certificate of Corporate Governance	93
16. Certificate of Director qualification	94
17. Compliance Certificate	95
18. Auditor's Report and Consolidated Financial Statements	96
19. Auditor's Report and Standalone Financial Statements	153
20. Progress at a Glance of Last 20 Years	206

BOARD OF DIRECTORS



AKSHAY KUMAR GURNANI
Managing Director cum Chief
Executive Officer



NARAIN DAS GURNANI
Whole-time Director cum
Chief Financial Officer



JYOTI GURNANI
Woman Director



GOVIND RAM THAWANI
Rt. Government Employee
Independent Director



DR. KANWARJEET SINGH
(M.B.B.S) Independent Director



HARI KRISHAN MOTWANI
(Rtd. Deputy Manager in
United India Insurance Co. Ltd)
(Independent Director)

Who's Who/Key Management Executives

Company Secretary and Compliance Officer	Mrs. Varsha Ranee Choudhary M.Com, ACS
Sr. Manager Accounts	Mr. Kapil Motiramani (B.Com, C.A.)
Vice President Marketing	Mr. Vasudev Lalwani (B.Com)
Production Head	Mr. Mohd. Khalid (B.tech)
Auditors	CAS & Co. (formerly known as K.M. Tulsian & Associates) Chartered Accountant A-703, Rajeshri Accord, Telly Cross Lane, Off. S.N. Road, Andheri (East), Mumbai – 400069
Registrar and Share transfer Agents	Bigshare Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059 Maharashtra. Tel.: +91 22-6263 8200; Fax: +91 22 6263 8299 Email: info@bigshareonline.com; Website: www.bigshareonline.com
Bankers	Indian Overseas Bank Bank of Baroda HDFC Bank
Secretarial Auditor	Ms. Nisha Agarwal
Cost Auditor	Rajesh Goyal & Co.
Stock Exchanges where Company's Securities are Listed	<ul style="list-style-type: none"> • National Stock Exchange of India Limited • BSE Limited
Registered Office	506, 5 th Floor, Plot No. B-9 Landmark Building, New link Road, Andheri (West), Mumbai Maharashtra – 400058
Corporate Office	4 th Floor, Plot No. 10, Days Hotel, Behind Hotel Radisson Blu, Tonk Road, Durgapura, JaipurRajasthan – 302018
Website	www.vetoswitchgears.com
Email ID	cs@vetoswitchgears.com
Corporate Identity Number	L31401MH2007PLC171844

BOARD'S COMMITTEES

AUDIT COMMITTEE

- Mr. Govind Ram Thawani (Chairman)
- Mr. Hari Krishan Motwani (Member)
- Mr. Narain Das Gurnani (Member)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- Mr. Govind Ram Thawani (Chairman)
- Mr. Hari krishan Motwani (Member)
- Mr. Narain Das Gurnani (Member)

NOMINATION, REMUNERATION & COMPENSATION COMMITTEE

- Mr. Govind Ram Thawani (Chairman)
- Mr. Kanwarjeet Singh (Member)
- Mr. Hari krishan Motwani (Member)

STAKEHOLDERS RELATIONSHIP COMMITTEE

- Mr. Govind Ram Thawani (Chairman)
- Mr. Narain Das Gurnani (Member)
- Mr. Hari krishan Motwani (Member)

BOARD'S PROFILE**Akshay Kumar Gurnani (DIN: 06888193)**

Akshay Kumar Gurnani is the Managing Director and Chief Executive Officer of our Company. He is qualified post graduate in the fields of Commerce and Business Administration as well as having Qualification of International Hotel Management. He plays vital role in every era of management right from building of infrastructure to development of every department which includes marketing, planning, production etc. He possesses expertise in managing the manufacturing and marketing segment of copper wires, cables lightning, fan and other electrical accessories. He aims at achieving the target of Rs. 1000 crores from sales in next Five years.

Other Directorships:

S. No.	Name of the Companies	Position
1	Kanchan Cables Private Limited	Director
2	VNB Marketing Private Limited	Director
3	Kunal Buildestate Private Limited	Director
4	Gurnani Holdings Private Limited	Director
5	Veto Electropowers (India) Private Limited	Director
6	Veto Electric Components Private Limited	Director
7	Veto Power Products Private Limited	Director
8	Veto Retails Private Limited	Director
9	Veto Electricals Private Limited	Director
10	Jaipur Buildvision Private Limited	Director
11	Veto Lightings Private Limited	Director
12	Narayan Realhome Developers Private Limited	Director
13	Vankon Switchgears And Cables Private Limited	Director
14	V1 Infradevelopers Private Limited	Director
15	Veto Fincap Private Limited	Director
16	Gurnani Inn Private Limited	Director
17	Gurnani Resorts And Hotels Private Limited	Director
18	Liljas Hotels And Resorts Private Limited	Director
19	Veto LED Lightings Private Limited	Director

Narain Das Gurnani (DIN: 01970599)

Narain Das Gurnani is the Whole-time Executive Director in the Capacity of Chief Financial Officer. He is Under Graduate by qualification but possesses specific skills in finance. He has over 35 years of experience in the field of electrical industry. Besides, he has experience of manufacturing in the same field. He has handled finance and costs in other group companies. He always plays vital role in formulating business strategies and effective implementation programs for both domestic and international markets.

Other Directorships:

S. No.	Name of the Companies	Position
1	Veto Electropowers (India) Private Limited	Director
2	Esma Constructions Private Limited	Director
3	Veto LED Lightings Private Limited	Director

Jyoti Gurnani (DIN: 06953899)

Jyoti Gurnani is a Woman Director of our Company. She is Graduate by qualification and participates actively in the growth and development of the Company. She has no other Directorships. She is the Chairperson of Internal Complaint Committee.

Dr. Kanwarjeet Singh (DIN: 07813714)

Dr. Kanwarjeet Singh is Non- Executive Independent Director of our Company. He is a senior physician and practicing his profession since 25 years. He is affiliated with Life Insurance Corporation of India (LIC), Sindhu Welfare Society and Rajasthan Housing Board. His acumen, administrative power and experience act as a guiding role for growth of our organization. He has no other Directorships. He is member in Nomination, Remuneration & Compensation Committee of our Company.

Govind Ram Thawani (DIN: 06367093)

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

Other Directorships:

S. No.	Name of the Companies	Position
1	Veto Electricals Private Limited	Director

Hari Krishan Motwani (DIN: 08570545)

Hari Krishan Motwani is Non- Executive Independent Director of our Company. He is a graduate and having very rich experience in Business Management and that his induction will ultimately strengthen the company by all means in development of its business. He is a Rtd. Deputy Manager in United India Insurance Co. Ltd. He has no other Directorships. He is a member in Audit Committees, Corporate Social Responsibility Committee, Nomination, Remuneration & Compensation Committee, and Stakeholders Relationship Committee of our Company.

Notes:

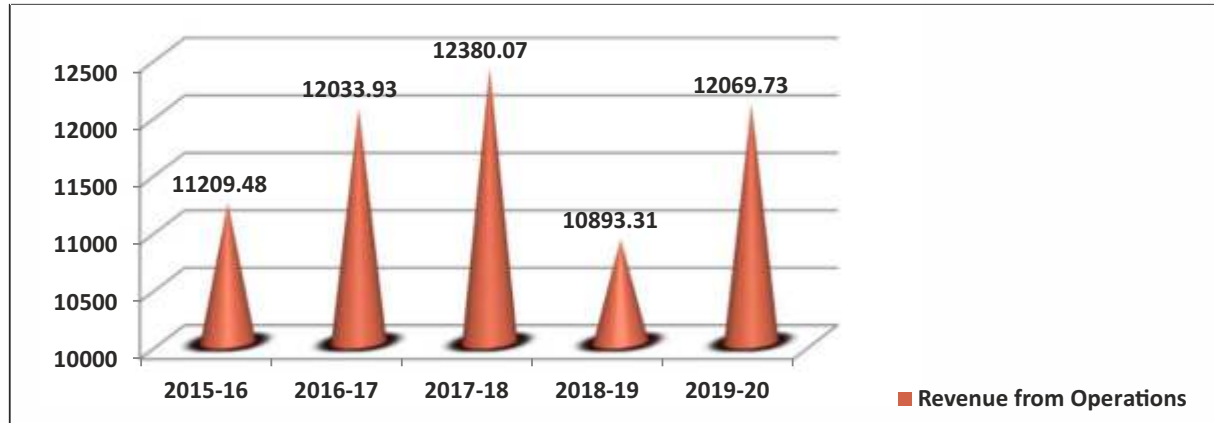
1. Other Directorships and Committee Memberships of Directors are as on 31st March 2020.
2. Changes in the composition of Director and the Committee:

Mr. Mohan Sukhani resigned w.e.f. 28th September 2019 was replaced by Mr. Hari Krishan Motwani as the Non- Executive Independent Director, and becomes a member of the all Board Committees, thereafter.

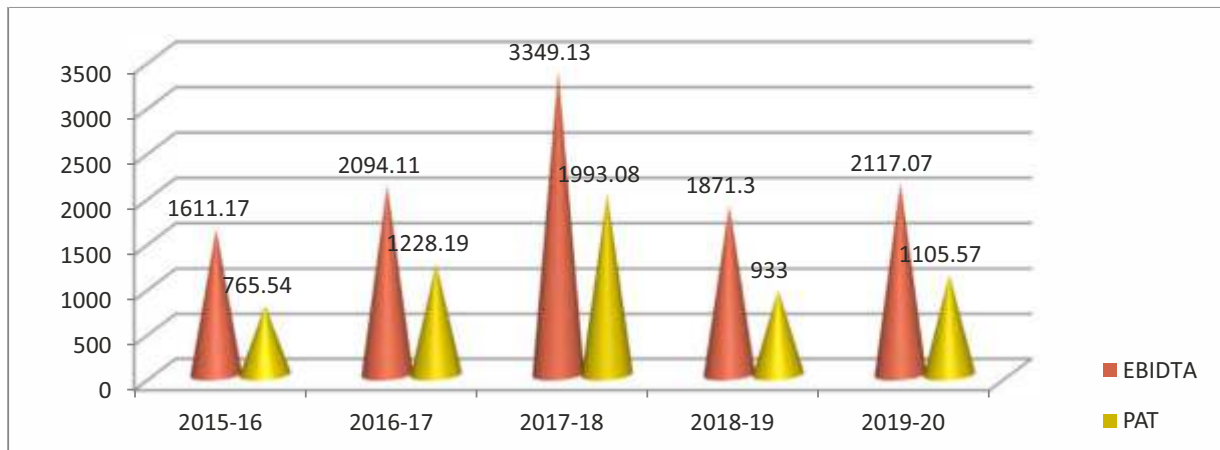
Key Performance Indicators

Years Of Consistent Progress And Perseverance (Standalone)

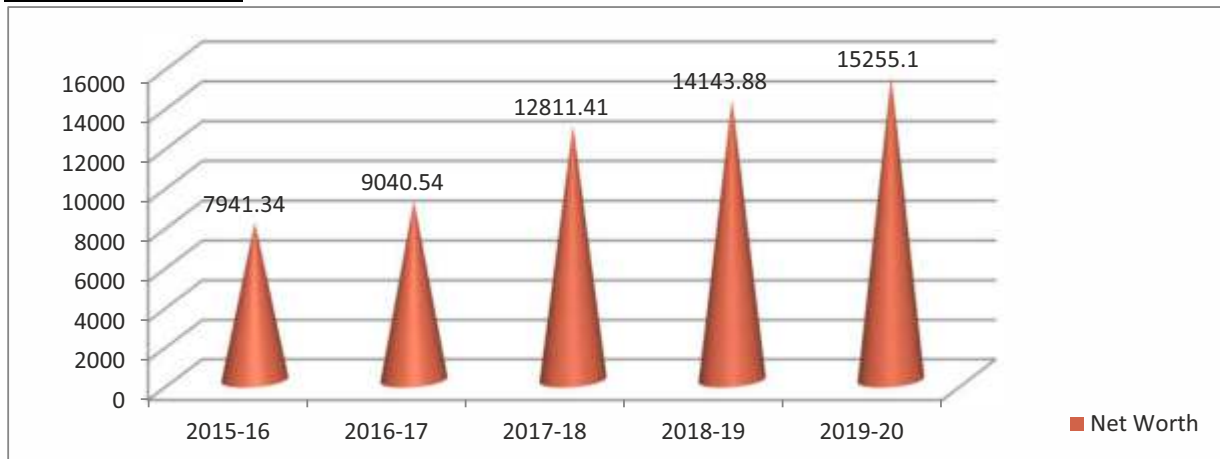
Revenue from Operations (in Lacs)



EBIDTA & Profit after Tax (in Lacs)



Net Worth (in Lacs)



CEO's Message



“You can’t connect the dots if you’re looking forward, you can only do it looking backwards. So you need to keep moving forward and hope the dots align somehow.”

Steve Jobs

Dear Stakeholders,

The key message one should learn from Steve Jobs motivational quote is that we are always learning. We are always growing and finding out new information. It’s all about what we choose to do with that information which really defines us.

Veto Switchgears and Cables Limited is recognized as the preferred business for its continuous learning, growing and applying the new ideas found out with the information available.

We all are in the middle of the biggest crises ever seen in our lifetime i.e. the COVID-19 pandemic. But, as we all know that: “The world ain’t all sunshine and rainbows” which means the time is not always favorable. We can even face the worst time as never expected as we are facing now. The value of hard work and commitment is judged during the hard times. *As Stallone says: “It ain’t about how hard you hit, it’s about how hard you can get it and keep moving forward.”*

This pandemic has created unprecedented socioeconomic disruption, fear and the tragic loss of human life. But, we strive to conduct our business in a manner reflecting our Safety and Environment Protection Policy. Company always prioritize the health and safety of its employees, kept customers’ mission critical systems running under very difficult circumstances and pitched in to help communities across the world battle the pandemic. We are committed to achieve this through integrity and sound corporate governance.

We’re all on a journey, and we’ve all been down in the dumps before, wondering if what we’re doing is really worth it. Wondering if what we’re doing is really making an impact. But it’s important that we’re always moving forward. This is a lesson that I learned in my life.

The fiscal year 2019-20 posed a challenging operating environment for the Indian economy, marked by liquidity constraints, muted investments, weak consumption and volatile commodity prices. Various macro indicators as well as overall GDP growth witnessed consistent deceleration. These challenges were further exacerbated by outbreak of novel corona virus (COVID-19) pandemic towards the end of the fiscal year.

I'm pleased to state that currently all our factories and offices are operating, majority of our authorized dealers, distributors and retailers are back on their feet with decent progress in terms of billings. During this period, we also focused on conserving and augmenting our liquidity position through judicious cost management and deferring non-critical expenditure.

Our Company, with volatility in the market and growing fluctuations during the year, has achieved EBIT of Rs. 1941.6 in Financial Year 2019-20. Veto has faced continuous growth in various segments such as LED, Wires, Cables and other electrical accessories.

For growth of any business organization, the team requires the three Ds i.e. Discover, Design and Deliver which means "using data to discover insights; translating insights into the design of products, strategies, or services; and finally, deliver them effectively to the marketplace. Different functions, departments, teams, and individuals in the organisation have collaborated together to deliver world class manufacturing facilities, operational deficiencies, and have set benchmarks in project execution. "VETO" has larger meaning as it pertains to not only the company and its people, but includes its other group associates, their people, all the stakeholders, the community and the environment. Together we have grown to more than Rs. 120.00 Crores from a modest business of Rs. 24.97 Crores in 2007-08; collectively we can go even farther. We penetrated new geographies in India, touching more lives in lower tier towns. Our new product launches, with a strong quality and value proposition, garnered very good response from consumers.

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

In the end, I would like to thank our management and staff members for their hard work and contribution. Their continuous support during this hard time gave us strength in attaining progressive success and realizing our vision and goals. I would also like to take the opportunity to express my gratitude to our partners, suppliers, invaluable consumers, our bankers, government authorities and to all our shareholders for the unwavering trust and support reposed in us. We will be delighted if you continue accompanying us in our journey as we work towards building the Veto of tomorrow.

Thanking you!

**With warm regards,
Akshay Kumar Gurnani
Managing Director & CEO
DIN: 06888193**

OUR VISION, MISSION & CORE VALUES

OUR VISION

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

OUR MISSION

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

OUR VALUE

© *Commitment*

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

© *Honest*

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

© *Team Work*

To bring a positive change by satisfying the demands of the Customers in an Eco-Friendly manner. Our vision unites us as one organization focused on delivering best results.

© *Passion*

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

© *Optimistic Approach*

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

I. DIRECTOR'S REPORT

Dear Members,

The Board of Directors have the pleasure of presenting the 13th Annual Report of the business and operations of your Company along with the Audited Financial Statements for the Financial Year ended 31st March, 2020 and other accompanying reports, notes and certificates. The Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. Financial Performance

Your Company is growing expeditiously. The Company's financial performance (standalone and consolidated) for the year ended March 31, 2020 is summarised below:

(Rs. In Lakhs)

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations (including other Income)	15090.30	21,867.74	12634.39	11530.99
Less Expenses :				
(a) Cost of materials consumed	5026.17	5,817.41	4402.88	5057.27
(b) Purchases of stock-in-trade	4759.72	16,935.56	3857.42	4,022.92
(c) Changes in inventories of finished goods, and stock-in-trade	699.55	(5,486.63)	(91.59)	(1,651.40)
(d) Employee benefits expense	1099.83	936.48	1032.00	842.84
(e) Finance costs	373.17	389.43	371.51	383.49
(f) Depreciation and amortisation expense	189.89	146.68	175.47	129.65
(g) Other expenses	1550.35	1,533.26	1316.60	1388.06
Total expenses	13698.68	20,272.19	11064.29	10172.82
Profit before tax and exceptional items	1391.62	1,595.55	1570.09	1,358.16
Less: Exceptional items	-	-	-	-
Profit before tax	1391.62	1,595.55	1570.09	1,358.16
Less: Tax Expense	463.63	438.24	464.52	425.16
Less: Minority interest	-	-	-	-
Profit after tax	927.99	1,157.30	1105.57	933.00

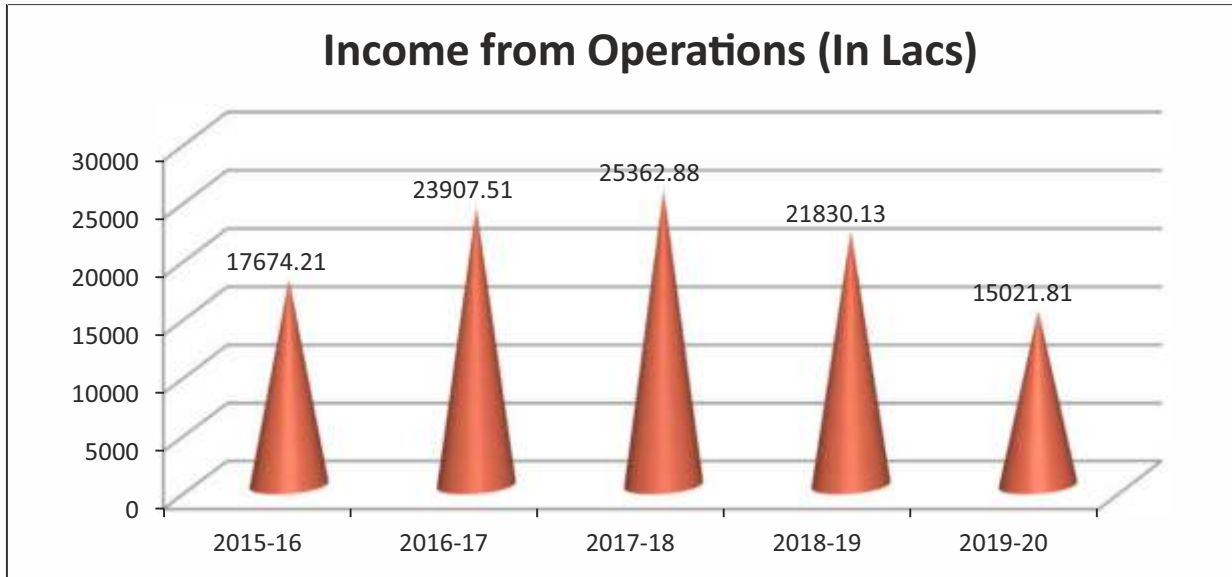
Indian Accounting Standards

Indian Accounting Standards (IND AS) had replaced the Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 pursuant to the notification issued by the Ministry of Corporate Affairs (MCA) and since then the Indian Accounting Standards (IND AS) is applicable on the Company for the accounting periods beginning on or after 1st April, 2017.

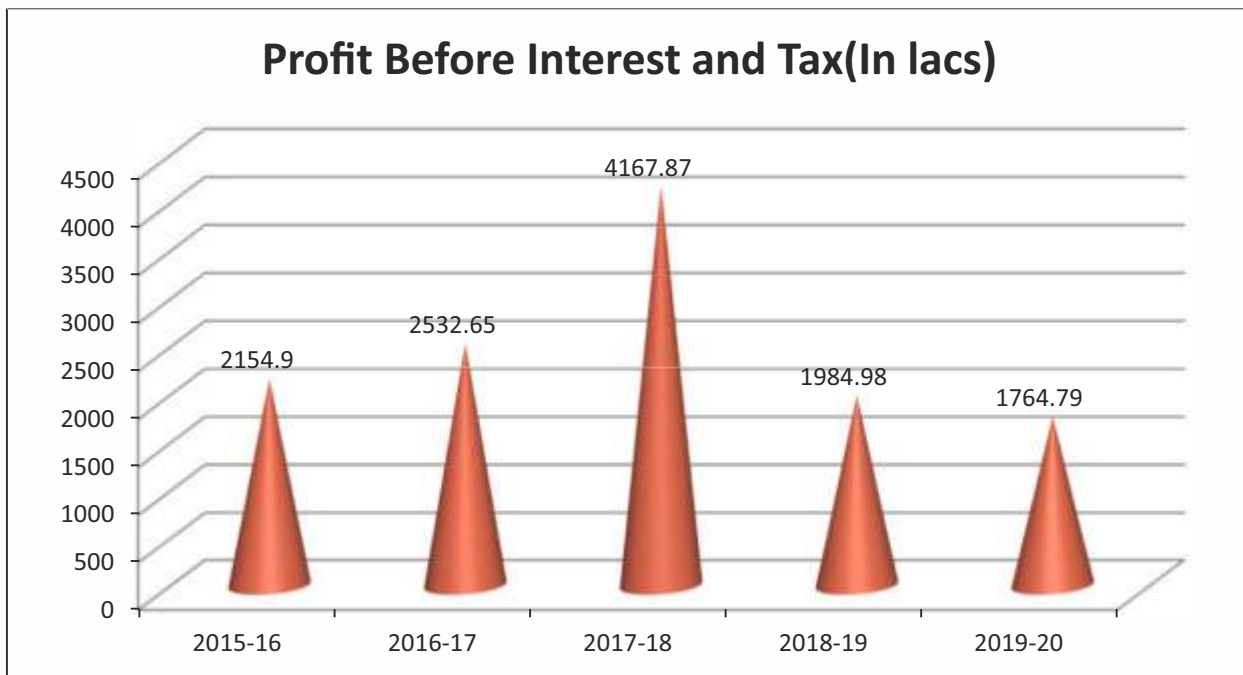
Consolidated Financial Results

During the year under review on consolidated basis our Company earned profit before tax and exceptional items of Rs.1391.62 Lacs against Rs. 1,595.55 Lacs in the previous year. The Company earned profit after tax of Rs.927.99 Lacs as compare to Rs. 1,157.30 Lacs in the previous year. The Company had Income from operations of Rs.15021.81 Lacs as compared to Rs. 21,830.13 Lacs in previous year. The Profit before Interest/Depreciation/Tax (PBDIT) was Rs. 1954.68 Lacs as compared to Rs. 2,131.66 Lacs in previous year.

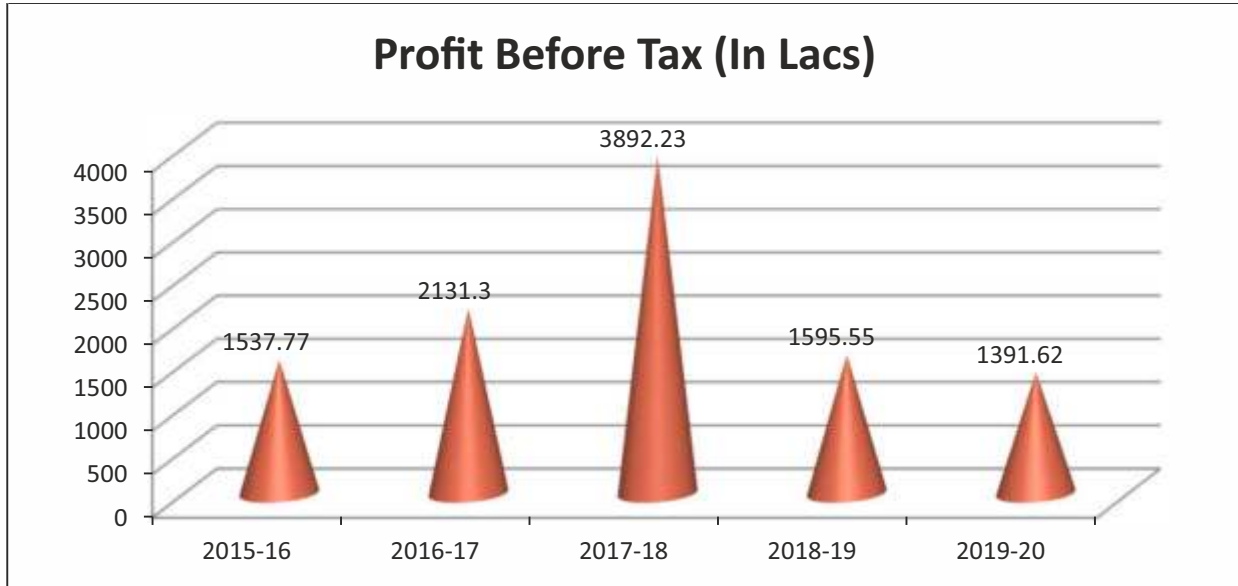
Income from Operations (In Lacs)



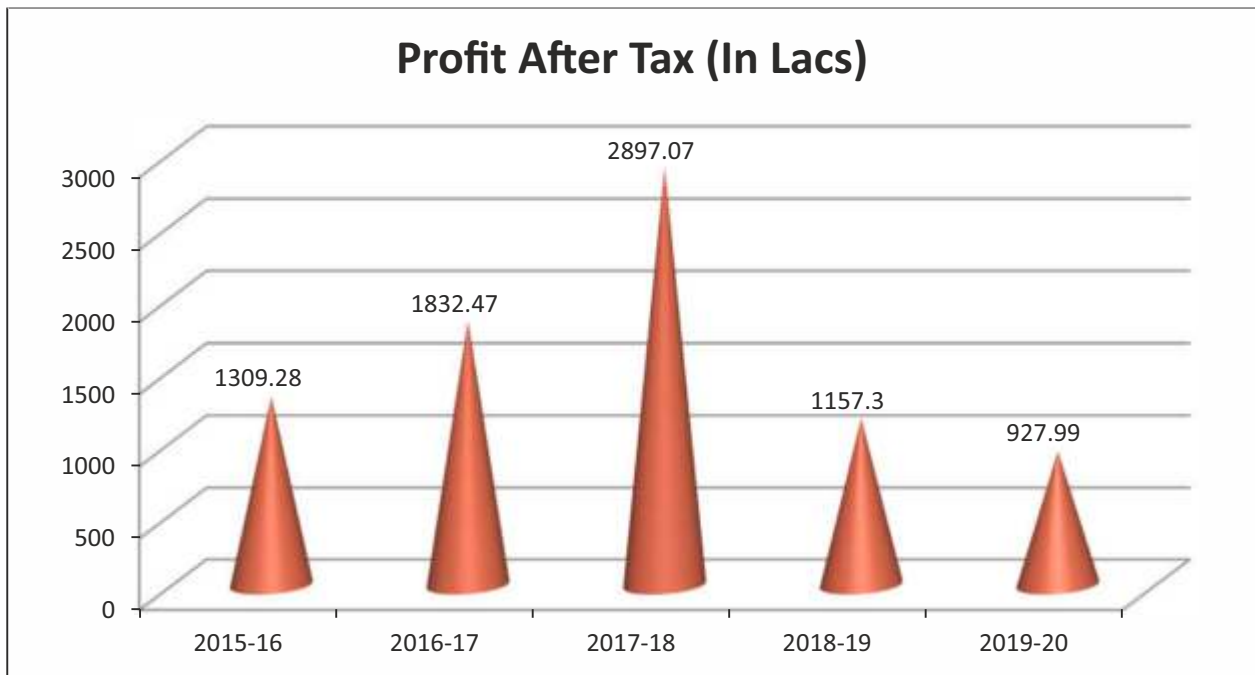
Profit Before Interest and Tax (In Lacs)



Profit Before Tax (In Lacs)



Profit After Tax (In lacs)



Standalone Financial Results

During the year under review on standalone basis our Company earned a profit before tax and exceptional items of Rs. 1,570.09 Lacs against Rs. 1,358.16 Lacs in the previous year. The Company earned profit after tax of Rs. 1105.57 Lacs as compare to Rs. 933.00 Lacs in the previous year. The Company had Income from operation of Rs. 12069.73 Lacs as compared to Rs. 10,893.32 Lacs in previous year. The Profit before Interest/Depreciation/Tax (PBDIT) was Rs. 2117.07 Lacs as compared to Rs. 1871.3 Lacs in previous year.

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

Dividend

The Board of Directors of your company wish to conserve resources (due to COVID-19 pandemic) for future expansion and growth of the Company. Hence, they have decided not to declare any further final dividend for this financial year under review.

Reserves

Rs. 1105.57 lakhs has been transferred to reserves and surplus account during the current year.

Share Capital

The Authorised Capital of the company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lacs) equity shares of Rs. 10/- each and Issued, Subscribed and Paid-up capital is Rs. 19,11,49,550/- (Rupees Nineteen Crores Eleven Lacs Forty Nine Thousand Five Hundred Fifty Only) divided into 1,91,14,955 (One Crores Ninety One Lacs Fourteen Thousand Nine Hundred Fifty Five) equity shares of Rs. 10/- during the year.

There has been no change in the Authorized Share Capital, Issued, Paid up and Subscribed Capital of the company during the year.

Financial Statements

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Section 136 of the Companies Act, 2013 read with Rule 10 of the Companies (Accounts) Rules, 2014, the Annual Report containing salient features of the financial statements, including consolidated financial statements, for the financial year 2019-20, along with statement containing salient features of the Directors' Report (including Integrated Reporting and Management Discussion & Analysis and Corporate Governance Report) is being sent only by electronic mode to members whose e-mail addresses are registered with the Company or with the Depository participant/Depository and uploaded on the website of the Company also be accessed from the websites of the Stock Exchanges i.e. BSE Ltd and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively

Annual Report 2019-20 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, including consolidated financial statements, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors' Report (including Integrated Reporting and Management Discussion & Analysis and Corporate Governance Report) is being sent via email to all shareholders who have provided their email address (es).

Change in the nature of business, if any

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

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

- Veto LED Lightings Private Limited, wholly owned subsidiary is newly incorporated 18th November 2019 and commercial production was supposed to start on 1st July 2020 but due to COVID-19, the entire plan has been shifted to 1st July, 2021.

The Company purchased land admeasuring 1605 sq.m. With factory premises from Krisha Buildtech LLP located at S. NO. 62, H. NO.2 pt and 3 pt, Plot No.7, Ganesh Industrial Estate, Behind Burmacel Pump, Waliv, Vasai, Palghar, Mumbai, Maharashtra for increasing and expanding its ongoing LED Lightning business through its 100% wholly-owned subsidiary.

This wholly owned subsidiaries has increased its authorized capital from Rs. 10,00,000/- (Ten Lack Only) to Rs. 9,00,00,000/- (Nine Crore Only) w.e.f. 8th April 2020 and also allotted 8900000 shares @ Rs. 10/- on right issue bases to holding company Veto Switchgears and Cables Limited on 28th July, 2020 for expansion of production for LED.

Further, Veto Switchgears And Cables Limited has another wholly owned subsidiary in name of Veto Electricals Private Limited. This wholly owned subsidiaries has increased its authorized capital from Rs. 10,00,000/- (Ten Lack Only) to Rs. 9,00,00,000/- (Nine Crore Only) w.e.f. 26th June 2020 and allotted 8900000 shares @ Rs. 10/- on right issue bases to holding company Veto Switchgears and Cables Limited on 28th July, 2020 for expansion of its Business.

Management Discussion and Analysis

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

Particulars of Loan, Guarantee and Investments

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the respective notes to the Standalone Financial Statements of the Company.

Deposits

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

2. Business Operations / State of Company's Affairs

The company and individuals carry the same objective of not only improving, but empowering people's lives with our unique repertoire of products and services, backed by time tested technology and advanced Research & Development methods. With persistent focus on innovation, prompt capitalization of opportunities, building up credibility through strategic thinking, operational expertise, well planned investments and

business integrity, we aim to continue our journey without any reduction in intensity or strength. The company envisages an organization that is truly global in every way i.e. technology, policies and possibilities and it can be seen with its world-wide tie-ups, collaborations and import-export relations. Your company has been developing as a distinctive brand of leadership well equipped to address critical challenges faced by industry and society. Our ambition is being recognized as one of the major competitors globally in the electrical accessories industry.

Veto Switchgears and Cables Limited is one of the most respectable cable manufacturers in India. Brand Veto is committed to quality, safety and service with no compromise. The Company is an ISO 9001:2008 certified company, engaged in manufacturing and selling wires & cables along with other electrical accessories in India.

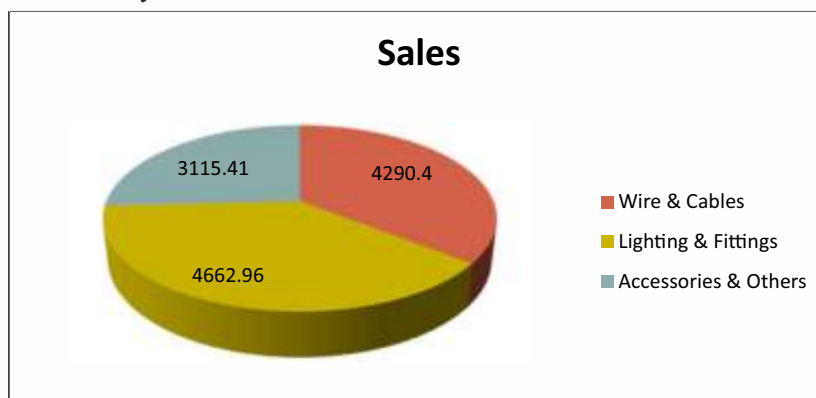
The brand VETO came into existence in 1967 and since then holds a major sector of electrical accessories in India. The company has built powerful and efficient team of marketing professionals, dealers and distributors. Result of which can be seen through its increasing sales. Production has reached its manifold several times since its inception. We aim at providing “Best Quality at Competitive Prices.”

The product portfolio ranges from industrial cables, stand cables to telephone & co-axial wires, from general switches to modular switches, from ceiling fans to rechargeable fans, compact fluorescent lamps, LED bulbs and other electrical accessories such as switch socket, MCB, bell and all other electrical accessories that are used for household purposes and manufacturing of wires and cables. Cable range starts from 0.75 mm to 10 mm. The Company also manufactures LED panel Lights, LED Flood Light, Slim Panel Light, LED strip Light and has also received tremendous response from selling the same.

The products are supplied under the brand name “VETO” and “VIMAL POWER” through large network of dealers and distributors to its valuable customers in India as well as Abroad.

VIMAL POWER is a part of Veto group and continues to reinforce a successful international presence and enhance its enviable reputation for innovation. Measures taken for continuous research and development ensures in developing world beating range of cables for satisfying or surpassing the requirements of Indian Standards.

Its major distribution in India covers more than 15 states including major sale in Rajasthan, Gujarat, Haryana, Himachal Pradesh, Punjab, JNK, Uttarakhand, Jharkhand, Bangalore, Assam, Karnataka, Kerala, Tamil Nadu, Andhra Pradesh and Madhya Pradesh.



Raw Material

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

(Qty. in kg)

Product category	Existing (2019-20)	Proposed (2020-21)
Copper	258824900	284707390
PVC Resin	36800981	40481079.1
Aluminium	8616803	9478483.3

Infrastructure facilities

- **Power:** Presently 400 KVA of power supply is sanctioned by Uttarakhand Power Corporation Limited of which approximately 325 KVA have been utilized for our present business operations. Addition to this, the Company has installed a DG set of 250 KVA capacity to avoid any disruption in the power supply. Therefore, we envisage that our further requirement of power for our proposed modernization plans can easily be met from the present supplies.
- **Fuel:** Our Company mainly requires HSD for operating the DG sets. The present monthly consumption of HSD is about 1000 litres. The HSD is being supplied by retail outlets of IOC, HPCL and BPCL.
- **Water:** Water is an essential need and is basically required for drinking and other domestic purpose. Presently, about 7000 litres per day (after proposed modernization) is required at our Haridwar unit. Requirement of water is met from our own borewell. The water supply is regular and sufficient to meet entire requirements. There arise no difficulty in obtaining water because of the presence of number of borewell and the water level in the area being high due to proximity to nearby canal and River Ganga.
- **Manpower:** Our Company has adequate manpower at all levels and does not envisage any difficulty in getting the requisite personnel for our business operations at existing locations. Details of manpower are as follow:

Category	Nos.
Top management	3
Managerial & Supervisory staff	11
Office staff	115
Skilled workers	65
Unskilled workers	211
Total	405

- **Effluent Treatment and Disposal :** Our Company does not generate any industrial effluents which is hazardous to the environment. The waste produced during the manufacturing operation is re-used and/or recycled.
- **Environmental Clearance:** We have got all the necessary approvals from the local authorities to operate our business.
- **Safety Standards:** Quality and safety are the hallmarks of our diverse range of products, which are designed and manufactured to the very highest standards such as ISO 9001 and approved by the leading organizations nationally and internationally.

- **Our Strategy:** Company's goal is to enhance the competitiveness in the market by adopting several techniques such as continuous research and development, product engineering to ensure the best manufacturing process for our products. 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. Installation of new assets to enhance and attract new markets is also in the horizon.

- **Capacity and capacity utilization**

Particulars	Projected		Actual
	FY 2019-20	FY 2020-21	FY 2019-20
Wires & Cables			
Installed Capacity	20.00 Lacs Bundles	20.00 Lacs Bundles	20.00 Lacs Bundles
Capacity Utilization (in %)	42.50	45%	43.10%
Production	8.50 Lac Bundles	9.00 Lac Bundles	8.62 Lac Bundles
Electrical Accessories			
Installed Capacity	600 Lac pieces	600 Lac pieces	600 Lac pieces
Capacity Utilization (in %)	41.67%	45%	16.65%
Production	250 Lac pieces	270 Lac pieces	99.92 Lac pieces

- **Insurance**

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

1. Fire policies for our units, buildings and offices, raw materials, work-in-progress and finished goods as well as entire stock maintained at all our Depot's;
2. Marine policy for transit of raw materials and finished products in India and Marine Export policy;
3. Accidental & Health insurance facility for field staff;
4. Gratuity policy.

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

- **Risks and Concerns**

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

- **Internal Control System**

● The Company has an adequate system of internal control commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies. The Audit Committee reviews adherence to internal control systems and internal audit reports.

- Company has formed the Risk Management Committee for the assessment and monitoring of the risks involved in the Company.
- Preparation and issuance of financial reports to the shareholders and in the market, including the Annual Report and consolidated financial statements, is reviewed by the Audit Committee. The Company's financial reporting process is controlled using documented accounting policies and reporting formats, supplemented by detailed instructions and guidance on reporting requirements. The Company's processes support the integrity and quality of data, including appropriate segregation of duties. The financial information of the parent entity and all its subsidiary entities which form the basis for the preparation of the consolidated financial statements are subject to scrutiny by Group level senior management. The Company's financial reports, financial guidance, Annual Report and consolidated financial statements are also reviewed by the Audit Committee of the Board prior of presenting to the Board of Directors for their consideration and approval.
- Detailed budgetary process includes identification of risks & opportunities which is ultimately approved at Board level.
- Board approved the capital expenditure and Audit Committee approved the treasury policies which clearly defines authorization limits and procedures.
- An internal audit function reviews key financial / business processes and has full & unrestricted access to the Audit Committee.
- Established systems and procedures to identify control and report on key risks. Exposure to these risks is monitored by the Risk Management Committee; and
- A risk management programme is placed throughout the Company whereby Risk Management executive reviews and monitors the controls in place both financial and non financial, to manage the risks facing the business.

Details of Subsidiaries

As on 31st March 2020, The Company had 3 (Three) subsidiary companies. One is registered outside India and Two are registered in India.

One in Jaipur in the name of "Veto Electricals Private Limited" , another in Mumbai in the name of "Veto LED Lighting Private Limited" and the other in Azman, Duabi, UAE in the name of "Veto Overseas Private F.Z.E."

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

On May 29th, 2017 Veto Electricals Private Limited inaugurated its manufacturing plant (100% Export Unit) at Mahindra SEZ, Jaipur and started its commercial Production on July 1st 2017.

Veto LED Lighting Private Limited is newly incorporated (8th November, 2019) Wholly Owned Subsidiary Company of the parent Company. Same has been disclosed in Annexure-I.

The operations of Veto LED Lightings Private Limited was about to start from 1st July, 2020. But, due to COVID-19, the entire plan has been shifted to 1st july , 2021.

On October 11th 2015 Veto registered a wholly owned subsidiary in Dubai in the name of “Veto Overseas Private F.Z.E.”. It has earned total revenue of 1,11,35,507 AED for the year ended 31st March 2020. The Company has declared Loss of 6,64,000 AED. It is headed by Mr. Ashish Goklani as its Manager. The copy of the Consolidated audited accounts together with the independent auditor’s report is provided in a separate section of this Annual Report.

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

In terms of provisions of Section 136 of the Companies Act, 2013 the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are also available on the website of the Company. These documents shall also be available for inspection at the registered office of the Company during business hours up to the date of ensuing AGM.

Performance and Financial position of Subsidiary Company

The details with respect to subsidiary Companies in Form AOC-1 as on March 31st, 2019 have been discussed in Annexure II.

3. Human Resource Management

Employee Relations

VETO encourages a culture of trust and mutual respect. Employees are aligned to common objectives and take pride in the quality of the products that enhances the factory for sale in the markets. We have always realized the importance of human capital and duly acknowledge it in our business operations. Your Company has managed to create and build “Lifers” at VETO- people who have been associated with the Company have started earning life at VETO. It ensures stability and satisfaction when we realize that our partners in success trust us to such an extent that they stand by us at all times.

Their experience, skills, knowledge, ideas and enthusiasm are an invaluable asset. We humbly acknowledge their contributions with competitive compensation and benefits that appropriately reward performance. Pay revisions and other benefits are designed in such a way to compensate good performance of the employees of the Company.

The talent pool of your Company has steadily evolved with changing times with fresh talent being infused to meet demanding situations. The Company has a scalable recruitment and human resource management process which enables us to attract and retain high caliber minds.

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

Managerial Remuneration

A) Information has been laid down as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Nomination and Remuneration Committee continuously reviews the performance of the Managing Director, Whole Time Director and Other Directors.

1. Remuneration paid to Directors

Name of Director	Title	Remuneration in Year 2019-20	Remuneration in Year 2018-19	% increase in Remuneration in comparison to last year	Ratio of Remuneration to MRE
Mr. Akshay Kumar Gurnani	Managing Director	19,50,000	15,00,000	30%	12.12
Mr. Narain Das Gurnani	Whole-time Director/ CFO	12,00,000	12,00,000	0.00	7.46
Ms. Jyoti Gurnani	Director	6,00,000	6,00,000	0.00	3.73

1. The remuneration disclosed here is upto 31st March 2020 as per the audited Financial Statements.
2. The Median Remuneration of Employees is Rs.160803 approx.

3. Median Remuneration is calculated on the basis on annualized salary, MRE – Median Remuneration of employees.
4. The median remuneration of employees was 160803 as on 31st March 2020 and Rs. 2,03,061.40 as on 31st March, 2019. There is decrease in MRE during the financial year 2019-20 of 20.81%.
5. On 31st March 2020, the total number of permanent employees on the rolls of Company is 405 employees.
6. Average Salary decrease of non-managerial employees is (11.13) % and increase of managerial employees is 27.28% in financial year 2019-20.
7. Increased the remuneration of Mr. Akshay Kumar Gurnani, Managing Director and CEO of the company by the approval of shareholder at the last AGM on 28th September, 2019.
8. Remuneration paid during the year ended 31st March 2020 is as per the Remuneration Policy of the Company.

Particulars of Employees

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

4. Corporate Governance

Corporate Governance Report

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

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

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

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

5. Directors and Key Managerial Personnel (KMP)

Change in directors and KMP during the year

Mr. Hari Krishan Motwani (DIN: 08570545) Non-Executive Independent Director has been appointed w.e.f. 28th September, 2019. Mr. Mohan Sukhani (DIN: 00113432) Non-Executive Independent Director resigned from his directorship w.e.f. 28th September, 2019. The Shareholders of the Company at their 12th Annual general meeting (AGM) held 28th September, 2019 re-appointed Mr. Narain Das Gurnani as Director whose office was liable to retire by rotation.

The Extra-Ordinary General Meeting (EGM) of the members of the Company was held on 28th February, 2020 Mr. Govind Ram Thawani (DIN:06367093), Non-Executive, Independent Director of the Company, aged 79 years, whose present term of office is for 5 (five) years, re-appointed with effect from the 10th (Tenth) Annual General Meeting of the Company held on September 29th, 2017 till September 28th, 2022 and whose continuation in office requires approval of the Members by way of Special Resolution being more than 75 years of age (DOB: 04-04-1940), approval of the Members of the Company

Ratification of Appointment of Mr. Govind Ram Thawani, as Independent Director of the Company as he has attained the age of 75 years.

S. No.	Name of the Directors	Designation	Date of Appointment
1.	Mr. Akshay Kumar Gurnani	Executive Managing Director and CEO	27/08/2014
2.	Mr. Narain Das Gurnani	Whole-Time Director and CFO	24/05/2016
3.	Ms. Jyoti Gurnani	Director	27/08/2014
4.	Mr. Govind Ram Thawani	Non-Executive Independent Director	22/08/2012
5.	Mr. Kanwarjeet Singh	Non-Executive Independent Director	06/05/ 2017
6.	Mr. Hari Krishan Motwani	Non-Executive Independent Director	28/09/2019

Note: w.e.f. 29.06.2020, Mrs Varsha Rane Choudhary was appointed as a company secretary in place of Ms. Bhavna Giamalani.

Board Evaluation

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

Remuneration Policy

Remuneration Policy of the Company has been laid down separately for:

1. Labours
2. Office Staff

I. For Labours

Labours Minimum Wages Act, 1948 is applicable for fixing the remuneration of the Labours. Remuneration is payable on Hourly basis.

II. For Office Staff

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management of the quantity required to run the Company successfully. The relationship of

remuneration to performance should be clear and meet appropriate performance benchmarks. The Management of the Company may be provided in excess of remuneration on the basis of outstanding performance performed by the employee only, if the Company is not satisfied with the performance of the employee than the said increment can be restricted. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

a. Managing Director

The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders.

b. Directors

The remuneration/compensation/commission etc. to be paid to the Directors will be determined by the Committee and recommend to the Board for approval.

c. Non-Executive Independent Directors

The Non-Executive Independent Director may receive remuneration by way of Sitting Fees for attending meetings of the Board thereof. Provided that the amount of such fees shall be subject to ceiling/limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

d. KMPs/ Senior Management Personnel

The Remuneration to be paid to KMPs/Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

e. Directors' and Officers' Insurance

Where any insurance is taken by the Company on behalf of its Directors, KMPs/Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

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

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

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

No. of meetings of the Board

In total Nine (9) Board Meetings were held during the year 2019-2020 and the gap between two consecutive meetings did not exceed 120 days. Following is the schedule of Board Meeting:

Detail of Board Meetings held

S. No.	Date of Board Meeting
1.	25 th April 2019
2.	22 nd May 2019
3.	14 th August 2019
4.	6 th September 2019
5.	25 th September 2019
6.	7 th October 2019
7.	13 th November 2019
8.	31 st January 2020
9.	12 th February 2020

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

All Independent Directors of the Company have given declaration that they meet with the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms & conditions for the appointment of Independent Directors are laid down on the website of the Company and have been separately disclosed in the Corporate Governance Report. <http://www.vetoswitchgears.com/investor/corporate-governance/independent-directors>.

6. Committees of Board

Following are the four Committees of the Board namely:

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

Detail of all the Committees along with their composition, charters duties, responsibilities, activities and meetings held during the year, have been provided in the “Report on Corporate Governance” as part of this Annual Report.

Name of Committee	Composition of Committee
Audit Committee	1. Mr. Govind Ram Thawani - Chairman 2. Mr. Hari Krishan Motwani 3. Mr. Narain Das Gurnani
Nomination and Remuneration Committee	1. Mr. Govind Ram Thawani - Chairman 2. Mr. Kanwarjeet Singh 3. Mr. Hari Krishan Motwani
Shareholders'/Investors' Grievance Committee	1. Mr. Govind Ram Thawani - Chairman 2. Mr. Narain Das Gurnani 3. Mr. Hari Krishan Motwani
Corporate Social Responsibility Committee	1. Mr. Govind Ram Thawani - Chairman 2. Mr. Hari Krishan Motwani 3. Mr. Narain Das Gurnani

Note: Change in the composition of Director and the Committee: Mr. Mohan Sukhani resigned w.e.f 28th September, 2019 and Mr. Hari Krishan Motwani was appointed as the Non executive Independent director, and become a member of the above committee, thereafter.

7. Risk Management

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

8. Directors Responsibility Statement

The Board of Directors acknowledge the responsibility for ensuring compliances with the provisions of Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013 in preparation of annual accounts for the year ended 31st March 2020 and state that :

- (a) in the preparation of the annual accounts for the financial year ended 31st March 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies, being applied them consistently and make judgments & estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2020 and profit of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) proper internal financial controls have been laid down which are adequate and are operating effectively;
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

9. Related Party Transactions

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

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

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

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

However, a note on Related Party transactions may be referred to in the relevant notes of the Standalone Financial Statements.

10. Listing of Shares

The shares of the Company are listed on recognized Stock Exchanges i.e. at Bombay Stock Exchange Limited & at National Stock Exchange of India Limited and the listing fee for the year 2019-20 has been duly paid.

11. Prevention of Insider Trading

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

12. Auditors and Auditor's Report

Statutory Auditors

The Company had appointed M/s. K. M. Tulsian & Associates (Firm Registration No. 111075W) as the Statutory Auditor(s) of the Company for a period of 5 years commencing from the conclusion of the 10th Annual General Meeting till the conclusion of 15th Annual General Meeting to be held in the year 2022. on such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors.

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

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

Cost Auditors

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

The Board of Directors on the recommendation of Audit Committee has appointed M/s. Rajesh & Co., Cost Accountants (Firm Registration Number No. 000031) as Cost Auditor to audit the cost accounts of the Company for the Financial Year 2020-21, be paid a remuneration of Rs. 15000/- Plus Service tax . As required under the Companies Act, 2013, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

Disclosure on maintenance of cost record - The company made & maintained the cost record under section 148 of the companies act 2013 for the financial year 2019-20.

Secretarial Audit Report

The Board has appointed Ms. Nisha Agarwal, Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2019-20. The Secretarial Audit Report for the Financial Year ended 31st March 2020 is annexed herewith marked as Annexure VI to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Corporate Governance Certificate

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

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

Reservation and Qualification on Auditor Report

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

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

There are no significant and material orders that are passed by the regulators or courts or tribunal impacting the going concern status and Company's operations in future.

13. Extract of Annual Return

The details with respect to extract of Annual Return is available at Company's website: <http://www.vetoswitchgears.com/investor-zone/category/financial-information/reports/>

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

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

The Company has placed adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses have been observed.

15. Depository System

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

16. Report under the Prevention of Sexual Harassment Act

As a good corporate citizen, Veto is committed to a gender friendly workplace. It seeks to enhance equal opportunities for men and women, prevents/stops/redresses sexual harassment at the workplace and institute good employment practices. Veto has established suitable processes and mechanisms to ensure and address issues on sexual harassment, if any, maintaining an open door for repartees. Veto encourages employees to report any harassment concern and is responsive to complaints about harassment or any other unwelcome and offensive conduct. An Internal Complaint Committee has been constituted to enquire into the complaints and recommend appropriate action, wherever required. Veto demands, demonstrates and promotes professional behavior and respectful treatment of all employees.

During the year, no complaints of sexual harassment were received.

17. Conservation of energy, technology absorption and foreign earnings & outgo

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

(A) CONSERVATION OF ENERGY

Company has taken several steps to conserve energy through its “Sustainability” initiatives and the Company continues its endeavor to improve methods used for energy conservation and utilization. The Company has always been conscious of the need for conserving energy and has always been sensitive in making progress towards this end. Energy conservation measures have been implemented at all the plants and offices of the Company and special efforts are being made on undertaking specific energy conservation projects like:

1. Lighting: Continuous efforts are being made by the Company to reduce or optimize the lighting requirements at all the plants. Replacement of Conventional light fittings with LED light fixtures, Installation of CFL and LED indicators, Use of 54Wx4 T5 lamps for assembly areas lead to savings in power at office areas.
2. Replacement of old equipment with new / energy efficient equipment.
3. Optimization of Electrical Equipment: In addition to the existing controls on prime production equipment and existing prime utilities equipment, some electrical equipment modifications / additions being done for continuous monitoring of power factor of plant on daily basis and redesign of pay off fixtures in cable division to reduce energy consumption by 40%.
4. Company believes in sharing and implementing best practices across all plant. Stage wise replacement of all conventional light fittings to LED light fittings made across the manufacturing units. Impact of all the measures taken for reduction of energy consumption was seen.

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

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

(B) ENVIRONMENT, HEALTH AND SAFETY

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

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

Our Company follows best practices for health and safety. Employees and workers are regularly trained by industry experts on issues of occupational and industrial health & safety, first-aid and environment management. Healthy lifestyle and well-being are also promoted as a culture at VETO. Our Company also

provides life insurance cover, personal accident cover and robust medical & health policies to all field staff against any unfortunate incident. VETO India strongly believes in maintaining a balanced work-life and therefore follows strict in-and-out work-timings. This has gone a long way in maintaining a healthy, happy and motivated workforce.

(C) TECHNOLOGY ABSORPTION

The Company is putting continuous efforts in acquisition, development, assimilation and utilization of technological knowledge through its wide advance engineering project portfolio. This has enabled the Company to keep abreast with the latest developments in product technology, manufacturing process and methods, quality assurance and improvement, marketing, management systems and benefited out of mutual experience. To develop our product pipeline we commit substantial time, efforts, funds and other resources for R&D. Our processes and products for such development are fully tested. There is a possibility that it may not perform as expected and may not be able to successfully and profitably produce and utilize such products or processes as thought. Therefore, our investments in R&D and new product launch could result in higher costs without a proportionate increase in revenues.

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

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

(D) Detail of Foreign Exchange Earnings and Outgo.

During the financial year Company's Foreign Exchange Earnings in terms of actual inflow was 14,10,09,990/- INR and the Foreign Exchange Outgo in terms of actual outflow (including machinery imported) was 8,08,40,757/- INR. The information on foreign exchange earnings and outgo is furnished in the notes to the accounts of Standalone Financial results.

18. Credit Rating

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

19. Management Discussion and Analysis

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

(i) Economy and Markets

Global Economic Scenario

As the economic fallout from the COVID-19 pandemic and the Great Lockdown has become more severe, many governments have stepped up their emergency lifelines to protect people, preserve jobs, and prevent

bankruptcies. The steep contraction in economic activity and fiscal revenues, along with the sizable fiscal support, has further stretched public finances, with global public debt projected to reach more than 100 percent of GDP this year. As the lockdowns are unwound in many countries, policy focus needs to shift toward facilitating recovery, although uncertainty about the containment of the pandemic remains, and elevated debt could constrain the scope and effectiveness of further fiscal support. This annex updates the April 2020 Fiscal Monitor on fiscal measures in response to the pandemic, as well as the fiscal outlook.¹

More than two-thirds of governments across the world have scaled up their fiscal support since April to mitigate the economic fallout from the pandemic and the stringent lockdowns as growth is revised further down relative to the April 2020 World Economic Outlook. These measures have helped save lives, protect livelihoods, and preserve employment and business relations. Announced fiscal measures are now estimated at near \$11 trillion globally, up from \$8 trillion estimated in the April 2020 Fiscal Monitor. The Group of Twenty (G20) economies continue to account for the bulk of the global fiscal support, with budget measures now standing at 6 percent of GDP on average, compared with just 3 percent of GDP in April, and much higher than during 2008–10 in response to the global financial crisis.

The steep contraction in output and ensuing fall in revenues, along with sizable discretionary support; have led to a surge in government debt and deficits. Beyond discretionary fiscal measures, automatic stabilizers from taxes and social protection are expected to help cushion the fall in household incomes during the recession, but also to contribute to one-third of the rise in deficits on average. Revenues could also fall more if deferred collections are not recovered in full. Public finances could deteriorate less than forecast if safe and effective vaccines become available later this year, restoring confidence and mitigating the downturn.

As the Great Lockdown begins to ease in several parts of the world, fiscal policies will have to adapt to country circumstances, balancing the need to protect people, stabilize demand, and facilitate recovery. Where the pandemic remains acute and stringent lockdowns continue, fiscal policies should accommodate health care services to save lives and provide emergency lifelines to protect people. Where lockdowns are easing, fiscal policies should gradually transition away from firm support to better targeted household support, taking into account the extent of informality in the economy. Employment support measures will need to encourage safe return to jobs and facilitate structural shifts in labor markets for a more resilient post-COVID-19 economy. Once the pandemic is under control, broad-based fiscal stimulus to support the recovery could focus on public investment, including on physical and digital infrastructure, health care systems, and the transition to a low-carbon economy. Where fiscal space is limited, countries need to reorient revenue and spending to increase and incentivize productive investment. Making some provisions (for example, relaxing eligibility) of social protection programs more long-lasting can enhance automatic stabilizers and help tackle rising poverty and inequality. All measures should be embedded in a medium-term fiscal framework and transparently managed and recorded to mitigate fiscal risks, including loans and guarantees that do not have an immediate effect on government debt and deficits.

Projections Source: IMF staff estimates and projections.

Indian Economic Scenario

India is well on its way to becoming a global supplier of goods and services. An efficient power supply system is the key ingredient for a country's economic growth and quality of life. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste.

But for the first time in seven years, India's GDP grew below 6 percent year over year for two consecutive quarters, forcing policymakers and markets to rethink India's outlook. The first quarter of FY2019–20 registered 5 percent growth, the slowest since the fourth quarter of FY2012–13. Three of the four growth engines—private consumption, private investment, and exports—have slowed down significantly. Consumption, the biggest contributor of growth, fell to an 18-quarter low of 3.1 percent in Q1 FY2019–20, pointing to fragile consumer sentiment and purchasing ability. Investments grew 4 percent, marginally up from 3.6 percent in the previous quarter. Exports grew 5.7 percent and have remained volatile owing to global uncertainties around trade and investments and geopolitical tensions. The fourth engine, government consumption and investment, is running out of steam because of the limited elbow room the government has for counter-cyclical spending as the budget deficit remains under pressure.

Market Overview:

Power is among the most critical component of infrastructure, crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

India has been the third largest producer and third largest consumer of electricity in the world with installed power capacity reaching 370.49 gigawatts (GW) as of May 2020. Electricity production reached 1,252.61 billion units (BU) in FY20. India was ranked fourth in wind power, fifth in solar power and fifth in renewable power installed capacity in 2018. India's rank jumped to 22 in 2019 from 137 in 2014 on World Bank's Ease of Doing Business - "Getting Electricity" rankings.

Market Size

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower).

By 2022, wind energy is estimated to contribute 60 Gigawatt (GW), followed by solar power at 100 GW, and biomass and hydropower at 15 GW. The target for renewable energy has been increased to 175 GW by 2022.

Total installed capacity of power stations in India stood at 370.34 GW as of April 2020. Electricity production reached 1,252.61 billion units (BU) in FY20.

Investment Scenario

Between April 2000 and March 2020, the industry attracted US\$ 14.98 billion in Foreign Direct Investment (FDI), accounting for three per cent of total FDI inflow in India.

Some major investments and developments in the Indian power sector are as follows:

- In March 2020, the Central Government signed virtual agreement to conclude strategic sales in Kamarajar Port Ltd, THDC India Ltd and North Eastern Electric Power Corporation Limited (NEEPCO), and it will receive Rs 13,500 crore (US\$ 1.93 billion) from these deals.
- In December 2019, NTPC announced investment of Rs 50,000 crore (US\$ 7.26 billion) to add 10GW solar energy capacity by 2022.
- In August 2019, Sembcorp Industries, the Singapore-based energy firm, made an equity infusion of Rs 521 crore (US\$ 101.6 million) into Sembcorp Energy India Ltd.
- Brookfield will invest US\$ 800 million in ReNew Power.
- In September 2019, Adani Transmission planned to acquire the entire stake in Bikaner Khetri Transmission.
- ReNew Power and Shapoorji Pallonji will invest nearly Rs 750 crore (US\$ 0.11 billion) in a 150 megawatt (mw) floating solar power project in Uttar Pradesh.
- The Government of India expected to offer nearly 20 power transmission projects worth Rs 16,000 crore (US\$ 2.22 billion) for bidding in 2019.

Government Initiatives

The Government of India has identified power sector as a key sector of focus to promote sustained industrial growth. Some initiatives by the Government to boost the Indian power sector are as below:

- The Union Budget 2020-21 has allocated Rs 15,875 crore (US\$ 2.27 billion) to the Ministry of Power and Rs 5,500 crore (US\$ 786.95 million) to Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY).
- Government plans to establish renewable energy capacity of 500 GW by 2030.
- Pradhan Mantri Sahaj Bijli Har Ghar Yojana- Saubhagya was launched by Government of India with an aim to achieve universal household electrification by March 2019.
- In September 2018, a draft amendment to Electricity Act, 2003 was introduced. It discussed separation of content & carriage, direct benefit transfer of subsidy, 24*7 power supply as an obligation, penalisation on violation of PPA, setting up smart meter and prepaid meters along with regulations related to the same.
- Ujwal Discoms Assurance Yojana (UDAY) was launched by the Government to encourage operational and financial turnaround of State-owned Power Distribution Companies (DISCOMS) with an aim to reduce Aggregate Technical & Commercial (AT&C) losses to 15 per cent by FY19.
- In August 2018, the Ministry of New and Renewable Energy set solar power tariff cap at Rs 2.50 (US\$ 0.04) and Rs 2.68 (US\$ 0.04) units, respectively, for developers using domestic and imported solar cells and modules.
- Government of India approved National Policy on Biofuels – 2018. Benefits of this policy were health benefits, cleaner environment, employment generation, reduced import dependency, boost to infrastructural investment in rural areas and additional income to farmers.

Achievements

- Following are the achievements of the Government in the past four years:
- In April 2020, NTPC Vindhyachal became the largest power plant in the country to achieve a plant load factor (PLF) of 100 per cent.
- India's rank jumped to 22 in 2019 from 137 in 2014 on World Bank's Ease of doing business - "Getting Electricity" ranking.
- Energy deficit reduced to 0.7 per cent in FY20 from 4.2 per cent in FY14.
- Over 353 million LED bulbs were distributed to consumers in India by Energy Efficiency Services Limited (EESL) under Unnati Jyoti by Affordable LEDs for All (UJALA) in July 08, 2019. 11.17 million LED bulbs were sold by private players till March 2019.
- As of April 28, 2018, 100 per cent village electrification was achieved under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY). In the Union Budget 2020-21, Rs 15,875 crore (US\$ 2.27 billion) has been allocated to the Ministry of Power, while Rs 5,500 crore (US\$ 786.95 million) has been allocated towards Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY).

The Road Ahead

The Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which include 100 GW of solar power and 60 GW of wind power. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022.

Coal-based power generation capacity in India, which currently stands at 229.40 GW, is expected to reach 330-441 GW by 2040.

In June 2020, Government launched pan-India Real Time Market in electricity.

The Cabinet Committee on Economic Affairs (CCEA) has approved commercial coal mining for private sector and the methodology of allocating coal mines via auction and allotment, thereby prioritising transparency, ease of doing business and ensuring the use of natural resources for national development.

Total FDI inflow in the power sector reached US\$ 14.98 billion between April 2000 to March 2020, accounting for three per cent of the total FDI inflow in India.

Note: Conversion rate used in April 2020, Rs 1 = US\$ 0.013123

References: Media Reports, Press Releases, Press Information Bureau (PIB)

Note: # - BMI Research, CMD, Coal India Limited

Disclaimer: This information has been collected through secondary research and IBEF is not responsible for any errors in the same

iii. COMPANY OVERVIEW

Veto Switchgears and Cables Limited is one of the largest and most diversified manufactures of electrical and telecommunication cables. The Company has been maintaining its leadership in manufacturing of Industrial Wires and Cables since the last 50 years. This has been primarily due to its continued investments in world-class technology, modernizing manufacturing capabilities and maintaining highest standards of quality and service. Its recent foray into LED segment underpins its attempt to emerge as a leading and preferred electric solutions provider from being a mere wires and cables manufacturer.

The addition of a unique range of products to its product portfolio has enabled the company to augment its reach and presence in the consumer products market. Its new segment of business has made significant contribution in the overall performance of the company.

➤ Major Products and segments

The comprehensive product portfolio of the company is designed to cater to the diverse electrical requirements across domestic, commercial and industrial markets. Delivering a wide array of wires and electrical cables, it is recognized as one of the leading company in the electrical accessories marker.

➤ Switchgears

India Switchgear Market (2017-2022) Report says that, growing T&D network and rural electrification program coupled with infra development is the key factors driving the switchgear market in India. Government schemes & initiatives such as UDAY & DDUGJY are expected to further fuel the growth of switchgear market in the forecast period. According to 6Wresearch report, India switchgear market is projected to reach \$3.7 Billion by 2022.

Further, Government initiatives to increase the penetration of clean energy are also a major source of growth for the switchgear market in India.

The international market showing the price hike by 2024 for low voltage switchgear industry, further the growing in demand for electrical and power sector in addition to the urbanization have increased the demand for electrical products and electrical protection equipment.

The Indian power sector has an investment potential of Rs 15 trillion (US\$ 225 billion) in the next 4-5 years, thereby providing immense opportunities in power generation, distribution, transmission, and equipment. The govt's immediate goal is to generate two trillion units (kilowatt hours) of energy by 2019. This means doubling the current production capacity to provide 24x7 electricity for residential, industrial, commercial and agriculture use. The Goal is taking a number of steps and initiatives like 10-year tax exemption for solar energy projects, etc., in order to achieve India's ambitious renewable energy targets of adding 175 GW of renewable energy, including addition of 100 GW of solar power, by the year 2022. The govt has also sought to restart the stalled hydro power projects and increase the wind energy production target to 60-GW by 2022 from the current 20 GW.

➤ Wires and Cables

The Indian wire and cable industry is growing satisfactorily and getting more and more consolidated and becoming largely organized now. However, slowdown in construction activity has been one of the major factors for a sluggish growth. Construction is also one of the core sectors of Indian economy and future of the industry is important for commodities. Construction cables and wire sector anticipated to see steep growth in demands in coming days owing to huge government's spending in infrastructure, smart cities, real estate boom, and housing explosion.

An industry delegation highlighted the sharp rise in tax rate to Gal. Manufacturers also questioned the logic of placing a higher tax when a sig. portion of the industry remains unorganized. A lower tax rate would have certainly helped the industry becoming more organized. The unorganized sector seems to continue to thrive as recycled & scrap copper could be easily smelted to make cheap items.

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

➤ **LED**

India LED lighting market witnessed a surge in recent years on account of the growing population and subsequent urbanization. In 2018, India's energy demand grew by 4%, which outpaced the global energy demand of 2.3%. With the increasing rate of electricity consumption, the demand for an environmentally friendly and cost-effective lighting solution is also gaining traction. Hence, in recent years, LED lighting has started to considerably penetrate the mainstream general lighting market of India.

According to 6Wresearch, India LED Lighting Market size is projected to grow at a CAGR of 23.6% during 2019-25. Several government schemes such as Unnat Jyoti by Affordable LEDs for All (UJALA) and Street Lighting National Programme (SLNP) remained the biggest demand drivers for the **LED lighting market** in India. The aim of such initiatives is to increase awareness among the consumers regarding the adoption of LED bulbs over conventional lighting sources such as incandescent bulbs, CFL, and halogen lights. For instance, under the SLNP, the government aims to replace over 1.34 crore conventional street lights in India, out of which, around 1.04 crore street lights were already replaced as in November 2019.

The Northern region accounts for the largest revenue share in the overall market in India, followed by the Southern region. With several upcoming infrastructural projects across the residential, industrial, and commercial domains across several parts of the country, the demand for **LED lamps & luminaires** is projected to witness significant growth over the coming years.

The report thoroughly covers the India LED lighting market by types, applications, wattage, end-users, and regions... The report provides an unbiased and detailed analysis of the on-going trends, opportunities/high growth areas, market drivers which would help the stakeholders to device and align their market strategies according to the current and future market dynamics.

iv. Competition

The market comprises of international and regional / local vendors who face intense competition from the unorganized vendors. The regional and unorganized players in the market offer products at a comparative price which induces the well-established international electric wire and cable manufacturers to focus on differentiating their products to sustain their market shares. In addition to innovative product offerings, cable

and wire manufacturers thus have also entered into various business strategies such as mergers and acquisitions to acquire new technologies and have expanded their customer reach.

The leading vendors in the market are –

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

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

(v) Marketing Setup

Veto holds major part of market share of electrical accessories in India. The company has strong and efficient team of marketing professionals, dealers and distributors. Our Promoters carry and share their vast experience in the marketing segment of wires and cables, electrical accessories & other allied products. They have been indulged into manufacturing and marketing segments for their products for past over 35 years. Veto holds a recognized reputation among its dealer network consisting of more than 2,500 in number. The selling price of the components to be manufactured is decided on the basis of design complexities, material used, process gone through, quantity, period of supply, etc.

Your Company had major earnings from the state of Rajasthan and Gujarat and now the Madhya Pradesh and Karnataka also forms the part of the major earnings due to our continuous focus on widening and covering more and more states of India. Almost 10 states have become a major part of our distribution network stating Maharashtra, Punjab, Madhya Pradesh, Haryana, Uttar Pradesh, Jharkhand, Karnataka, Kerala, New Delhi and Assam. The company has broadened its network and distribution channels. We have also had major success in some of the biggest cities of UAE. The company and its Board are continuously putting efforts toward making Veto a globally established brand. Our products are marketed in both domestic and international markets.

(vi) Export obligation

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

(vii) Strength

- Established brand in North West India, South and central
- Experienced management team
- Organized and comprehensive product offering
- Established reputation for quality products
- Driving growth through innovation and marketing
- Our relationship with customers
- Our relationship with more than 2,500 dealers
- Dedicated team of technical manpower

(viii) Weakness

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

(viii) Opportunity

- The location of the unit is the hub of industry of the multiproduct category. This causes huge competition and thus helps the customer to differentiate between the average and the best product. The importers will get variety of the products, which will be a healthy situation for the Industry ultimately.
- Opportunities for the Company have been growing due to increasing demand for wires & cables, electrical accessories, LED lights etc.

(ix) Threats

- Our contingent liabilities, not provided for, if crystallized, could adversely affect our financial condition.
- 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.
- Low cost end-to-end business model being adopted by existing or new competitors.
- Heightened competitive intensity with externally-funded players looking to drive aggressive strategies in the market.
- Changes in the fiscal policies by the Government.
- Shifts in the size or demographic composition of the market area

Disclaimer Clause

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

Acknowledgement

We thank our customers, vendors, investors and bankers for their intense support throughout the year. We place on record our appreciation of the contribution made by our employees at all levels. We thank the Government of India, particularly the Ministry of Commerce, Ministry of Finance, Ministry of Corporate Affairs, the Custom and Excise Departments, Income Tax Department, the Reserve Bank of India, the State Government(s) and other government agencies for their support, and look forward to their continued support in the future.

for and on behalf of the Board of Directors

Date: 04/09/2020

Place: Jaipur

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

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

Subsidiary Companies Brief

1. VETO ELECTRICALS PRIVATE LIMITED

Veto Electricals Private Limited (“VEPL”) having CIN U31300RJ2008PTC12189 was incorporated on March 24, 2008 vide Certificate of Incorporation issued by the Registrar of Companies, Rajasthan, at Jaipur. The main object of VEPL is to carry in India or elsewhere all any of the business of general merchants, manufacturers, buyers, seller, importers, exporters, traders, procurers, retailers, distributors, franchises and collaborators in all kinds and every description of wires, cables, electrical fans and accessories, PVC wires, copper conductors, aluminum conductors or other conductors made of any of the substance, electrical lamps including vacuum and gas filled lamps, general lighting lamps, luminaries and accessories etc. and other appliances, cables, wire lines and all types of machinery, plant or apparatus and things required for or capable of being used in connection with the manufacture of the above and business related commercial activities and services, merchandise, electrical and electronic goods at outright commission basis or through departmental stores, super markets, chain stores of electrical and electronic items.

Registered Office

The registered office of the Company is located at 4th Floor, Plot No. 10, Days Hotel, Airport Plaza Scheme, Behind Hotel Radisson Blu, Durgapura, Tonk Road, Jaipur – 3020018 (Raj.) India.

Capital Structure and Shareholding Pattern

The authorized share capital of VEPL is Rs. 10,00,000 divided into 1,00,000 equity shares of Rs. 10/- each. The issued, subscribed and paid- up share capital is Rs.10,00,000 divided into 100,000 equity shares of Rs. 10/- each.

The shareholding of Veto Switchgears And Cables Limited is of 100% .

On 26th June 2020 Veto Electricals Private Limited has increased its authorized capital from Rs. 10,00,000/- (Ten Lack Only) to Rs. 9,00,00,000/- (Nine Crore Only) and also allotted 8900000 shares @ Rs. 10/- on right issue bases to holding company Veto Switchgears and Cables Limited on the date 28th July, 2020 for expansion of Business.

Board Composition

- Mr. Akshay Kumar Gurnani
- Mr. Govind Ram Thawani
- Mr. Jitendra Kumar

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

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

Address:

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

Capital Structure and Shareholding Pattern

Current Authorised Capital 64,75,000 AED and minimum paid up capital of 64,75,000 AED.

Last year Authorised Capital 10,00,000 AED and minimum paid up capital of 10,00,000 AED.

Management

Mr. Ashish Goklani currently holds the position of the Manager of Veto Overseas Private F.Z.E. He is authorised by the Board to do all other necessary things relating to Local Authorities, Government or Semi Government Department Ministries, Free Zone Authority, all companies establishment or other business and sign on necessary documents . He is further authorised to open bank accounts, borrow monies for and on behalf of the company and avail financing facilities from Banks and Financial Institutions and to pledge/hypothecate/mortgage any asset of the company and can also give third party guarantee on the behalf of Veto Overseas Private F.Z.E.

3. VETO LED LIGHTINGS PRIVATE LIMITED

Veto LED Lightings Private Limited (“VLLPL”) having CIN U31100MH2019PTC332744 was incorporated on November 8th, 2019 vide Certificate of Incorporation issued by the Registrar of Companies, Maharashtra, at Mumbai.

The main object of the Company is to carry in India or elsewhere all any of the business as manufacturers, importers, exporters, retailers, 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, PVC resin, DOP, plasticizers, chemicals, PVC compounds, Fillers, CP, copper conductors, Aluminum conductors or other conductors made of any matter of substance, electrical lamps including vacuum 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.

Registered Office

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

Corporate office

The Corporate office of the Company is located at 4th Floor, Plot No. 10, Days Hotel, Airport Plaza Scheme, Behind Hotel Radisson Blu, Durgapura, Tonk Road, Jaipur – 3020018 (Raj.) India.

Capital Structure and Shareholding Pattern

The authorized share capital of VEPL is Rs. 10,00,000 divided into 1,00,000 equity shares of Rs. 10/- each. The issued, subscribed and paid- up share capital is Rs.10,00,000 divided into 100,000 equity shares of Rs. 10/- each.

The shareholding of Veto Switchgears And Cables Limited is of 100%.

On 8th April 2020 Veto LED Lightings Private Limited has increased its authorized capital from Rs. 10,00,000/- (Ten Lack Only) to Rs. 9,00,00,000/- (Nine Crore Only and also allotted 8900000 shares @ Rs. 10/- on right issue bases to holding company Veto Switchgears and Cables Limited on the date 28th July, 2020 for expansion of production for LED.

Board Composition

- Mr. Narain Das Gurnani
- Mr. Akshay Kumar Gurnani

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

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

Part “A”: Subsidiaries

Amounts in INR except % of shareholding

Particulars	Details		
	Veto Overseas Private F.Z.E	Veto Electricals Private Limited	Veto LED Lightings Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2020	March 31, 2020	March 31, 2020
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	AED 1 = 20.536 INR		
Share capital	12.50	0.10	0.10
Reserves & surplus	27.91	(4.00)	(0.0017)
Total assets	43.33	13.88	11.23
Total Liabilities	2.92	17.79	11.13
Investments	0.00	0.00	00
Turnover	21.42	7.63	0.00
Profit before taxation	1.26	2.17	(0.0017)
Provision for taxation/Deferred Tax	0.00	0.00	0.00
Profit after taxation	1.26	2.16	(0.0017)
Proposed Dividend	0.00	0.00	0.00
% of shareholding	100%	100%	100%

Notes:

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies are based on the exchange rates as on March 31, 2020.
2. Veto Electricals Private Limited, Wholly Owned Subsidiary Company owns its manufacturing plant (100% Export Unit) at Light Engineering Zone, Mahindra SEZ, Jaipur.
3. Veto LED Lightings Private Limited, Wholly Owned Subsidiary Company is newly incorporated 18th November 2019 and commercial production started from 1st July 2020. Due to COVID-19, the entire plan has been shifted to 1st July, 2021.
4. The reporting period for all the subsidiaries is March, 2020.
5. Part B of the annexure is not applicable as there is on associate companies/joint venture of the Company as on 31st March, 2020.

Date : 04/09/2020

Place: Jaipur

SD/-

Akshay Kumar Gurnani
Managing Director & CEO
DIN: 06888193

SD/-

Narain Das Gurnani
Whole Time Director & CFO
DIN: 01970599

Corporate Governance Report

In terms of Regulation 34(3) read with Section C of SCHEDULE V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended 31st March, 2020 is presented below:

1. Philosophy on Code of Corporate Governance

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

2. Our Policy

Our Company has complied with the provisions and other requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to the meetings of the Audit Committee, the CSR Committee, Nomination and Remuneration Committee, Risk Management Committee and the Shareholders' / Investors Grievance Committee. The Board of Directors consist of total of 6 Directors of which 3 are independent Directors (as defined under Clause 52), which constitutes 50% of the Board of Directors. The details of the Board of Directors, Audit Committee, the CSR Committee, Nomination and Remuneration Committee, Risk Management Committee and the Shareholders' / Investors Grievance Committee of our Company are given below:

Board of Directors

Our Company's Board consists of Six Directors.

The following table sets forth details regarding the Board of Directors as on March 31, 2020:

i) Composition and Category of Directors:

S. No.	Name of Director	Designation / Category of Directors	Number of other Board Committees in which the directors are member	Number of other Board Committees in which director is a chairman
1.	Mr. Akshay Kumar Gurnani	Managing Director, Chairman / Promoter	-	-
2.	Mr. Narain Das Gurnani	Executive Whole – Time Director	03	-
3.	Ms. Jyoti Gurnani	Director	-	-
4.	Dr. Kanwarjeet Singh	Non-Executive Independent Director	01	-
5.	Hari Krishan Motwani	Non-Executive Independent Director	04	-

6.	Mr. Govind Ram Thawani	Non-Executive Independent Director	04	04
----	------------------------	------------------------------------	----	----

Names of the Listed entities where the person is a Director and the category of Directorship as on 31st March, 2020

Sr. No.	Name of Director	Name of Listed Entity in which Director	Category of Directorship
1.	Mr. Akshay Kumar Gurnani	Veto switchgears and Cables Limited	Managing Director, Chairman
2.	Mr. Narain Das Gurnani	Veto switchgears and Cables Limited	Executive Whole – Time Director
3.	Ms. Jyoti Gurnani	Veto switchgears and Cables Limited	Director
4.	Dr. Kanwarjeet Singh	Veto switchgears and Cables Limited	Non-Executive Independent Director
5.	Hari Krishan Motwani	Veto switchgears and Cables Limited	Non-Executive Independent Director
6.	Mr. Govind Ram Thawani	Veto switchgears and Cables Limited	Non-Executive Independent Director

Skills/ Expertise/ Competence of the Board of Directors including the areas as identified by the Board in the Context of the Company's Business

The Company is a Fast Moving Electrical Goods (FMEG) Company with the individual Members of its Board of Directors bringing in knowledge and experience from a variety of sectors, demonstrating breadth and depth of management and leadership experience in the

Following competence areas:

- Financial and business acumen;
- Guiding and setting the pace for Company's Operations and future development by aiding implementation of best systems and processes;
- Building effective Sales & Marketing strategies, Corporate Branding and Advertising functions;
- Overseeing the development and implementation of Risk Management/ GRC tools;
- Management and strategy of the Information Technology function; and
- Human Resources Management.

The Nomination and Remuneration Policy of Directors, KMPs and Other Employees of the Company sets out the criteria which serve as guidelines in considering potential nominees to the Board of Directors to ensure the continuance of a dynamic and forward-thinking Board.

Expertise/ Skill of Directors

Sr. No.	Name of the Director	Expertise/ Skill
1.	Mr. Akshay Kumar Gurnani	Strategic Marketing, Brand transformation, technical planning, foreign alliances, Business Development, spearheading new projects.
2.	Mr. Narain Das Gurnani	Finance and allied fields, standardization of systems and processes across the organization, Corporate Advisory and Project Appraisal and all Finance & Banking matters
3.	Ms. Jyoti Gurnani	IT reforms, Human Resources, Education & Research, Social Reforms and betterment of the nation in areas of Trade and Industry.
4.	Dr. Kanwarjeet Singh	Technology matters and Business Administration.
5.	Hari Krishan Motwani	Supply Chain, Human Resources, Corporate Quality and Safety Functions, Advanced Management and Skill Development.

6.	Mr. Govind Ram Thawani	Administrative reforms and strategy, new technologies and innovations.
----	------------------------	--

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

During the year Mr. Mohan Sukhani resigned from his post. His term was five years from 29th September, 2017 to September 2022 but due to his age factor and health issue he resigned from the conclusion of 28th September, 2019 AGM and in his place Mr. Hari Krishan Motwani was appointed as the Non Executive Independent Director w.e.f. 28th September 2019.

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

iii) Disclosure of relationships between Directors inter-se:

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

iv) Conduct of Board Proceedings:

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

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

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

vi) Web link where details of familiarization programmes imparted to Independent Directors is disclosed:

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

vii) Confirmation that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these Regulations and are Independent of the Management

Based on the declaration submitted by the Independent Directors of the Company provided at the beginning of the Financial Year 2020-21, the Board hereby certify that all the Independent Directors appointed by the Company fulfills the conditions specified in these Regulations and are independent of the management.

viii) Meeting of Independent Directors:

During the year under review, the Independent Directors met on February 12th, 2020 inter alia to:

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

All the Independent Directors were present at this Meeting.

ix) Attendance of each Director at the Meetings of the Board of Director s and the last Annual General Meeting:

S. No.	Name of the Director	Attendance in Board Meetings									AGM on 28th Sept 2019
		25 th April 2019	22 nd May 2019	14 th August 2019	6 th September 2019	25 th September 2019	7 th October 2019	13 th November 2019	31 st January 2020	12 th February 2020	
1.	Akshay Kumar Gurnani	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2.	Narain Das Gurnani	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3.	Jyoti Gurnani	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4.	Kanwarjeet Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5.	Govind Ram Thawani	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6.	Hari Krishan Motwani*						✓	✓	✓	✓	✓
7.	Mohan Sukhani**	✓	✓	✓	✓	✓					

* Mr. Hari Krishan Motwani was appointed in AGM on dated 28th Sept 2019.

** Mr. Mohan Sukhani was resigned w.e.f. 28th Sept.2019.

3. Board Committees

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

a) Audit Committee

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

process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting.

i. Composition

The Audit Committee comprises of the following members:

1. Mr. Govind Ram Thawani - Chairman
2. Mr. Hari Krishan Motwani
3. Mr. Narain Das Gurnani

ii. Terms of reference / scope of the Audit Committee

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

1. Oversight our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with the management the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required being included in the Directors' Responsibility Statement to be included in the Board's Report in terms of sub-section 5 of Section 134 of the Companies Act, 2013.
 - b. Changes if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transaction.
 - g. Qualification in the draft audit report.
5. Reviewing with the management, the half-yearly financial statements before submission to the Board for approval.
6. Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow-up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower Mechanism, in case the same exists.
13. Carry out any other function as mentioned in the terms of reference of Audit Committee.

iii. Meetings and Attendance during the year

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

S. No.	Name of the Director	Attendance in Audit Committee Meetings				
		22/05/2019	14/08/2019	06/09/2019	13/11/2019	12/02/2020
1.	Mr. Govind Ram Thawani – Chairman	✓	✓	✓	✓	✓
2.	Mr. Mohan Sukhani*	✓	✓	✓		
3.	Mr. Narain Das Gurnani	✓	✓	✓	✓	✓
4.	Hari Krishan Motwani**				✓	✓

* Mr. Mohan Sukhani was resigned w.e.f. 28th Sept.2019.

**Mr. Hari Krishan Motwani was appointed in AGM on dated 28th Sept. 2019.

b) Nomination and Remuneration Committee

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

i. Composition

The Nomination and Remuneration Committee comprises of the following members:

1. Mr. Govind Ram Thawani - Chairman
2. Dr. Kanwarjeet Singh
3. Mr. Hari Krishan Motwani

ii. Terms of reference / scope of the Nomination and Remuneration Committee

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

The broad terms of reference of the Committee are as follows:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director’s performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. The Nomination and Remuneration Committee shall while formulating the policy ensure that:
 - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
 - c. Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

4. The Chairperson of the said Committee or, in his absence, any other member of the committee authorized by him in this behalf shall attend the general meetings of the Company.
5. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made thereunder & SEBI Regulations.

iii. Meetings and Attendance during the year

Two Meetings of the Nomination and Remuneration Committee were held during the year. The details of the Meeting and attendance are as below:

S. No.	Name of the Director	Attendance in Nomination and Remuneration Committee Meetings	
		06/09/2019	13/11/2019
1.	Mr. Govind Ram Thawani – Chairman	✓	✓
2.	Mr. Kanwarjeet Singh	✓	✓
3.	Mr. Mohan Sukhani*	✓	
4.	Hari Krishan Motwani**		✓

* Mr. Mohan Sukhani was resigned w.e.f. 28th Sept.2019.

** Mr. Hari Krishan Motwani was appointed in AGM on dated 28th Sept 2019.

iv. Criteria for performance evaluation of Independent Directors and the Board

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

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

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

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

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

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

c) Shareholders’ / Investors’ Grievance Committee

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

i. Composition

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

1. Mr. Govind Ram Thawani – Chairman
2. Mr. Narain Das Gurnani
3. Mr. Hari Krishan Motwani

The Company Secretary acts as a Secretary to the Committee.

ii. Terms of reference

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

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

iii. Detail of shareholder’s complaints

Particulars	No. of complaints	Whether resolved / if yes, no. of days taken in resolution
Shareholder’s Complaints received during the year	2	NA
Complaints not solved to the satisfaction of shareholders	0	
Complaints pending	0	

d) Corporate Social Responsibility Committee

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

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

Commitment

We are committed towards:

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

Purpose and Aims

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

In implementing this policy we aim to:

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

Standards of business conduct

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

Corporate Governance

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

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

Environment

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

Human Rights

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

Equality and Diversity

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

Sustainability

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

Impact on Society

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

Ethics and Ethical Trading

- We will ensure clear visibility through our supply chains, so we know where all our products are made;
- Training will be provided to relevant people on environmental and social issues affecting our supply chains;

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

Biodiversity

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

Vendors (Suppliers)

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

i. Composition of CSR Committee

Name of the Director	Category of the Director	Position Held in the Committee
Mr. Govind Ram Thawani	Non Executive Independent Director	Chairman
Mr. Hari Krishan Motwani	Non Executive Independent Director	Member
Mr. Narain Das Gurnani	Executive Director	Member

ii. Projects under CSR Committee

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

iii. Monitoring Process

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

4. Remuneration of Directors

(a) All pecuniary relationship or transactions of the non-executive directors

None other than the Sitting Fee or the payment of Commission paid to the Independent Directors of the Company.

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

The company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees. Apart from this Policy, the Nomination and Remuneration Committee has also formulated a policy named “REMUNERATION CRITERIA FOR NON EXECUTIVE DIRECTORS” and is regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the company www.vetoswitchgears.com in the ‘Policies & Related documents’ section in ‘Corporate Governance’.

I Disclosures with respect to Remuneration

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

S. No.	Name of the Director	Remuneration (in Rs.)	Director’s Sitting Fees (in Rs.)
1.	Akshay Kumar Gurnani*	19,50,000	-
2.	Narain Das Gurnani	12,00,000	-
3.	Jyoti Gurnani	6,00,000	-
4.	Mohan Sukhani	-	12,500
5.	Govind Ram Thawani	-	22,500
6.	Kanwarjeet Singh	-	22,500
7.	Hari Krishan Motwani	-	10,000

* In AGM dated 28th Sept.2019, revised the remuneration of Mr. Akshay Kumar Gurnani.

(ii) Service contracts, notice period, severance fees

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

5. General Body Meetings

(a) Annual General Meeting

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

S. No.	Date of AGM	Location & Time	Whether any special resolution passed. If yes, how many?	Special resolution passed through postal ballot	Name of person conducting postal ballot
1.	September 28 th , 2019	Mumbai, 12:00 P.M.	01	NA	NA
2.	September 29 th , 2018	Mumbai, 12:00 P.M.	01	NA	NA
3.	September 29 th , 2017	Mumbai, 12:00 P.M.	05	NA	NA

(a) Extra-Ordinary General Meeting

The date and time of Extra-Ordinary General Meeting held during the year is as follows:

S. No.	Date of EGM	Location & Time	Whether any special resolution passed. If yes, how many?	Special resolution passed through postal ballot	Name of person conducting postal ballot
1.	28/02/2020	12.00PM	01	NA	NA

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

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

6. Other Disclosures

(a) Relationship between Directors

Name of the Director	Relationship between the Directors
Mr. Akshay Kumar Gurnani	Brother of Ms. Jyoti Gurnani
Mr. Narain Das Gurnani	Uncle of Mr. Akshay Kumar Gurnani and Ms. Jyoti Gurnani
Ms. Jyoti Gurnani	Sister of Mr. Akshay Kumar Gurnani

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

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

(c) Means of Communication

(i) Quarterly results: The Company publishes limited reviewed un-audited standalone and consolidated financial results on quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results for the complete financial year.

(ii) Newspapers wherein results normally published: The quarterly / half-yearly / annual financial results are published in Business Standard in both English and Marathi Daily editions. In respect of the fourth quarter, the Company were not published results in newspaper due to COVID-19 exemption from publication vide SEBI circular no. SEBI/HO/CFD/CMDI/CIR/P/2020/79.

(iii) Website where displayed: The financial results and the official news releases are also placed on the Company's website www.vetoswitchgears.com in the 'Financial Information' section.

(iv) Official news releases: Yes, the Company regularly publishes information update on its financial results and also displays official news releases in the 'Investor Zone' section under relevant sections.

(v) Presentations made to institutional investors or to the analysts: Whenever the Company holds analysts calls to apprise and make public the information relating to the Company's working and future outlook. The Transcripts are available on Company's website www.vetoswitchgears.com in the 'news and other' section.

(d) SEBI Complaints Redress System (SCORES)

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

(e) Whistle Blower Policy

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

(f) Policy on Prevention of Insider Trading

The Company has also formulated a Code of Conduct to Regulate, Monitor, and Report Trading by Insiders to deter the insider trading in the securities of the Company based on the unpublished price sensitive information. In compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board has adopted a code of conduct and code of practices and procedures for fair disclosure of unpublished price sensitive information to preserve the confidentiality of price sensitive information prevent misuse thereof and regulate the trading by Insiders. The Code envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company. The full text of the Code is available on the website of company under <http://www.vetoswitchgears.com/investor/corporate-governance/policies-and-related-documents> under the head Code for SEBI (Prohibition of Insider Trading), Regulations, 2015 in the ‘Corporate Governance’ section.

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

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

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

(g) Code of Conduct

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

(h) General Shareholders Information

(i) Company Registration Details

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

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

Registered Office

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

(ii) Annual General Meeting

Date	Day	Time	Venue
29/09/2020	Tuesday	1:30 P.M.	Video Conferencing

(iii) Financial Year: 1st April, 2019 to 31st March, 2020

(iv) Book Closure

The Book Closure date will be September 23th, 2019 to September 29th, 2019 (both days inclusive) for the purpose of Annual General Meeting.

(v) Dividend

The Board of Directors of your company wish to conserve resources (due to COVID-19 pandemic) for future expansion and growth of the Company. Hence, they have decided not to declare any further final dividend for this financial year under review.

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

The equity shares of the Company are listed at:

The National Stock Exchange of India Limited (NSE),

“Exchange Plaza”, 5th Floor, Plot No. C-1,
G Block, Bandra Kurla Complex, Bandra (E),
Mumbai- 400 051

Symbol: VETO

ISIN Code: INE918N01018

Bombay Stock Exchange Limited (BSE),

Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai- 400 001

Scrip Code: 539331

(vii) Tentative Calendar for Financial Year ending March 31st, 2021

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

S. No.	Particulars of Quarter	Tentative dates
1.	First Quarter Results	In or before the Second week of August 2020
2.	Second Quarter & Half-Yearly Results	In or before the Second week of November 2020
3.	Third Quarter & Nine-Months Results	In or before the Second week of February 2021
4.	Fourth Quarter & Annual Results	In or before the Fourth week of May 2021

(viii) Payment of Listing Fees

The Company has paid listing fees in respect of financial year 2019-2020 to BSE Limited and National Stock Exchange of India Limited.

(ix) Payment of Depository Fees

The Company has paid Annual Custodian fees in respect of financial year 2019-2020 to NSDL and CDSL on receipt of the invoice.

(x) Fees Paid to The Statutory Auditors

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to statutory auditors of the Company and other firms in the network entity of which the statutory auditors are a part, during the year ended March 31, 2020, is `Rs. 472500.

(xi) Registrar and Share Transfer Agent

Services Private Limited

1st Floor, Bharat Tin Works Building,

Opp. Vasant Oasis, Makwana Road, Marol, Andheri East,

Mumbai 400059, Maharashtra Tel.: +91 22 6263 8200, Fax : +91 22 6263 8299

Email: info@bigshareonline.com, Website: www.bigshareonline.com

(xii) Share Transfer System

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

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

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

Dematerialization of Shares

The Company has set up requisite facilities for dematerialization of its Equity Shares in accordance with the provisions of Depository Act, 1996 with National Securities Depository Limited and Central Depository Services (India) Limited. The Company has entered into agreements with both of the Depositories. The status as on 31st March, 2020 is as under:

Mode	No. of Shares	% (Percentage)
Shares in Demat mode with NSDL	4519291	23.60
Shares in Demat mode with CDSL	14595659	76.40
Shares in Physical mode	5	0.01
Total	19114955	100

(xiii) Market price data - high, low during each month in last financial year

Monthly high & low prices and volumes of the equity shares of the Company at the National Stock Exchange of India Limited (Nifty) and BSE Limited (Sensex) during financial year 2019-20 are as under:

Month	Price at BSE				Price at NSE		
	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades	High (Rs.)	Low (Rs.)	Total Traded Quantity
April, 2019	74.50	66.85	1,92,446	2,426	74.90	66.50	6,80,369
May, 2019	74.65	60.00	4,41,725	3,124	74.80	61.00	10,18,971
June, 2019	70.35	60.15	9,28,481	3,320	70.55	60.00	16,42,398
July, 2019	77.40	60.00	4,68,185	4,709	77.90	60.75	9,66,128
August, 2019	63.10	44.10	1,43,148	3,379	62.90	43.95	3,43,558
September, 2019	62.65	48.00	1,90,633	3,919	62.50	48.00	4,61,002
October, 2019	55.45	45.75	1,91,642	4,896	55.30	45.00	3,01,303
November, 2019	51.20	43.35	1,99,266	4,015	51.05	43.25	3,98,647
December, 2019	44.95	33.20	2,12,437	8,518	45.35	33.80	4,23,918
January, 2020	49.20	36.75	2,41,187	8,935	49.20	35.80	6,48,638
February, 2020	56.00	37.60	1,75,775	4,924	56.00	35.65	9,56,765
March, 2020	52.00	25.75	1,31,070	2,442	50.50	26.30	4,94,344

Performance of the Company's Share price at the end of every month:

Month	BSE closing	NSE Closing
April, 2019	67.90	68.00
May, 2019	61.20	61.70
June, 2019	62.95	62.85
July, 2019	62.55	62.50
August, 2019	50.95	62.50
September, 2019	50.70	50.75
October, 2019	48.95	48.90
November, 2019	44.15	44.25
December, 2019	37.70	37.25
January, 2020	41.55	41.70
February, 2020	48.30	48.15
March, 2020	28.35	28.80

Source: BSE, NSE

(xiv) Distribution of Shareholding and Shareholding Pattern as on March 31, 2020

CATEGORY WISE SUMMARY

CATEGORY	Total Shareholders	% of Shareholders	Total Shares	%
CLEARING MEMBER	49	0.046	909745	4.76
CORPORATE BODIES	100	0.946	875755	4.58
CORPORATE BODIES (PROMOTER CO)	1	0.01	7130704	37.3043
CORPORATE BODY NBFC	1	0.01	27500	0.1439
FOREIGN PROMOTERS	1	0.01	733333	3.8364
FOREIGN PORTFOLIO INVESTOR	2	0.019	787714	4.1209
NON NATIONALISED BANKS	2	0.019	1235	0.0065
NON RESIDENT INDIANS	247	2.336	359179	1.88
PROMOTERS	6	0.057	2499236	13.0748
PUBLIC	9830	92.96	5438380	
HUF	336	3.177	352174	1.84
TOTAL	10575	100.00	19114955	100.00

List of 1.00 % & Above Share Holders

Category No. / Client ID	Folio No. / Client ID	Shareholder's Name	Shares	Percentage
CORPORATE BODIES (PROMOTER CO)	1201770100771220	VETO ELECTROPOWERS (INDIA) PRIVATE LIMITED	7130704	37.30
PROMOTERS	1201770100799924	PUSHPA DEVI GURNANI	1276744	6.6793
PROMOTERS	1206420006236385	AKSHAY KUMAR GURNANI	778722	4.0739
FOREIGN PROMOTERS	1201770100800979	HARISH KUMAR GURNANI	733333	3.8364
CORPORATE BODIES	1203660000303435	MAVERICK SHARE BROKERS PRIVATE LIMITED – COLLETRAL A/C. (NSE)	568463	2.97
FOREIGN PORTFOLIO INVESTOR	IN30362210022601	MAVEN INDIA FUND	520894	2.73
FOREIGN PORTFOLIO INVESTOR	IN30134820011233	ELARA INDIA OPPORTUNITIES FUND LIMITED	266820	1.40
PROMOTERS	1203460000465251	ROHIT GURNANI	211985	1.1090
PROMOTERS	1203460000465190	KANISHK KISHORE GURNANI	211985	1.1090
Total			11699650	61.2076

DISTRIBUTION OF SHAREHOLDING (IN RUPEES)

SHAREHOLDING OF NOMINAL Rs. – Rs.	NUMBER OF SHAREHOLDERS	PERCENTAGE	SHARE AMOUNT RS.	PERCENTAGE OF TOTAL	
1	5000	9058	84.1118	12123970	6.3427
5001	10000	824	7.6516	6559250	3.4315
10001	20000	378	3.5101	5845410	3.058
20001	30000	155	1.4393	4008530	2.0971
30001	40000	104	0.9657	3585180	1.8756
40001	50000	70	0.65	3291520	1.722
50001	100000	89	0.8264	6664940	3.4868
100001	9999999999	91	0.845	149070750	77.9865
Total		10769	100.0000	191149550	100.0000

Category of Shareholders

S. No.	Category of Shareholder	Total Holders	No. of shares	% of shareholding
1.	Promoter and Promoter Group	8	10363273	54.2155
	Individuals	7	3232569	16.911
	Bodies Corporate	1	7130704	37.3043
2.	Public	10567	8751682	45.7845
	Total	10575	19114955	100

Share Holding Pattern

S. NO.	Name	Shares	Percentage of Shareholding
I	Promoter Group		
A	Individual	3232569	16.911
(i)	Pushpa Devi Gurnani	1276744	6.67930
(ii)	Narain Das Gurnani	13200	0.0691
(iii)	Mukesh Gurnani	6600	0.0345
(iv)	Akshay Kumar Gurnani	778722	4.0739
(v)	Rohit Gurnani .	211985	1.1090
(vi)	Kanishk Kishore Gurnani	211985	1.1090
(vii)	Harish Kumar Gurnani	733333	3.8364
(vii)	Kishor Kumar Gurnani	0	0.00
B	Body Corporate	7130704	37.3043
(i)	Veto Electropowers (India) Private Limited	7130704	37.3043
II	Public	8751682	45.7845
III	Non Promoter-Non Public	0	0
IV	Shares underlying DRs	0	0
V	Shares held by Employee Trusts	0	0
	TOTAL	19114955	100

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

(xv) Address For Correspondence

- Website: www.vetoswitchgears.com
- **Any query on Annual Report or Investors' Grievance Redressal**
E-mail: cs@vetoswitchgears.com
Add: 4th Floor, Plot No. 10, Days Hotel, Airport Plaza Scheme,
Behind Hotel Radisson Blu, Durgapura, Tonk Road, Jaipur 3020018
Phone: 0141-6667775, 0141-6667745
- **For shares held in Demat Form:**
Bigshare Services Pvt. Ltd.;
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East,
Mumbai 400059
Maharashtra. Tel.: +91 22-6263 8200;
Fax: +91 22 6263 8299
Email: info@bigshareonline.com;
Website: www.bigshareonline.com

(xvi) Disclosures

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company:

During the financial year 2019-20, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. For reference, the details of related party transactions in accordance with AS-18 are given in Notes to Accounts of the Annual Report.

(b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

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

(c) Details of establishment of vigil mechanism whistle blower policy and affirmation that no personnel have been denied access to the Audit Committee:

The Company has established a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy has a systematic mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or policy. The policy is available on the website of the Company <http://www.vetoswitchgears.com/investor/corporate-governance/policies-and-related-documents> under the head Whistle blower policy. No person has been denied access to the Audit Committee for any grievance.

(d) Details of compliance with mandatory requirements and adoption of the non mandatory requirements:

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(e) Web link where policy for determining 'material' subsidiaries is disclosed:

The policy for determining 'material' subsidiaries is available on the website of the Company under 'Policies & Related Documents' in the 'Corporate Governance' section and can be accessed at <http://www.vetoswitchgears.com/investor/corporate-governance/policies-and-related-documents>

(f) Web link where policy on dealing with related party transactions is disclosed:

The policy on dealing with related party transactions is available on the website of the Company under 'Code & Policies' in the 'Corporate Governance' section and can be accessed at <http://www.vetoswitchgears.com/investor/corporate-governance/policies-and-related-documents>

(xvi) Disclosure of compliance of regulation 17 to 27 and clauses (b) to (i) of sub Regulation (2) of Regulation 46:

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

Date: 04/09/2020

Place: Jaipur

for and on behalf of the Board of Directors

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

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

Annexure IV

Annual Report on Corporate Social Responsibilities (CSR) activities for the financial year 2019-2020

1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs	Refer : Annexure IV Corporate Governance Report
2. Composition of CSR Committee	Refer : Annexure IV Corporate Governance Report
3. Average net profit of the Company for last three financial years	1959.98 Lacs
4. Prescribed CSR Expenditure i. two percent of the amount mentioned in item 3 above) : 3919973.160 ii. Amount unspent carried forward from last Financial year : 2222030.83	61.42 Lacs
5. Details of CSR spent during the Financial year :	
Total amount spent for the financial year	79.83
Amount unspent, if any	0.00
Manner in which the amount spent during the financial year	Given Below

Details of Amount spent on CSR Activities during the financial year 2019-2020:

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
S. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or other (2) Specify the state and District where Projects or Programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub- heads: (1)Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent:
1.	Rural Development/Weaker Section	Vidhwa Women Help	Rajasthan	Rs. 23.51 (i.e 60% of Projected Yearly Expenditure 39.19/-)	51000	194450	Direct
		Medical Relief	Jaipur		1425000	51000	Direct
		Education to Weaker Staff children expense	Jaipur		2106000	378770	Direct
		Charity & Donations	Jaipur and other parts of Rajasthan		4251000	5603257	Direct
		Other (Including Natural Calamities)			0	1478188	Direct and through Implementing

Veto Switchgears and Cables Limited

							Agency
	Total				7833000	7674665	
2.	Animal Protection	Cow Expenses	Gaushala , Jaipur	Rs.7.839(i.e.20% of Projected Yearly Expenditure 39.19/-)	150000	1660957	Direct
3.	Water Facility to needed People	Water Tanks	Jaipur	Rs.7.839(i.e.20% of Projected Yearly Expenditure 39.19/-)	0	1091480	Direct

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

Date: 04/09/2020
Place: Jaipur

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

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

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31st, 2020**

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L31401MH2007PLC171844
ii)	Registration Date	20/06/2007
iii)	Name of the Company	Veto Switchgears and Cables Limited
iv)	Category Sub-Category of the Company	Company Limited by Shares Indian Non- Government Company
v)	Address of the Registered Office and contact details	506, 5 th Floor, Plot No. B-9, Landmark Building, New Link Road, Andheri (West), Mumbai-400058 cs@vetoswitchgears.com Telephone No.: 0141-6667775
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd. 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059 Maharashtra. Tel.: +91 22-6263 8200; Email: info@bigshareonline.com; Website: www.bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Wires and Cables	2732	35.55%
2	Lighting & Fittings	2740	38.64%
3	Electrical Accessories & Others	2710	25.81%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Veto Electricals Private Limited Add.: 4th Floor, Plot No. 10, Days Hotel, Airport Plaza Scheme, Behind Hotel Radisson Blu, Durgapura, Tonk Road, Jaipur -3020018	U31300RJ2008PTC026189	Subsidiary	100%	Section 2 (87)
2.	Veto LED Lightings Private Limited Add: 506, 5 th Floor, Plot No. B-9, Landmark Building, New Link Road, Andheri (West), Mumbai-400058	U31100MH2019PTC332744	Subsidiary	100%	Section 2 (87)
3.	Veto Overseas Private F.Z.E Add: SM- Office- C1- 520B Ajman Free zone Ajman (UAE)	Not Applicable	Subsidiary	100%	Section 2 (87)

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

i) Category-wise Share Holding

Statement Showing Shareholding Pattern										
	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2019				No. of Shares held at the end of the year :31/03/2020				% Change during the year
		Demat	Physical	Total Shares	% of Total Share	Demat	Physical	Total Shares	% of Total Share	
(A) Shareholding of Promoter and Promoter Group										
INDIAN										
(a)	INDIVIDUAL / HUF	1707000	0	1707000	8.93	2499236	0	2499236	13.07	4.14
(b)	CENTRAL / STATE GOVERNMENT(S)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	BODIES CORPORATE	7130704	0	7130704	37.30	7130704	0	7130704	37.30	0.00
(d)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
(e)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A)(1) :	8837704	0	8837704	46.23	9629940	0	9629940	50.37	4.14
FOREIGN										
(a)	NRIs- INDIVIDUAL	733333	0	733333	3.84	733333	0	733333	3.84	0.00
(b)	OTHER INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00
(c)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
(d)	BANKS / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A)(2) :	733333	0	733333	3.84	733333	0	733333	3.84	0.00
Total Shareholding of Promoter and Promoter										
	(A)=(A)(1) + (A)(2)	9571037	0	9571037	50.07	10363273	0	10363273	54.22	4.14
(B) Public shareholding										
Institutions										
(a)	MUTUAL FUNDS / UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	FINANCIAL INSTITUTIONS / BANKS	7385	0	7385	0.04	1235	0	1235	0.01	(0.03)
(c)	CENTRAL / STATE GOVERNMENT(S)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
(e)	INSURANCE COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
(f)	FII'S	0	0	0	0.00	0	0	0	0.00	0.00
(g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
(h)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	FOREIGN PORTFOLIO INVESTOR	1015820	0	1015820	5.31	787714	0	787714	4.12	(1.19)
	SUB TOTAL (B)(1) :	1023205	0	10232015	5.35	788949	0	788949	4.13	(1.23)
Non-institutions										
(a)	BODIES CORPORATE	1465411	0	1465411	7.67	875755	0	875755	4.58	(3.08)
(b)	INDIVIDUAL									
(i)	(CAPITAL UPTO TO Rs. 1 Lakh)	3863266	5	3863271	20.21	3558955	5	3558960	18.62	(1.59)
(ii)	(CAPITAL GREATER THAN Rs. 1 Lakh)	1989571	0	1989571	10.41	1879420	0	1879420	9.83	(0.58)
(c)	ANY OTHERS (Specify)									
(i)	H.U.F	335001	0	335001	1.75	352174	0	352174	1.84	0.09

Veto Switchgears and Cables Limited

(ii)	TRUSTS	512	0	512	0.00	0	0	0	0.00	(0.00)
(iii)	CLEARING MEMBER	311508	0	311508	1.63	909745	0	909745	4.76	3.13
(iv)	NON RESIDENT INDIANS (NRI)	14062	0	14062	0.07	0	0	0	0.00	(0.07)
(v)	NON RESIDENT INDIANS (REPAT)	166055	0	166055	0.87	196880	0	196880	1.03	0.16
(vi)	NON RESIDENT INDIANS (NON REPAT)	235737	0	235737	1.23	162299	0	162299	0.85	(0.38)
(vii)	NBFC REGISTERED WITH RBI	139585	0	139585	0.73	27500	0	27500	0.14	(0.59)
	SUB TOTAL (B)(2) :	8520708	5	8520713	44.58	7962728	5	7962733	41.66	(2.92)
	Total Public Shareholding									
	(B)=(B)(1) + (B)(2)	9543913	5	9543918	49.93	8751677	5	8751682	45.78	(4.14)
	(C) Shares held by Custodians and against which Depository Receipts have been issued									
(a)	SHARES HELD BY CUSTODIANS	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (C)(1) :	0	0	0	0.00	0	0	0	0.00	0.00
	(C)=(C)(1)	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A) + (B) + (C)	19114950	5	19114955	100.00	19114950	5	19114955	100.00	0.00
NOTES :										
1) NAME, NUMBER OF SHARES HELD & PERCENTAGE OF ENTITIES / PERSONS HOLDING MORE THAN 1% OF THE TOTAL SHARES OF THE COMPANY IS AS PER ANNEXURE										

(ii) Shareholding of Promoters

Sr.No	Name	Number of Shares	% Shares of the Company	% of Shares Pledged/ encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/ encumbered to total shares	% Change in shareholding during the year
1	PUSHPA DEVI GURNANI	484508	2.53	0.0000	1276744	6.68	0.0000	4.15
2	MUKESH GURNANI	6600	0.03	0.0000	6600	0.03	0.0000	0.00
3	NARAIN DAS GURNANI	13200	0.07	0.0000	13200	0.07	0.0000	0.00
4	ROHIT KISHORE GURNANI	109978	0.58	0.0000	211985	1.11	0.0000	0.53
5	KANISHAKA KISHORE GURNANI	109978	0.58	0.0000	211985	1.11	0.0000	0.53
6	KISHORE KUMAR GURNANI	204014	1.07	0.0000	0	0	0.0000	(1.07)
7	HARISH KUMAR GURNANI	733333	3.84	0.0000	733333	3.84	0.0000	0.00
8	AKSHAY KUMAR GURNANI	778722	4.07	0.0000	778722	4.07	0.0000	0.00
9	VETO ELECTROPOWERS (INDIA) PRIVATE LIMITED	7130704	37.30	0.0000	7130704	37.30	0.0000	0.00
	TOTAL	9571037	50.07	0.0000	10363273	54.21	0.0000	4.14

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

Particulars	Shareholding at the beginning of the year (as on 1st April 2019)		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
PUSHPA DEVI GURNANI				
At the beginning of the year	484508	2.53	484508	2.53
Date wise Increase/Decrease in Promoter Shareholding during the year				
Market Buy of 792236 shares on 28/06/2019	792236	4.15		
At the end of the year i.e. 31 st March 2020			1276744	6.68
MUKESH GURNANI				
At the beginning of the year	6600	0.03	6600	0.03
Date wise Increase/Decrease in Promoter Shareholding during the year	NO CHANGE			
At the end of the year i.e. 31 st March 2020			6600	0.03
NARAIN DAS GURNANI				
At the beginning of the year	13200	0.07	13200	0.07
Date wise Increase/Decrease in Promoter Shareholding during the year	NO CHANGE			
At the end of the year i.e. 31 st March 2020			13200	0.07
ROHIT KISHORE GURNANI				
At the beginning of the year	109978	0.58	109978	0.58
Date wise Increase/Decrease in Promoter Shareholding during the year	CHANGE			
Market Buy of 102007 shares on 16/08/2019	102007	.53		
At the end of the year i.e. 31 st March 2020			211985	1.11
KANISHAKA KISHORE GURNANI				
At the beginning of the year	109978	0.58	109978	0.58
Date wise Increase/Decrease in Promoter Shareholding during the year	CHANGE			
Market Sell of 9300 shares on 12/07/2019	(9300)	(.048)		
Market Buy of 9300 shares on 09/08/2019	9300	.048		
Market Buy of 102007 shares on 16/08/2019	102007	.53		
At the end of the year i.e. 31 st March 2020			211985	1.11
KISHORE KUMAR GURNANI				
At the beginning of the year	204014	1.07	204014	1.07
Date wise Increase/Decrease in Promoter Shareholding during the year	CHANGE			
Market Sell of 204014 shares on 16/08/2019	204014	1.07		
At the end of the year i.e. 31 st March 2020			00	0.00
HARISH KUMAR GURNANI				
At the beginning of the year	733333	3.84	733333	3.84

Veto Switchgears and Cables Limited

Date wise Increase/Decrease in Promoter Shareholding during the year	NO CHANGE			
At the end of the year i.e. 31 st March 2020			733333	3.84
AKSHAY KUMAR GURNANI				
At the beginning of the year	778722	4.07	778722	4.07
Date wise Increase/Decrease in Promoter Shareholding during the year :	NO CHANGE			
At the end of the year i.e. 31 st March 2020			778722	4.07
VETO ELECTROPOWERS (INDIA) PRIVATE LIMITED				
At the beginning of the year	7130704	37.30	7130704	37.30
Date wise Increase/Decrease in Promoter Shareholding during the year :	NO CHANGE			
At the end of the year i.e. 31 st March 2020			7130704	37.30

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

TOP 10 NON PROMOTER'S MOVEMENT					
Sl. No.	Name	Shareholding at the beginning		Cumulative shares during end	
		Shares	% of Total Shares of company	SHARES	% of Total Shares of company
1	SENNA PENDULA				
	At the beginning of the year				
	01/04/2019	0	0.00	777000	4.06
	10/05/2019	(5000)	(0.02)	772000	4.04
	24/05/2019	(9918)	(0.05)	762082	3.99
	31/05/2019	(35642)	(0.19)	726440	3.80
	07/06/2019	(26440)	(0.14)	700000	3.66
	14/06/2019	(700000)	(3.66)	0	0.0
	At the end of the year			0	0.00
2	MAVERICK SHARE BROKERS PRIVATE LIMITED - COLLETRAL A/C. (NSE)				
	At the beginning of the year				
	01/04/2019	0	0.00	89721	0.47
	05/04/2019	4817	0.02	94538	0.49
	12/04/2019	454335	2.37	548873	2.87
	19/04/2019	18110	.01	566983	2.97

Veto Switchgears and Cables Limited

26/04/2019	16508	0.08	583491	3.05
03/05/2019	(6800)	(0.03)	576691	3.02
10/05/2019	51585	0.27	628276	3.29
17/05/2019	9111	0.04	637387	3.33
24/05/2019	(100)	(0.00)	637287	3.33
31/05/2019	6049	0.04	643336	3.37
07/06/2019	806	0.00	644142	3.37
14/06/2019	13394	0.07	657536	3.44
21/06/2019	24878	0.13	682414	3.57
28/06/2019	23589	0.12	706003	3.69
05/07/2019	(100)	(0.00)	705903	3.69
12/07/2019	(10000)	(0.05)	695903	3.64
19/07/2019	28567	0.15	724470	3.79
26/07/2019	(1967)	(0.01)	722503	3.78
02/08/2019	(115425)	(0.60)	607078	3.18
09/08/2019	454	0.00	607532	3.18
16/08/2019	(9663)	(0.05)	597869	3.13
23/08/2019	(61496)	(0.32)	536373	2.81
30/08/2019	(200)	(0.00)	536173	2.81
27/09/2019	244	0.00	536417	2.81
28/09/2019	(8911)	(0.05)	527506	2.76
30/09/2019	(800)	(0.00)	526706	2.76
04/10/2019	(1000)	(0.01)	525706	2.75

Veto Switchgears and Cables Limited

	11/10/2019	(11)	(0.00)	525695	2.75
	18/10/2019	(16)	(0.00)	525679	2.75
	08/11/2019	(73)	(0.00)	525606	2.75
	22/11/2019	750	0.00	526356	2.75
	13/12/2019	500	0.01	526856	2.76
	20/12/2019	(500)	(0.01)	526356	2.75
	03/01/2020	200	0.00	526556	2.75
	10/01/2020	(200)	(0.00)	526356	2.75
	14/02/2020	60	0.00	526416	2.75
	21/02/2020	(60)	(0.00)	526356	2.75
	28/02/2020	13606	0.07	539962	2.82
	06/03/2020	19550	0.11	559512	2.93
	13/03/2020	8950	0.04	568462	2.97
	20/03/2020	100	0.00	568562	2.97
	31/03/2020	(99)	(0.00)	568436	2.97
	At the end of the year			568436	2.97
3	MAVEN INDIA FUND				
	At the beginning of the year				
	01/04/2019	0	0.00	0	0.00
	28/06/2019	23142	0.12	23142	0.12
	05/07/2019	45254	0.24	68396	0.36
	12/07/2019	48538	0.25	116934	0.61
	19/07/2019	61248	0.32	178182	0.93
	26/07/2019	21818	0.12	200000	1.05

Veto Switchgears and Cables Limited

09/08/2019	7086	0.03	207086	1.08
16/08/2019	17646	0.10	224732	1.18
23/08/2019	41525	0.21	266257	1.39
30/08/2019	25266	0.14	291523	1.53
06/09/2019	1922	0.01	293445	1.54
13/09/2019	3678	0.01	297123	1.55
18/10/2019	55000	0.29	352123	1.84
27/03/2020	168771	0.89	520894	2.73
At the end of the year			520894	2.73

4 GLOBE CAPITAL MARKET LIMITED

At the beginning of the year				
01/04/2019	0	0.00	456693	2.39
05/04/2019	1140	0.01	457833	2.40
12/04/2019	(447342)	(2.34)	10491	0.05
19/04/2019	(101)	(0.00)	10390	0.05
26/04/2019	100	0.00	10490	0.05
31/05/2019	(100)	(0.00)	10390	0.05
07/06/2019	(150)	(0.00)	10240	0.05
05/07/2019	803	0.01	11043	0.06
12/07/2019	10000	0.05	21043	0.11
19/07/2019	127	0.00	21170	0.11
26/07/2019	1772	0.01	22942	0.12
02/08/2019	4400	0.02	27342	0.14
09/08/2019	214250	1.12	241592	1.26

Veto Switchgears and Cables Limited

23/08/2019	(400)	(0.00)	241192	1.26
30/08/2019	(1800)	(0.01)	239392	1.25
06/09/2019	(600)	(0.00)	238792	1.25
13/09/2019	(223800)	(1.17)	14992	0.08
20/09/2019	51312	0.27	66304	0.35
27/09/2019	10700	0.05	77004	0.40
04/10/2019	200	0.00	77204	0.40
11/10/2019	(11000)	(0.05)	66204	0.35
18/10/2019	(51912)	(0.28)	14292	0.07
25/10/2019	(128)	(0.00)	14164	0.07
01/11/2019	(72)	(0.00)	14092	0.07
15/11/2019	4	0.00	14096	0.07
22/11/2019	196	0.00	14292	0.07
29/11/2019	1	0.00	14293	0.07
06/12/2019	(1)	(0.00)	14292	0.07
13/12/2019	2000	0.02	16292	0.09
31/12/2019	(1200)	(0.01)	15092	0.08
10/01/2020	(100)	(0.00)	14992	0.08
24/01/2020	(2700)	(0.02)	12292	0.06
31/01/2020	(1302)	(0.00)	10990	0.06
14/02/2020	200	0.00	11190	0.06
21/02/2020	(100)	(0.00)	11090	0.06
28/02/2020	(100)	(0.00)	10990	0.06
At the end of the year			10990	0.06
5	ELARA INDIA OPPORTUNITIES FUND LIMITED			
	At the beginning of the year			
01/04/2019	0	0.00	238820	1.25
21/06/2019	18000	0.09	256820	1.34
01/11/2019	10000	0.06	266820	1.40
At the end of the year			266820	1.40

Veto Switchgears and Cables Limited

6	JAYANTI DAHYABHAI PATEL				
	At the beginning of the year				
	01/04/2019	0	0.00	250000	1.13
	03/05/2019	(250000)	1.13	0	0.00
	At the end of the year			0	0.00
7	HEMANT HIRALAL SHAH				
	At the beginning of the year				
	01/04/2019	0	0	35000	0.18
	03/05/2019	67158	0.35	102158	0.53
	10/05/2019	72586	0.38	174744	0.91
	14/06/2019	(5273)	(0.02)	169471	0.89
	21/06/2019	(18000)	(0.10)	151471	0.79
	At the end of the year			151471	0.79
8	McJAIN INFO SERVICES PRIVATE LIMITED				
	At the beginning of the year				
	01/04/2019	0	0.00	150000	0.78
	26/04/2019	(50000)	(0.26)	100000	.52
	02/08/2019	50000	0.26	150000	0.78
	At the end of the year			150000	0.78
9	GLOBE COMMODITIES LTD				
	At the beginning of the year				
	01/04/2019	0	0.00	0	0.00
	31/01/2020	148500	0.78	148500	0.78
	At the end of the year			148500	0.78
10	SILKON TRADES LLP				
	At the beginning of the year				
	01/04/2019	0		0	0.00

Veto Switchgears and Cables Limited

	21/06/2019	123791		123791	0.65
	06/09/2019	20000		143791	0.75
	At the end of the year			143791	0.75
11	MAVERICK FINANCIAL SERVICES PRIVATE LIMITED				
	At the beginning of the year				
	01/04/2019	0		139485	0.73
	19/07/2019	100000	0.52	239485	1.25
	02/08/2019	(239485)	(1.25)	0	0.00
	At the end of the year			0	0.00
12	IL And FS Securities Services Limited				
	At the beginning of the year				
	01/04/2019	0	0.00	160140	0.84
	05/04/2019	(500)	(0.00)	159640	0.84
	12/04/2019	(90)	(0.01)	159550	0.83
	19/04/2019	(150090)	(0.78)	9460	0.05
	26/04/2019	1500	0.01	10960	0.06
	03/05/2019	(1500)	(0.01)	9460	0.05
	10/05/2019	(150)	(0.00)	9310	0.05
	21/06/2019	(600)	(0.00)	8710	0.05
	05/07/2019	500	0.00	9210	0.05
	12/07/2019	(500)	(0.00)	8710	0.05
	19/07/2019	4600	0.02	13310	0.07
	26/07/2019	(8500)	(0.04)	4810	0.03
	02/08/2019	(4810)	(0.03)	0	0.00
	At the end of the year			0	0.00

Veto Switchgears and Cables Limited

13	TUSHAR RAMESHCHANDRA MEHTA				
	At the beginning of the year				
	01/04/2019	0	0.00	76076	0.40
	21/02/2020	40942	0.21	117018	0.61
	At the end of the year			117018	0.61
14	VASUDEV LALWANI				
	At the beginning of the year				
	01/04/2019	0	0.00	103300	0.54
	At the end of the year				
15	SWETSAM STOCK HOLDING PRIVATE LIMITED				
	At the beginning of the year				
	01/04/2019	0	0.00	0	0.00
	28/09/2019	100650	0.53	100650	0.53
	At the end of the year			100650	0.53
16	GLOBE FINCAP LIMITED				
	At the beginning of the year				
	01/04/2019	0		100000	0.52
	19/07/2019	(100000)	(0.52)	0	0.00
	At the end of the year			0	0.00

(v) Shareholding of Directors and Key Managerial Personnel

1. PUSHPA DEVI GURNANI

Sl. No.	Particulars	Shareholding at the Beginning of the year			Cumulative Shareholding during the year		
		Date	No. of shares	% of total shares of the company	Date	No. of shares	% of total shares of the company
1.	At the beginning of the year	01/04/2019	484508	2.53			
	Date wise Increase in Share holding during the year reasons for increase: Market Buy	28/06/2019	792,236	4.15	28/06/2019	1276744	6.68
	At the End of the year				31/03/2020	1276744	6.68

Veto Switchgears and Cables Limited

2. KANISHK KISHORE GURNANI

Sl. No.	Particulars	Shareholding at the Beginning of the year			Cumulative Shareholding during the year		
		Date	No. of shares	% of total shares of the company	Date	No. of shares	% of total shares of the company
1.	At the beginning of the year	01/04/2019	109978	0.58			
	Date wise Increase in Share holding during the year reasons for increase: Market Sell/Buy/Buy	12/07/2019	(9,300)	(0.048)	12/07/2019	100678	0.53
		09/08/2019	9,300	0.48	09/08/2019	109978	0.58
		16/08/2019	102,007	0.53	16/08/2019	211985	1.11
	At the End of the year				31/03/2020	211985	1.11

3. ROHIT GURNANI

Sl. No.	Particulars	Shareholding at the Beginning of the year			Cumulative Shareholding during the year		
		Date	No. of shares	% of total shares of the company	Date	No. of shares	% of total shares of the company
1.	At the beginning of the year	01/04/2019	109978	0.58			
	Date wise Increase in Share holding during the year reasons for increase: Market Buy	16/08/2019	102,007	0.53	16/08/2019	211985	1.11
	At the End of the year				31/03/2020	211985	1.11

4. KISHORE KUMAR GURNANI

Sl. No.	Particulars	Shareholding at the Beginning of the year			Cumulative Shareholding during the year		
		Date	No. of shares	% of total shares of the company	Date	No. of shares	% of total shares of the company
1.	At the beginning of the year	01/04/2019	204014	1.07			
	Date wise Decrease in Share holding during the year reasons for decrease: Market Sell	16/08/2019	(204,014)	(1.07)	16/08/2019	0	0.00
	At the End of the year				31/03/2020	0	0.00

Veto Switchgears and Cables Limited

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4016.34	-	-	4016.34
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4016.34			4016.34
Change in Indebtedness during the financial year				
.Addition	-	-	-	-
.Reduction	1502.64			1502.64
Net Change	1502.64			1502.64
Indebtedness at the end of the financial Year				
i) Principal Amount	2513.7			2513.7
ii) Interest due but not paid				
iii) Interest accrued but not due	0.910			0.910
Total (i+ ii+ iii)	2514.61			2514.61

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Akshay Kumar Gurnani (MD & CEO)	Narain Das Gurnani (WTD & CFO)	Jyoti Gurnani (Woman Director)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19,50,000	12,00,000	6,00,000	37,50,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - as % of profit - other, specify....	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (A)	19,50,000	12,00,000	6,00,000	37,50,000
	Ceiling as per the Act	5% Of net profit	5% of net profit	1% of net profit	10% of Net Profit

B. REMUNERATION TO OTHER DIRECTORS:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Kanwar Jeet Singh	Govind Ram Thawani	Mohan Sukhani	Hari Krishan Motwani	
	1. Independent Directors · Fee for attending board committee meetings (Per Meeting Rs.2500/-) · Commission · Others, please specify	22,500	22,500	12,500	10,000	67,500
	Total (1)	22,500	22,500	12,500	10,000	67,500
	2. Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	0	0	0		0
	Total (2)	0	0	0		0
	Total (B)=(1+2)	22,500	22,500	12,500	10,000	67,500
	Total Managerial Remuneration					

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Ms. Bhavna Giamalani	CFO/CFO	Total
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,16,000	-	2,16,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-		-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - Others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	2,16,000	-	2,16,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Date: 04/09/2020

Place: Jaipur

for and on behalf of the Board of Directors

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

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

NISHA AGARWAL
Company Secretary

Annexure-VI

118, Shila Vihar, Gokulpura, Jhotwara,
Jaipur-302012, Rajasthan
Ph.: + 91- 9950933137,
e-mail-nisha.cs07@gmail.com

Secretarial Audit Report

For the Financial Year 2019-20

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

To,

The Members

VETO SWITCHGEARS AND CABLES LIMITED

506, 5th Floor, Plot No. B-9, Landmark Building

New Link Road, Andheri (West), Mumbai,

Mumbai City, Maharashtra-400058, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VETO SWITCHGEARS AND CABLES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on **31.03.2020**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **VETO SWITCHGEARS AND CABLES LIMITED** ("The Company") for the period ended on **31.03.2020** according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- V. The provisions of the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited; and
- VI. the Memorandum and Articles of Association.

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

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

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

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

- a. maintenance of various statutory registers and documents and making necessary entries therein;
- b. closure of the Register of Members.
- c. forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government; A list of forms and returns filed by the Company during the year under review is enclosed at **ANNEXURE -1**
- d. service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e. notice of Board meetings and Committee meetings of Directors;
- f. the meetings of Directors and Committees of Directors including passing of resolutions by circulation; List of meetings of Board of Directors and committees thereof is enclosed at **ANNEXURE -2**

- g. the 12th Annual General Meeting held on 8th September, 2019;
- h. minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- i. approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- j. constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors; List of Board of Directors along with the details of changes therein and the details of Committees of Board is annexed along with this report as **ANNEXURE-3**
- k. payment of remuneration to Directors including the Managing Director and Whole-time Directors;
- l. appointment and remuneration of Auditors and Cost Auditors;
- m. transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
- n. declaration and payment of dividends; Details of unclaimed dividend is annexed along with this report at **ANNEXURE -4**
- o. transfer of certain amounts as required under the Act to the Investor Education and Protection Fund.
- p. borrowings and registration, modification and satisfaction of charges wherever applicable;
- q. investment of the Company's funds including investments and loans to others;
- r. form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- s. Directors' report; and
- t. contracts, registered office and publication of name of the Company;

3. I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- _ Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- _ Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- _ The Company has obtained all necessary approvals under the various provisions of the Act; and
- _ There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- _ The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
5. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
6. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

7. I further report that:

- a. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited and National Stock Exchange of India Limited;
 - b. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - c. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
8. I further report that based on the report of the statutory audit report by M/s. CAS & Co. (formerly known as K. M. Tulsian & Associates) dtd. 29.06.2020 and the information received and records maintained, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Jaipur

Date: August 18, 2020

UDIN: F008345B000591972

Nisha Agarwal

Practicing Company Secretary

FCS: 8345 ~ C. P. No.: 8584

ANNEXURE -1

List of Forms filed during the year under Review:

Sr. No.	Form	Purpose and Relevant Section	Date of Event	Whether filed in time (Yes / No)
1	MGT-14	filing of resolution sec. 179(3)	06.09.2019	Yes
2	MGT-14	filing of resolution Sec. 94(1),117(1)	28.09.2019	Yes
3	MGT-14	filing of resolution (sec. 179)	25.04.2019	Yes
4	MGT-14	filing of resolution (sec. 179)	22.05.2019	No
5	MGT-14	filing of resolution Sec. 94(1),117(1)	28.02.2020	Yes
6	DPT-3	Return of Deposits (Rule 16 of Companies Acceptance of deposit rules)	--	Yes
7	CRA-2	Appointment of Cost Auditor (148)	22.05.2019	No
8	DIR-12	Change of KMP	28.09.2019	Yes
9	AOC-4 (XBRL)	Filing of Balance sheet (137)	31.03.2019	No
10	MGT-7	Annual Return (92)	30.09.2019	Yes
11	AOC-5	Notice of address at which books of account are maintained (Sec. 128)	25.04.2019	NO
12	INC-22A	Active Company Tagging Identities and Verification (ACTIVE) Rule 25A of The Companies (Incorporation) Rules, 2014]	11.04.2019	Yes
13	MGT-15	Return of report on Annual General Meeting	29.09.2019	Yes

Note: The Company had re-appointed its Managing Director w.e.f. August 26, 2019 for a period of 3 years in the AGM dtd. 28.09.2019. However, the Company failed to file form MR-1 in that respect.

ANNEXURE: 2

List of Meetings Held by the Board of Directors of Company:

Sr. No.	Date of Meeting	Strength of Board	No. Of Directors present
1	25.04.2019	6	6
2	22.05.2019	6	6
3	14.08.2019	6	6
4	06.09.2019	6	6
5	25.09.2019	6	6
6	07.10.2019	6	6
7	13.11.2019	6	6
8	31.01.2020	6	6
9	12.02.2020	6	6

Audit Committee Meeting:

Sr. No.	Date of Meeting	Strength of Board	No. Of Directors present
1	22.05.2019	3	3
2	14.08.2019	3	3
3	06.09.2019	3	3
4	13.11.2019	3	3
5	12.02.2019	3	3

Nomination and Remuneration Committee:

Sr. No.	Date of Meeting	Strength of Board	No. Of Directors present
1	06.09.2019	3	3
2	13.11.2019	3	3

Shareholder Meeting:

Sr. No.	Date of Meeting	Director present	Members present
1	28.09.2019(AGM)	4	32
2	28.02.2020(EGM)	4	42

ANNEXURE: 3

List of Board of Directors and KMP:

Sr. No.	Name of Director/ KMP	Designation	Date of change if any
1	Mr. Akshay Kumar Gurnani	Managing Director cum CEO	Re-appointed as Managing director for a period of 3 years pursuant to the resolution passed by the share holders in the AGM held on 28.9.2019
2	Mr. Narain Das Gurnani	Whole Time Director cum CFO	Re-appointed as director after retirement by rotation in AGM dtd. 28.09.2019
3	Ms. Jyoti Gurnani	Director	---
4	Mr. Mohan Sukhani	Independent Director	Resigned w.e.f. 28.09.2019
5	Mr. Govind Ram Thawani	Independent Director	--
6	Mr. Kanwar Jeet Singh	Independent Director	--
7	Mr. Hari Kishan Motwani	Independent Director	Appointed w.e.f.28.09.2019
8	Ms. Bhavna Giamalani	Company Secretary cum Compliance Officer	-

List of Board Committees as on 31.03.2020:

Audit Committee	Corporate Social Responsibility Committee
Mr. Govind Ram Thawani (Chairman) Mr. Hari Kishan Motwani Mr. Narain Das Gurnani	Mr. Govind Ram Thawani (Chairman) Mr. Hari Kishan Motwani Mr. Narain Das Gurnani
Nomination, Remuneration & Compensation Committee	Stakeholders Relationship Committee
Mr. Govind Ram Thawani (Chairman) Mr. Kanwarjeet Singh Mr. Hari Kishan Motwani	Mr. Govind Ram Thawani (Chairman) Mr. Narain Das Gurnani Mr. Hari Kishan Motwani

ANNEXURE -4

Details of Unclaimed dividend:

S. No.		2015-16		2016-17	
		Interim Dividend	Final Dividend	Interim Dividend	Final Dividend
1	Date of declaration of dividend	18.01.2016	23.05.2016/ 28.09.2016	13.02.2017	30.05.2017/ 29.09.2017
2	Amount remaining unpaid till the due date of payment	Nil	Nil	Nil	Nil
3	Amount paid after the due date	Nil	Nil	Nil	Nil
4	Unclaimed Dividend outstanding as on 31.03.2019	81657.00	118713.00	194471.00	125060.00
5	No. of shareholders to whom the dividend is remaining to be paid	241	133	279	139
6	Amount transferred to IEPF	Nil	Nil	Nil	Nil
7	Amount due to be transferred to IEPF but not transferred	Nil	Nil	Nil	Nil

Affirmation by Chairman

Declaration for Compliance with Code of Conduct

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

I Akshay Kumar Gurnani, Chairman of the Company do hereby affirm that all directors and senior managers of the Company have complied with the code of Conduct for Board Members and Senior Managers of our Company during the financial year end on 31st March, 2017.

Date: March 31st, 2020

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

NISHA AGARWAL
Company Secretary

118, Shila Vihar, Gokulpura,
Jhotwara, Jaipur-302012, Rajasthan
Ph.: + 91- 9950933137,
e-mail-nisha.cs07@gmail.com

CERTIFICATE ON CORPORATE GOVERNANCE

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

I have examined the compliance of conditions of Corporate Governance by **Veto Switchgears and Cables Limited** for the year ended 31st March, 2020 as stipulated in the Listing Agreement of the said Company with Stock Exchanges.

Management's Responsibility

The Compliance of the conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations

Our Responsibility

My examination has been limited to procedures and implementations thereof adopted by the Company for ensuring compliance with the Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the company.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

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

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

Place: Jaipur
Date: 20.08.2020

NISHA AGARWAL

Company Secretary

Annexure-IX

118, Shila Vihar, Gokulpura, Jhotwara,
Jaipur-302012, Rajasthan
Ph.: + 91- 9950933137,
e-mail-nisha.cs07@gmail.com

CERTIFICATE ON DIRECTOR DISQUALIFICATION

To Whomsoever It May Concern

From the verification of records and details available independently and those made available to us, by the Company and on the basis of representation received from the management of the Company, I hereby certify that none of the members of the Board of Directors of M/s. **Veto Switchgears and Cables Limited** have been debarred or disqualified from being appointed as directors of Companies.

Following is the list of Directors of the Company as on the date of issue of this certificate:

Name of Director	DIN	Designation	Date of Appointment
<i>AKSHAY KUMAR GURNANI</i>	<i>06888193</i>	Managing Director	<i>27/08/2014</i>
<i>NARAIN DAS GURNANI</i>	<i>01970599</i>	Wholetime Director	<i>24/05/2016</i>
<i>GOVIND RAM THAWANI</i>	<i>06367093</i>	Director	<i>22/08/2012</i>
<i>JYOTI GURNANI</i>	<i>06953899</i>	Director	<i>27/08/2014</i>
<i>KANWAR JEET SINGH</i>	<i>07813714</i>	Director	<i>06/05/2017</i>
<i>HARI KRISHAN MOTWANI</i>	<i>08570545</i>	Director	<i>28/09/2019</i>

Nisha Agarwal

Company Secretary in Practice

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

Place: Jaipur
Date: 25.08.2020

Compliance Certificate

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

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

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2020 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2019-2020 which are fraudulent, illegal or violative of the Company's code of conduct.

C. we accept responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.

Sd/-
Akshay Kumar Gurnani
(Managing Director)
DIN: 06888193
PAN : AYOPG9890J

Sd/-
Narain Das Gurnani
(Whole-time Director & CFO)
DIN: 01970599
PAN : AERPG5958A

Place: Jaipur
Date: June 29th, 2020

C A S & C O
CHARTERED ACCOUNTANTS
INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Veto Switchgears and Cables Limited** (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated cash flows Statement the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2020, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. During the course of our audit, we have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis, Board's Report, Report on Corporate governance and Business Responsibility report but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated state of affairs (consolidated financial position) , consolidated profit or loss (Consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

1. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
2. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
3. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 4. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 5. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We draw attention to Note no. 43 to the Consolidated Financial Statements, which describes the uncertainties due to the outbreak of SARS-CoV-2 virus (COVID-19). In view of these uncertainties, the impact on the Group's financial statements is significantly dependent on future developments. Our opinion is not modified in respect of this matter.
2. We did not audit the financial statements of Veto Overseas Private FZE, Veto Electricals Private Limited and Veto Led Lighting Private Limited, whose financial statements reflect Group's share of total assets of Rs. 67,60,08,436/- as at 31 March 2020, Group's share of total revenue of Rs. 29,25,65,649/- total net profit / (loss) of Rs. (1,77,57,177/-), total comprehensive income / (loss) of Rs. (65,98,822/-) for the year ended on that date and Group's share of net cash inflows of Rs. 6,12,38,884/- for the year ended on that date, as considered in the consolidated Ind AS financial

statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure A**.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. There was no pending litigation which would impact the consolidated financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.
2. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For C A S & Co.

Chartered Accountants

Firm's Registration No. 111075W

Nitesh Musahib

Partner

Mem. No. 131146

UDIN : 20131146AAAABV7210

Place: Mumbai

Date: June 29, 2020

Annexure “A” to the Independent Auditor’s Report of even date on the Consolidated Ind AS financial statements of Veto Switchgears and Cables Limited for the year ended 31st March 2020.

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **Veto Switchgears and Cables Limited** (hereinafter referred to as the “Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal financial control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiary companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For C A S & Co.

Chartered Accountants

Firm's Reg. No. 111075W

Nitesh Musahib

Partner

Mem. No. 131146

UDIN : 20131146AAAABV7210

Place : Mumbai

Date : June 29, 2020

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited
Consolidated Balance Sheet as at 31st March, 2020

Amount in ₹

Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3A	24,21,57,322	15,67,82,440
Capital work in progress	3B	3,03,65,175	26,01,468
Other Intangible assets	3C	-	-
Investment Property	3D	14,22,47,830	14,52,69,439
Right of Use Assets	3E	1,22,86,237	-
Goodwill on Consolidation		10,778	10,778
Financial Asset			
Investments	4	51,000	51,000
Other financial assets	5	1,62,65,714	1,58,77,732
Deferred tax asset (net)	6	2,47,27,369	2,29,32,227
Income tax assets (net)	7	2,36,443	37,38,791
Other non - current assets	8	28,58,905	29,30,346
Total Non-Current Assets		47,12,06,773	35,01,94,221
Current Assets			
Inventories	9	90,11,33,532	98,10,77,314
Financial Asset			
Trade receivables	10	59,48,17,116	60,97,62,824
Cash and cash equivalents	11	15,10,27,636	14,54,51,384
Other bank balances	12	59,28,120	53,64,106
Other Current Asset	13	7,60,39,862	11,22,50,569
Total Current Assets		1,72,89,46,266	1,85,39,06,197
TOTAL ASSETS		2,20,01,53,039	2,20,41,00,418
EQUITY AND LIABILITIES			
Shareholders' Funds			
Equity Share capital	14A	19,11,49,550	19,11,49,550
Other Equity	14B	1,58,65,04,204	1,48,19,80,579
Total Equity		1,77,76,53,754	1,67,31,30,129
Non-current Liabilities			
Financial liabilities			
Borrowings	15	11,28,579	77,77,257
Lease Liability	16	60,75,260	-
Provisions	17	26,05,820	14,36,685
Total Non-current Liabilities		98,09,659	92,13,942
Current Liabilities			
Financial liabilities			
Borrowings	18	23,80,58,532	37,17,84,911
Trade payables	19	9,63,58,242	8,18,00,454
Lease Liability	16	24,68,575	-
Other financial liabilities	20	6,85,93,335	6,27,24,734
Other current liabilities	21	55,86,598	35,75,108
Provisions	17	16,24,345	18,71,140
Total Current Liabilities		41,26,89,627	52,17,56,347
TOTAL EQUITY AND LIABILITIES		2,20,01,53,039	2,20,41,00,418

Notes 1 to 44 form an integral part of the consolidated financial statements

This is the Balance Sheet referred to in our audit report of even date

For CA S & Co

Chartered Accountants
Firm Registration No. 111075W

Nitesh Musahib
Partner
Membership No. : 131146
Place: Mumbai
Date : June 29, 2020

For and on behalf of the Board

Veto Switchgears and Cables Limited

Akshay Kumar Gurnani
Managing Director & CEO
DIN : 06888193
Place: Jaipur
Date : June 29, 2020

Narain Das Gurnani
Whole Time Director & CFO
DIN : 01970599
Varsha Rani Choudhary
Company Secretary

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited
Consolidated Statement of Profit and Loss for the year ended 31st March, 2020

Particulars	Notes	Amount in ₹	
		Year ended 31st March, 2020	Year ended 31st March, 2019
INCOME			
Revenue from operation	22	1,50,21,80,960	2,18,30,12,514
Other income	23	68,49,552	37,61,839
Total Revenue		1,50,90,30,512	2,18,67,74,353
EXPENSES			
Cost of materials consumed	24	50,26,16,689	58,17,41,224
Purchases of stock-in-trade	25	47,59,71,693	1,69,35,56,321
Changes in inventories of finished goods and stock in trade	26	6,99,54,749	(54,86,63,253)
Employee benefits expense	27	10,99,83,299	9,36,47,664
Finance costs	28	3,73,17,372	3,89,43,418
Depreciation	29	1,89,89,318	1,46,68,187
Other expenses	30	15,50,35,187	15,33,25,879
		1,36,98,68,308	2,02,72,19,440
Profit before tax (A-B)		13,91,62,204	15,95,54,913
Tax expense/ (credit)			
- Current tax		4,26,15,000	3,66,00,000
- Tax for earlier years		57,66,762	28,22,178
- Deferred tax liability / (asset)		(20,19,345)	44,02,251
		4,63,62,417	4,38,24,429
Profit/ (loss) for the year (A)		9,27,99,787	11,57,30,484
Other comprehensive income (OCI)			
Items not to be reclassified subsequently to profit or loss :			
- Re-measurement gains / (Loss) on defined benefits plans		8,74,918	4,29,894
- Income tax effect on above		(2,24,203)	(1,25,185)
Items that will be reclassified to Profit or Loss			
Exchange Difference in translating the financial statement of foreign operations		1,11,58,355	3,30,09,726
Other comprehensive income for the year, net of tax (B)		1,18,09,070	3,33,14,435
Total comprehensive income for the year (A+B)		10,46,08,858	14,90,44,919
Earnings per equity share	31		
(Nominal value of share Rs.10 (PY Rs.10))			
- Basic		4.88	6.09
- Diluted		4.88	6.09

Notes 1 to 44 form an integral part of the consolidated financial statements

This is the Balance Sheet referred to in our audit report of even date

For C A S & Co
Chartered Accountants
Firm Registration No. 111075W

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

Nitish Musahib
Partner
Membership No. : 131146

Akshay Kumar Gurnani
Managing Director & CEO
DIN : 06888193

Narain Das Gurnani
Whole Time Director & CFO
DIN : 01970599

Place: Mumbai
Date : June 29, 2020

Place: Jaipur
Date : June 29, 2020

Varsha Rani Choudhary
Company Secretary

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited
Consolidated Cash Flow Statement For the year ended 31st March 2020

Amount in ₹

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
A. Cash flow from operating activities		
Net profit before taxation	13,91,62,204	15,95,54,913
<u>Adjustments for:</u>		
Depreciation and amortisation expense	1,68,50,597	1,46,68,187
Finance costs	3,73,17,372	3,85,57,418
Interest income	(8,75,016)	(11,43,421)
Rent received	(54,00,000)	-
Remeasurement of defined benefit plans as per actuarial valuation	8,74,918	4,29,894
Provision for expected credit loss on trade receivables	24,20,000	56,76,610
Foreign Currency Translation Reserve	1,11,58,355	3,30,09,726
Operating profit before working capital changes (A)	20,15,08,431	25,07,53,327
Adjustments for changes in working capital:		
Decrease / (increase) in trade receivables	1,26,88,284	45,00,28,966
Decrease / (increase) in inventories	7,99,43,782	(53,47,46,921)
Decrease / (increase) in other financial assets	(3,87,982)	26,46,232
Decrease / (increase) in other non current assets	71,441	(23,17,825)
Decrease / (increase) in other current assets	3,60,48,131	1,23,30,919
(Decrease) / Increase in provisions	9,22,340	14,28,787
(Decrease) / Increase in trade and other payables	1,45,57,788	52,56,694
(Decrease) / Increase in other financial liabilities	1,60,86,763	1,99,90,667
(Decrease) / Increase in other current liabilities	20,11,489	79,648
Cash generated from / (used in) operations	36,34,50,468	20,54,50,494
Direct taxes paid	(4,48,79,414)	(9,58,31,448)
Net cash flow from operating activities	31,85,71,054	10,96,19,046
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work in progress) and Investment Property	(13,11,23,957)	(1,76,23,835)
Proceeds from sale of non-current investments	-	98,000
Net (investments in)/ proceeds from bank deposits (having original maturity of more than three months)	(5,64,014)	(17,75,839)
Rent received	54,00,000	-
Interest received	8,75,016	11,43,421
Net cash flow from / (used in) investment activities	(12,54,12,955)	(1,81,58,253)
C. Cash Flow from Financing Activities		
Proceeds from long-term borrowings (net)	(1,65,38,096)	(2,53,24,396)
Proceeds from short-term borrowings (net)	(13,37,26,379)	5,03,61,753
Proceeds from issue of Equity shares under ESOP	-	3,96,42,197
Interest paid	(3,73,17,372)	(3,85,57,418)
Net cash flow from / (used in) financing activities	(18,75,81,847)	2,61,22,135
Net increase / (decrease) in cash and cash equivalents	55,76,252	11,75,82,928
Cash and cash equivalents at the beginning of the year	14,54,51,384	2,78,68,456
Cash and cash equivalents at the end of the year	15,10,27,636	14,54,51,384
Components of cash and cash equivalents considered only for the purpose of cash flow statement		
Cash on hand	6,34,925	7,88,470
Balances with bank on current account	15,03,92,711	6,91,02,914
Fund in Transit	-	7,55,60,000
	15,10,27,636	14,54,51,384

Veto Switchgears and Cables Limited

Consolidated Cash Flow Statement For the year ended 31st March 2020

Note : The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

Notes 1 to 44 form an integral part of the consolidated financial statements

This is the Cash Flow Statement referred to in our audit report of even date

For C A S & Co

Chartered Accountants

Firm Registration No. 111075W

For and on behalf of the Board

Veto Switchgears and Cables Limited

Nitesh Musahib

Partner

Membership No. : 131146

Place: Mumbai

Date : June 29, 2020

Akshay Kumar Gurnani

Managing Director & CEO

DIN : 06888193

Place: Jaipur

Date : June 29, 2020

Narain Das Gurnani

Whole Time Director & CFO

DIN : 01970599

Varsha Rani Choudhary

Company Secretary

Veto Switchgears and Cables Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2020

A) Equity share capital

Particulars	Number	Amount in ₹
Equity shares of Rs. 10 each issued, subscribed and paid		
As at 31 March 2018	1,83,27,100	18,32,71,000
Issue of equity shares	7,87,855	78,78,550
As at 31 March 2019	1,91,14,955	19,11,49,550
Issue of equity shares	-	-
As at 31 March 2020	1,91,14,955	19,11,49,550

B) Other equity

Particulars	Reserves and surplus						Other comprehensive income	Money Received against Share Warrants	Total equity attributable to equity holders
	Securities premium reserve	Statutory Reserve	Employee Stock Option Outstanding Account	Retained earnings	Capital Reserve	Foreign Currency Translation Reserve			
As at 31 March 2018	15,94,71,817	88,28,262	5,11,97,485	89,53,93,472	-	(61,87,220)	12,18,197	19,12,50,000	1,30,11,72,013
Total comprehensive income for the year	-	-	-	11,57,30,484	-	3,30,09,726	3,04,709	-	14,90,44,919
On further issue of shares	8,29,61,132	-	-	-	-	-	-	-	8,29,61,132
Employee stock compensation expense for the year	-	-	(5,11,97,485)	-	-	-	-	-	(5,11,97,485)
Forfeiture of share warrants	-	-	-	-	19,12,50,000	-	-	(19,12,50,000)	-
As at 31 March 2019	24,24,32,949	88,28,262	-	1,01,11,23,956	19,12,50,000	2,68,22,506	15,22,906	-	1,48,19,80,579
Total comprehensive income for the year	-	-	-	9,27,99,787	-	1,11,58,355	6,50,715	-	10,46,08,858
Retained Earnings adjustment on adoption of IND AS 116	-	-	-	(85,233)	-	-	-	-	(85,233)
As at 31 March 2020	24,24,32,949	88,28,262	-	1,10,38,38,510	19,12,50,000	3,79,80,861	21,73,621	-	1,58,65,04,204

This is the Statement of Changes in Equity referred to in our audit report of even date

For C A S & Co.
Chartered Accountants
Firm Registration No. 111075W

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

Nitesh Musahib
Partner
Membership No. : 131146

Akshay Kumar Gumani
Managing Director & CEO
DIN : 06888193

Narain Das
Chartered Accountant
DIN : 01970599

Place: Mumbai
Date : June 29, 2020

Place: Jaipur
Date : June 29, 2020

Varsha Rani Choudhary
Company Secretary

Veto Switchgears And Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 1 Corporate Information

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

The Company along with its subsidiaries its associates and its joint venture has been collectively hereinafter referred to as "the Group".

Note 2.1 Significant Accounting Policies

i Basis of Preparation of Consolidated Financial Statements

The financial statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015 read together with the company (Indian Accounting standards) rules, 2015 (as amended).

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

All the assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in as per the guidance set out in Schedule III to the Act. Based on nature of services, the Company ascertained its operating cycle as 12 months for the purpose of current and non-current classification of asset and liabilities.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest Rupees, except when otherwise indicated.

ii Principles of Consolidation

The financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary companies have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances / transactions and elimination of resulting unrealized profits / losses in accordance with Indian Accounting Standard ('Ind AS') - 110 'Consolidated Financial Statements' notified by the Companies (Accounting Standards) Rules, 2006 read with Rule 7 to the Companies (Accounts) Rules 2014 in respect of Section 133 of the Companies Act, 2013.
- b) Goodwill on consolidation represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary Group's share in the net worth of a subsidiary, as per Indian Accounting Standard (Ind AS) 110 "Consolidated Financial Statements". For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents negative goodwill arising on consolidation. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.
- c) Minority interest in net profits or losses of consolidated subsidiaries for the year is identified and adjusted against the income or loss in order to arrive at the net income or loss attributable to the shareholders of the Company. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of initial investments as stated above. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual / legal obligation on the minorities, the same is accounted for by the Holding Company.
- d) Financial statements are prepared using uniform policies for like transaction and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- e) Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and / or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.
- f) The gains / losses in respect of part dilution of stake in subsidiary companies pursuant to issue of additional shares to minority shareholders are recognized directly in capital reserve under Reserves and surplus in the Balance Sheet. The gains / losses in respect of part divestment of stake in subsidiary companies pursuant to sale of shares by the Holding Company are recognized in the Statement of Profit and Loss.

Veto Switchgears And Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

iii Accounting Estimates

The preparation of the financial statements, in conformity with the Ind AS, requires the management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Deferred tax assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Impairment of Receivables

The impairment provisions of financial receivables based on the assumptions about risk of default and expected loss rates.

iii Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2016 of its Property, Plant and Equipment and use that carrying value as the deemed cost.

iv Intangible Assets

Costs relating to acquisition of trademarks are capitalised as "Intangible Assets"

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2016 of its Intangible Assets and used that carrying value as the deemed cost.

Veto Switchgears And Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

v Depreciation/ Amortisation

Depreciation/ amortisation is provided:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant & Equipment of the company has been provided as per the Written Down value method as per the useful lives of the respective Property, Plant & Equipment in the manner as prescribed by Schedule II of the Act. Leasehold improvements are written off over the noncancellable period of lease. Leasehold land have not been amortised being a perpetual in nature. Goodwill & Trade marks has been amortized over a period of five years.

vi Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets

Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2016 of its equity investments in subsidiaries and used that carrying value as the deemed cost of these investments on the date of transition i.e. 1 April 2016.

Veto Switchgears And Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b) Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

1) Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Veto Switchgears And Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

3) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

c) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

vii Inventories

Inventories are valued as follows:

- a Finished Goods are valued at lower of cost or net realisable value*.
- b Raw Materials are valued at lower of cost or net realisable value**.
- c Packing Materials are valued at cost or net realizable value**.
- d Stock in Trade is valued at lower of cost or net realisable value**.

* Cost is arrived at on retail method.

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

viii Employee Benefits

a Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b Defined Benefit Plan

The Company also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

c Leave entitlement and compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

ix Share - Based Compensation

The company recognizes compensation expense relating to employees stock option plan in statement of profit and loss account in accordance with IND AS 102, Share - Based Payment. Accordingly, compensation expense as determined on the date of the grant is amortised over the vesting period. The Company follows fair value method to calculate the value of the stock options.

Veto Switchgears And Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

x Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand, which are subject to an insignificant risk of changes in value.

xi Borrowing Costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

xii Foreign Exchange Translation and Accounting of Foreign Exchange Transaction

a Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

b Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss except those arising from investment in Non Integral operations.

xiii Revenue Recognition

a Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

b Revenue in respect of export sales is recognised on shipment of products.

c Sales are recognised net of discounts, rebates and returns.

d Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

e Dividend income is recognized when the company's right to receive dividend is established.

f Claims for insurance are accounted on receipts/ on acceptance of claim by insurer.

xiv Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Veto Switchgears And Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

b Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

xv Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

xvi Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

xvii Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

xviii Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Veto Switchgears And Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

xix Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are disclosed in the financial statements.

xx Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM). The Company has identified its Managing Director as CODM which assesses the operational performance and position of the Company and makes strategic decisions.

xxi Leases

Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Veto Switchgears And Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition

Effective April 1, 2019, the Company adopted IND AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

Veto Switchgears And Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note : 3 Property, plant and equipment

Particulars	Amount in ₹										
	Leasehold Land	Freehold Land	Office Building	Factory Building	Leasehold Improvement	Plant & Machinery	Office Equipments	Furniture & Fixtures	Computers	Vehicles	Total
Gross carrying value (at deemed cost)											
Balance as at 31 March 2018	11,86,21,732	1,96,72,218	-	5,78,81,375	46,46,066	11,13,56,496	31,98,552	1,19,68,199	23,33,293	2,84,39,528	35,81,17,459
Transferred to Investment Property	8,32,24,102	-	-	-	-	-	-	-	-	-	8,32,24,102
Additions	-	-	1,78,46,280	-	53,08,984	7,81,631	74,496	1,48,134	89,872	12,97,368	2,55,46,765
Disposals / Deletions	-	-	-	-	-	2,18,492	-	-	-	-	2,18,492
Balance as at 31 March 2019	3,53,97,630	1,96,72,218	1,78,46,280	5,78,81,375	99,55,050	11,19,19,635	32,73,048	1,21,16,333	24,23,165	2,97,36,896	30,02,21,630
Additions	-	9,02,36,000	-	11,672	-	39,42,934	2,64,480	79,22,976	2,50,817	7,31,370	10,33,60,249
Reclassified on adoption of IND AS 116	-	-	-	-	99,55,050	-	-	-	-	-	99,55,050
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	-	10,99,08,218	1,78,46,280	5,78,93,047	-	11,58,62,569	35,37,528	2,00,39,309	26,73,982	3,04,68,266	39,36,26,829
Accumulated depreciation											
Balance as at 31 March 2018	-	-	-	2,50,04,177	43,12,959	6,57,80,895	29,23,412	86,13,561	22,60,338	2,07,52,814	12,96,48,156
Depreciation charge	-	-	2,14,302	25,17,001	2,43,451	73,28,341	1,17,497	8,94,361	41,747	25,54,579	1,39,11,277
Deletions / Adjustments	-	-	-	-	-	1,20,243	-	-	-	-	1,20,243
Balance as at 31 March 2019	-	-	2,14,302	2,75,21,178	45,56,410	7,29,88,993	30,40,909	95,07,922	23,02,085	2,33,07,393	14,34,39,190
Reclassified on adoption of IND AS 116	-	-	-	-	45,56,410	-	-	-	-	-	45,56,410
Depreciation charge	-	-	8,58,677	21,70,489	-	61,78,540	1,14,618	10,07,688	1,50,781	21,05,934	1,25,86,727
Deletions / Adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	-	-	10,72,979	2,96,91,667	-	7,91,67,533	31,55,527	1,05,15,610	24,52,866	2,54,13,327	15,14,69,507
Net carrying value											
Balance as at 31 March 2018	11,86,21,732	1,96,72,218	-	3,28,77,198	3,33,107	4,55,75,601	2,75,140	33,54,638	72,955	76,86,714	22,84,69,303
Balance as at 31 March 2019	3,53,97,630	1,96,72,218	1,76,31,978	3,03,60,197	53,98,640	3,89,30,642	2,32,139	26,08,411	1,21,080	64,29,503	15,67,82,440
Balance as at 31 March 2020	-	10,99,08,218	1,67,73,301	2,82,01,380	-	3,66,95,036	3,82,001	95,23,699	2,21,116	50,54,939	24,21,57,322

Veto Switchgears And Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

B Capital work in progress		Amount in ₹
Particulars	Total	
Gross carrying value (at deemed cost)		
Balance as at 31 March 2018	7,32,25,597	
Additions	1,00,21,598	
Transfer to Fixed Assets	8,06,45,726	
Balance as at 31 March 2019	26,01,468	
Additions	3,56,22,973	
Transfer to Fixed Assets	78,59,266	
Balance as at 31 March 2020	3,03,65,175	

C Intangible Assets				Amount in ₹	
Particulars	Goodwill			Other Intangible Asset	
	Goodwill (on consolidation)	Goodwill (acquired separately)	Total	Trade Mark	Total
Gross carrying value (at deemed cost)					
Balance as at 31 March 2018	10,778	5,40,000	5,50,778	1,12,000	1,12,000
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31 March 2019	10,778	5,40,000	5,50,778	1,12,000	1,12,000
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31 March 2020	10,778	5,40,000	5,50,778	1,12,000	1,12,000
Accumulated amortisation					
Balance as at 31 March 2018	-	5,40,000	5,40,000	1,09,200	1,09,200
Amortisation charge	-	-	-	2,800	2,800
Impairment	-	-	-	-	-
Balance as at 31 March 2019	-	5,40,000	5,40,000	1,12,000	1,12,000
Amortisation charge	-	-	-	-	-
Reversal on disposal of assets	-	-	-	-	-
Balance as at 31 March 2020	-	5,40,000	5,40,000	1,12,000	1,12,000
Net carrying value					
Balance as at 31 March 2018	10,778	-	10,778	2,800	2,800
Balance as at 31 March 2019	10,778	-	10,778	-	-
Balance as at 31 March 2020	10,778	-	10,778	-	-

Veto Switchgears And Cables Limited

**Summary of significant accounting policies and other explanatory information
to the consolidated financial statements as at and for the year ended 31 March 2020**

D Investment Property		Amount in ₹	
Particulars	Leasehold Land	Building	Total
Gross carrying value (at deemed cost)			
Balance as at 31 March 2018	-	-	-
Transferred from Property Plant and Equipment	8,32,24,102	-	8,32,24,102
Additions	-	6,27,99,446	6,27,99,446
Balance as at 31 March 2019	8,32,24,102	6,27,99,446	14,60,23,548
Additions	-	-	-
Reclassified on adoption of IND AS 116	-	-	-
Balance as at 31 March 2019	8,32,24,102	6,27,99,446	14,60,23,548
Accumulated depreciation			
Balance as at 31 March 2018	-	-	-
Depreciation charge	-	7,54,110	7,54,110
Balance as at 31 March 2018	-	7,54,110	7,54,110
Depreciation charge	-	30,21,608	30,21,608
Balance as at 31 March 2019	-	37,75,718	37,75,718
Net carrying value			
Balance as at 31 March 2018	8,32,24,102	6,27,99,446	14,60,23,548
Balance as at 31 March 2019	8,32,24,102	6,20,45,336	14,52,69,438
Balance as at 31 March 2020	8,32,24,102	5,90,23,728	14,22,47,830

Veto Switchgears And Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

E) Right of Use Assets		Amount in ₹		
Particulars	Office Premises	Leasehold Improvements	Total	
Gross carrying value (at deemed cost)				
Balance as at 31 March 2018	-	-	-	
Additions	-	-	-	
Disposals / Adjustments	-	-	-	
Balance as at 31 March 2019	-	-	-	
Additions	1,02,68,579	-	1,02,68,579	
Reclassified on adoption of IND AS 116	-	99,55,050	99,55,050	
Balance as at 31 March 2020	1,02,68,579	99,55,050	2,02,23,629	
Accumulated Amortization				
Balance as at 31 March 2018	-	-	-	
Amortisation charge for the year	-	-	-	
Deletions / Adjustments	-	-	-	
Balance as at 31 March 2019	-	-	-	
Reclassified on adoption of IND AS 116	-	45,56,409	45,56,409	
Amortisation charge for the year	21,38,721	12,42,262	33,80,983	
Deletions / Adjustments	-	-	-	
Balance as at 31 March 2020	21,38,721	57,98,671	79,37,392	
Net carrying value				
Balance as at 31 March 2018	-	-	-	
Balance as at 31 March 2019	-	-	-	
Balance as at 31 March 2020	81,29,857	41,56,380	1,22,86,237	

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Amount in ₹

Note 4 : Investments

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investment in Equity Instruments		
Trade, Unquoted (At cost, unless stated otherwise)		
Others		
Veto Lightings Private Limited	51,000	51,000
5,100 Equity Shares of Rs.10 each fully paid up		
Total non-current investments	51,000	51,000

Particulars	As at 31st March, 2020	As at 31st March, 2019
Aggregate of non-current investments:		
Book value of investments	51,000	51,000
Investments carried at deemed cost	-	-
Investments carried at fair value through profit and loss	51,000	51,000

Note 5 : Other financial assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-current		
Security Deposits	89,05,258	84,10,519
VAT Receivables	73,60,456	74,67,213
Total non-current financial assets	1,62,65,714	1,58,77,732

Note 6 : Deferred tax asset (net)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred Tax Assets / (Liabilities)		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	1,47,45,496	1,34,73,964
Employee Benefits	10,84,005	9,63,239
Other Provisions	88,97,867	84,95,024
Deferred Tax Asset (Net)	2,47,27,369	2,29,32,227

Note 7 : Income tax assets (net)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance Tax & TDS (net of provisions)	2,36,443	37,38,791
	2,36,443	37,38,791

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Amount in ₹

(a) Income Tax Expense

Particulars	2019-20	2018-19
Current tax expense (A)		
Current year	4,26,15,000	3,66,00,000
Short/(Excess) provision of earlier years	57,66,762	28,22,178
	4,83,81,762	3,94,22,178
Deferred tax expense (B)		
Origination and reversal of temporary differences	(20,19,345)	44,02,251
Tax expense recognised in the income statement (A+B)	4,63,62,417	4,38,24,429

(b) Amounts recognised in other comprehensive income

Particulars	2019-20			2018-19		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	8,74,918	(2,24,203)	6,50,715	4,29,894	(1,25,185)	3,04,709
	8,74,918	(2,24,203)	6,50,715	4,29,894	(1,25,185)	3,04,709

(c) Reconciliation of effective tax rate

Particulars	2019-20	2018-19
Profit before tax	13,91,62,204	15,95,54,913
Tax using the Company's domestic tax rate (Current year 25.63% and Previous Year 34.608%)	3,56,61,150	5,52,18,764
Tax effect of :		
Tax effect on non-deductible expenses	48,92,742	(1,42,16,512)
Adjustments recognised in current year in relation to the current tax of prior years	57,66,762	28,22,178
	4,63,20,654	4,38,24,429
Tax expense as per Statement of Profit & Loss	4,63,62,417	4,38,24,429
Effective tax rate	33.315%	27.467%

Note 8 : Other non - current assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital Advances	10,71,990	5,47,793
Deferred assets on financial assets carried at amortised cost	17,86,915	23,82,553
Total other non-current assets	28,58,905	29,30,346

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Amount in ₹

Note 9 : Inventories

Particulars	As at 31st March, 2020	As at 31st March, 2019
Finished goods	16,30,25,798	18,51,05,047
Stock in trade	60,79,01,833	67,09,97,795
Raw materials	11,76,03,776	11,24,69,668
Packing materials	1,26,02,125	1,25,04,804
Total Inventories	90,11,33,532	98,10,77,314

Note 10 : Trade receivables

(Unsecured, considered good)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, Considered Good	62,62,46,236	63,89,35,297
Less :- Provision for Expected Credit Loss	3,14,29,120	2,91,72,473
Total trade receivables	59,48,17,116	60,97,62,824

Note 11 : Cash and cash equivalents

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances with banks:		
-In current accounts	15,03,92,711	6,91,02,914
Cash in hand	6,34,925	7,88,470
Funds in Transit	-	7,55,60,000
Total cash and cash equivalents	15,10,27,636	14,54,51,384

Note 12 : Other bank balances

Particulars	As at 31st March, 2020	As at 31st March, 2019
Earmarked balances with banks for:		
Margin Money Deposit With Original Maturity of more than 3 months and remaining maturity of less than 12 months	59,28,120	53,64,106
Total other bank balances	59,28,120	53,64,106

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Amount in ₹

Note 13 : Other Current Asset

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance to creditors		
- Related parties (Refer note 35)	2,05,74,977	6,22,33,969
- Others	2,77,77,836	2,92,13,397
Staff Advances	18,08,931	20,08,456
Prepaid Expenses	20,88,975	6,34,753
Balance with Government Authorities	2,25,02,889	1,09,98,232
Deferred assets on financial assets carried at amortised cost	5,95,638	5,95,638
Other Advances	6,90,616	65,66,124
Total other current assets	7,60,39,862	11,22,50,569

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Amount in ₹

Note 15 : Borrowings

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non current borrowings		
Secured		
Term loans from banks	1,10,90,985	2,60,00,000
Less: Current maturities of long term debt	1,10,00,000	2,00,00,000
Less: Interest accrued but not Due	90,985	
	-	60,00,000
Hire purchase loans from banks	23,10,984	38,49,080
Less: Current maturities of long term debt	11,82,405	20,71,823
	11,28,579	17,77,257
Total non-current borrowings	11,28,579	77,77,257

Additional information pursuant to long term borrowings :

a) Term loan amounting to Rs. 1,10,00,000 (PY: Rs. 2,60,00,000) from Indian Oversease Bank carries interest of Base Rate + 2% p.a. The loan is repayable in 20 Quarterly instalments along with interest started from June, 2016. The loan is primarily secured by way of equitable mortgage of land and building of Corporate office under construction and collateral security of factory land and building of the Company, land and building of M/s. vimal Power Cables Private Limited, hypothecation of fixed assets (excluding land and building and vehicles) of the Company, personal guarantee of two director and two promoters and corporate guarantee of Vimal Power cables Private Limited and Veto Electropower (India) Private Limited (formerly Holding Company).

b) Hire Purchase Loans amounting to Rs. 23,10,984 (PY Rs. 38,49,080) from various banks and financial institutions are secured by hypothecation of respective vehicle financed. The loans carries interest @ 8.50% to 11% p.a. The loan is repayable in 36 to 60 equal monthly instalments.

Note 16 : Lease Liability

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non Current		
Lease Liability	60,75,260	-
	60,75,260	-
Current		
Lease Liability	24,68,575	-
	24,68,575	-

Note 17 : Provisions

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non Current		
Provision for Gratuity	26,05,820	14,36,685.00
	26,05,820	14,36,685
Current		
Provision for Gratuity	16,24,345	18,71,140
	16,24,345	18,71,140

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Amount in ₹

Note 18 : Borrowings

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current borrowings (Secured)		
Cash Credit Facility from bank From Bank	23,80,58,532	37,17,84,911
Total borrowings	23,80,58,532	37,17,84,911

Additional information pursuant to secured short term borrowing :

Cash credit facility amounting to Rs. 23,80,58,532 (PY Rs. 37,17,84,911) from indian oversease bank carries interest rate of base rate + 1.75% p.a. The loan is secured by way of 1st charge on entire current assets of the Company and collateral security of factory land and building of the Company, land and building of M/s. vimal Power Cables Private Limited, hypothecation of fixed assets (excluding land and building and vehicles) of the Company, personal guarantee of two director and two promoters and corporate guarantee of Vimal Power cables Private Limited and Veto Electropower (India) Private Limited (formerly Holding Company).

Note 19 : Trade payables

Particulars	As at 31st March, 2020	As at 31st March, 2019
Due to Micro, Small & Medium Enterprises	3,11,04,210	2,10,97,597
Due to Others	6,52,54,031	6,07,02,856
Total trade payables	9,63,58,242	8,18,00,454

The Company has amounts due to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act), as at 31 March 2020.

The disclosure pursuant to the said Act is as under:

Particulars	As at 31st March, 2020	As at 31st March, 2019
The principal amount remaining unpaid to any supplier as at the end of accounting year;	3,11,04,210	2,10,97,597
The interest due and remaining unpaid to any supplier as at the end of accounting year;	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Note: This information, as required to be disclosed under the MSMED Act, has been determined to the extent such parties have been identified on the basis of information available with the Company.

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

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

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Amount in ₹

Note 20 : Other financial liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current maturities of loan term debt	1,21,82,405	2,20,71,823
Interest accrued but not due	90,985	-
Trade deposits	3,79,67,670	1,98,66,010
Salary & Wages Payable	60,09,001	68,50,778
Duties & taxes payable	35,18,002	60,16,305
Provision for Expenses	83,05,371	73,99,917
Unpaid Dividend (refer Note below)	5,19,901	5,19,901
Total other financial liabilities	6,85,93,335	6,27,24,734

Note: The unpaid dividend includes Rs 2,00,370/- and Rs.3,19,531/- in relation to interim and/ or final dividends declared by the company for FY 2015-16 and 2016-17 respectively against which claims have not been made. The amounts against the same have been set aside and deposited in separate scheduled bank accounts by the company in compliance with section 124 of the Companies Act 2013.

Note 21 : Other current liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance from debtors	35,11,873	16,50,011
Deferred Revenue	20,74,725	19,25,098
Total other current liabilities	55,86,598	35,75,108

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Amount in ₹

Note 22 : Revenue from operation

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue from operations		
Sale of Products *	1,49,75,76,479	2,17,69,96,141
Other Operating Revenue		
Scrap Sale	-	1,20,661
Gain on Foreign Exchange Fluctuations (Net)	46,04,481	58,95,713
Total Revenue from Operations	1,50,21,80,960	2,18,30,12,514

*** Details of Products Sold**

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Finished Goods		
Accessories & Others	29,92,55,272	30,90,84,700
Wire & Cables	48,75,11,787	45,34,23,378
	78,67,67,059	76,25,08,078
Traded Goods		
Accessories & Others	8,50,68,260	28,38,08,737
Wire & Cables	10,18,24,245	35,70,00,939
Lighting & Fittings	52,85,21,397	77,96,94,760
	71,54,13,902	1,42,05,04,436
	1,50,21,80,960	2,18,30,12,514

Note 23 : Other income

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest Income		
- on margin money deposits	4,87,730	4,48,909
- on others	43,324	71,002
- on unwinding of financial assets carried at amortised cost	4,96,963	6,23,510
Rent received on Investment Property	54,00,000	-
Miscellaneous Income	4,21,535	26,18,419
Total Other Income	68,49,552	37,61,839

Note 24 : Cost of materials consumed

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Opening stock	11,24,69,668	12,15,46,733
Add : Purchases	50,77,50,797	57,26,64,159
Less : Closing stocks	11,76,03,776	11,24,69,668
Total Cost of Materials consumed	50,26,16,689	58,17,41,224

* Purchases are stated net of discounts and rate difference.

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Amount in ₹

Details of Material Consumed

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Copper	31,24,42,006	30,63,53,848
Alluminium	86,16,803	1,18,44,185
PVC Compound	5,02,16,407	4,10,29,142
Others	13,64,75,581	21,34,36,985
	50,77,50,797	57,26,64,159

Details of Inventory

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Copper	5,06,36,645	6,12,63,999
Alluminium	8,77,938	4,17,812
PVC Compound	43,28,716	91,03,309
Others	6,17,60,478	4,16,84,548
	11,76,03,776	11,24,69,668

Note 25 : Purchases of stock-in-trade

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Purchase of stock in trade	47,59,71,693	1,69,35,56,321
Total Purchase of stock in trade	47,59,71,693	1,69,35,56,321

Note 26 : Changes in inventories of finished goods and stock in trade

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Finished goods		
Opening stock		
- Accessories & Others	9,39,39,264	5,00,16,916
- Wires & Cables	9,11,65,783	7,06,47,425
	18,51,05,047	12,06,64,341
Closing stock		
- Accessories & Others	9,90,34,731	9,39,39,264
- Wires & Cables	6,39,91,067	9,11,65,783
	16,30,25,799	18,51,05,047
Changes in inventories of finished goods (A)	(2,20,79,248)	6,44,40,705
Stock in trade		
Opening stock		
- Accessories & Others	22,41,03,698	3,49,40,059
- Wires & Cables	14,01,59,918	1,86,76,307
- Lighting & Fittings	30,67,34,180	13,31,58,882
	67,09,97,796	18,67,75,248
Closing stock		
- Accessories & Others	20,88,48,235	22,41,03,698
- Wires & Cables	9,87,99,280	14,01,59,918
- Lighting & Fittings	31,54,74,780	30,67,34,180
	62,31,22,295	67,09,97,796
Changes in inventories of stock in trade (B)	(4,78,75,501)	48,42,22,548
Total (A+B)	(6,99,54,749)	54,86,63,253

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Amount in ₹

Note 27 : Employee benefits expense

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Salary, wages and other allowances	9,54,14,162	8,01,60,131
Directors Remuneration	37,50,000	33,00,000
Employee Stock option Compensation Expense	-	2,49,447
Provision for Gratuity	12,49,931	23,44,105
Contribution to provident fund and other funds	57,18,650	54,45,645
Staff welfare expenses	38,50,555	21,48,336
Total employee benefits expense	10,99,83,299	9,36,47,664

Note 28 : Finance costs

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest expense to:		
Banks	2,83,31,107	3,72,77,088
Others	21,61,118	
Leasing Arrangements as per IND AS 116	5,81,423	-
Other Borrowing Cost	62,43,724	16,66,330
Total finance costs	3,73,17,372	3,89,43,418

Note 29 : Depreciation

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Depreciation on tangible assets	1,25,86,727	1,39,11,277
Amortisation on intangible assets	-	2,800
Amortisation on Right of Use assets	33,80,983	-
Depreciation on Investment Property	30,21,608	7,54,110
Total finance costs	1,89,89,318	1,46,68,187

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Amount in ₹

Note 30 : Other expenses

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Manufacturing expenses		
Consumption of :		
- Consumable & stores	3,37,550	5,75,340
- Power & fuel	71,31,481	79,77,169
Job Charges	49,24,644	65,66,333
Repairs & Maintenance :		
- Plant & machinery	20,04,274	20,84,949
- Factory building	29,520	28,320
Freight & transportation	25,01,499	18,60,901
Other factory expenses	24,71,962	26,86,906
	1,94,00,930	2,17,79,919
Administration, Selling and Distribution expenses		
Rent (Refer note no. 39)	32,54,818	46,38,156
Insurance	7,31,129	7,15,595
Rates & taxes	19,19,404	1,15,158
Repairs & maintenance	37,21,663	18,06,930
Legal and professional fees	49,22,815	58,08,160
Auditor's remuneration *	5,27,500	6,09,500
Travelling & conveyance	1,39,57,797	1,26,83,149
Communication costs	9,05,797	17,67,073
Printing & stationery	4,18,394	4,30,355
Water & electricity charges	18,34,329	28,56,297
Commision	57,18,793	53,46,049
Packing material consumed	2,58,53,014	3,27,76,261
Advertising & sales promotion	2,09,42,508	2,00,98,420
Transportation, freight & handling charges	2,05,22,043	1,87,63,687
Provision for expected credit loss	22,56,647	56,76,610
Provision for Slow Moving Inventories	1,45,98,134	12,17,210
Expendture on CSR activities	79,83,000	24,59,183
Miscellaneous expenses	55,66,471	1,37,78,167
Total other expenses	15,50,35,187	15,33,25,879

*** Payment to Auditor includes**

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Audit fees	4,30,000	5,69,500
Other services	97,500	40,000
	5,27,500	6,09,500

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Amount in ₹

Note 31 : Earnings per equity share

The amount considered in ascertaining the Group's earnings per share constitutes the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Weighted average number of Equity Shares of Rs. 10/- each		
Number of shares at the end of the year	1,91,14,955	1,91,14,955
Weighted average number of Equity Shares outstanding during the year	1,90,02,713	1,90,02,713
Weighted average number of Potential Equity Shares outstanding during the	-	-
Total number of Equity share for calculating Diluted Earning Per Share	1,90,02,713	1,90,02,713
Net Profit after Tax available for Equity shareholders	9,27,99,787	11,57,30,484
Basic Earning Per Share (in Rs.)	4.88	6.09
Diluted Earning Per Share (in Rs.)	4.88	6.09

Note 32 : Contingent liabilities disclosures as required under Indian Accounting Standard 37, "Provisions,Contingent Liabilities and Contingent Assets" are given below:

Particulars	As at 31st March 2020	As at 31st March 2019
I) Guarantees		
Bank Guarantee	35,10,388	11,40,243
	35,10,388	11,40,243

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 33 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

A Defined benefit obligations - Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
a) Changes in defined benefit obligations		
Present value of obligation as at the beginning of the year		
Defined Benefit Obligation ("PBO") at the beginning of the year	74,46,226	54,30,538
Past service cost	-	-
Service cost	18,71,140	25,67,334
Interest cost	5,41,890	3,92,460
Actuarial loss / (gain)	(10,67,224)	(5,75,865)
Benefits paid	(1,30,617)	(3,68,241)
Present value of obligation as at the end of the year	86,61,415	74,46,226
b) Changes in Fair Value of Plan Assets		
Opening value of plan assets	41,38,411	41,50,222
Interest Income	3,60,413	3,49,060
Return on plan assets excluding amounts included in interest income	(1,92,306)	(1,45,971)
Contributions by employer	1,24,742	1,53,341
Benefits paid	-	(3,68,241)
Closing value of plan assets	44,31,260	41,38,411
c) The amounts recognised in the Balance Sheet are as follows:		
Present value of obligation as at the end of the year	86,61,415	74,46,226
Fair Value of plan assets as at the end of the year	44,31,260	41,38,411
Net (assets) / liability recognised in balance sheet	42,30,155	33,07,815
d) Expenses recognised in the Statement of Profit and Loss		
Service cost	18,71,140	25,67,334
Past service cost	-	-
Net Interest Cost	1,81,477	43,400
Total	20,52,617	26,10,734
e) Remeasurement (gains)/ losses recognised in OCI		
Actuarial changes arising from changes in financial assumptions	6,90,050	(27,280)
Actuarial changes arising from changes in demographic assumptions	-	-
Due to experience adjustments	(17,57,274)	(5,48,585)
Return on plan assets excluding amount included in interest income	1,92,306	1,45,971
Total	(8,74,918)	(4,29,894)

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Particulars	31st March 2019	31st March 2018
f) Actuarial assumptions		
Discount rate	6.55% p.a.	7.60% p.a.
Normal retirement age (in years)	58	58
Salary escalation rate (% p.a.) *	7% p.a.	7% p.a.
Attrition rate	20% at younger ages reducing to 1% at older ages	20% at younger ages reducing to 1% at older ages
Mortality rate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

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

g) Quantities sensitivity analysis for significant assumption is as below:

Particulars	31st March 2020	31st March 2019
	0.5 % increase	
i. Discount rate	83,34,854	52,37,220
	-3.53%	-3.56%
	0.5 % increase	
ii. Salary escalation rate	90,00,982	56,36,610
	3.66%	3.79%
	10% increase	
iii. Attrition rate	85,94,291	53,89,397
	-0.55%	-0.76%
	0.5 % decrease	
i. Discount rate	90,11,771	56,37,439
	3.78%	3.81%
	0.5 % decrease	
ii. Salary escalation rate	83,38,512	52,36,102
	-3.53%	-3.58%
	10% decrease	
iii. Attrition rate	87,31,063	54,70,753
	0.52%	0.74%

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant.

Particulars	31st March 2020	31st March 2019
h) Maturity analysis of defined benefit obligation		
1st Following Year	7,95,445	7,25,412
2nd Following Year	7,98,333	7,63,894
3 rd Following Year	7,68,397	8,03,904
4th Following Year	7,70,132	7,88,121
5th Following Year	7,57,194	8,20,443
Sum of Year 6 to 10 Year	43,81,287	36,08,617
Total expected payments	82,70,788	75,10,391

B Defined contribution plans

Particulars	31st March 2020	31st March 2019
The Company has recognised the following amounts in the Statement of Profit and Loss		
a) for the year:		
(i) Contribution to provident fund	43,43,641	36,37,951
(ii) Contribution to ESIC	12,76,337	18,07,694
	56,19,978	54,45,645

Particulars	31st March 2020	31st March 2019
b) Current/ non-current classification		
Gratuity		
Current	16,24,345	18,71,140
Non-current	26,05,820	14,36,685
	42,30,165	33,07,825

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 34 : Segmental Reporting :

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Operating Segments

- (a) Wire and Cables
- (b) Lighting & Fittings
- (c) Accessories & Others

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of inventory. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A. Segment Revenue		
Wire & Cables	58,93,36,031	81,04,24,317
Lighting & Fittings	52,84,56,907	77,96,94,760
Accessories & Others	38,43,88,022	59,28,93,437
Total Revenue	1,50,21,80,960	2,18,30,12,514
B. Segment Results		
Wire & Cables	9,04,94,792	10,44,01,226
Lighting & Fittings	16,92,44,854	16,34,58,093
Accessories & Others	11,64,29,823	9,50,69,331
	37,61,69,469	36,29,28,650
Less : Unallocable Expenses	18,75,50,126	15,35,23,971
Less : Depreciation	1,89,89,318	1,46,68,187
Operating Profit	16,96,30,025	19,47,36,492
Less : Finance Cost	3,73,17,372	3,89,43,418
Add : Other Income	68,49,552	37,61,839
Profit Before Tax	13,91,62,204	15,95,54,913
Less : Tax expense (Net)	4,63,62,417	4,38,24,429
Profit After Tax	9,27,99,787	11,57,30,484

Particulars	As At 31st March, 2020	As At 31st March, 2019
C. Segments Assets		
Wire & Cables	22,43,87,512	25,47,70,762
Lighting & Fittings	31,54,74,780	30,67,34,180
Accessories & Others	36,38,89,578	38,76,28,185
Unallocated	1,29,64,01,169	1,25,49,67,291
Total	2,20,01,53,039	2,20,41,00,418
D. Segments Liabilities		
Wire & Cables	1,23,03,023	1,01,73,444
Lighting & Fittings	2,12,95,279	2,16,04,924
Accessories & Others	4,28,05,873	3,91,48,059
Unallocated	34,60,95,110	46,00,43,862
Total	42,24,99,285	53,09,70,289

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 14A : Equity Share capital

Particulars	As at 31st March, 2020	As at 31st March, 2019
Authorised 2,50,00,000 (PY 2,50,00,000) Equity shares of Rs.10/- each	25,00,00,000	25,00,00,000
Total authorised share capital	25,00,00,000	25,00,00,000
Issued, Subscribed and Fully Paid Up 1,91,14,955 (PY 1,91,14,955) Equity shares of Rs. 10/- each fully paid up	19,11,49,550	19,11,49,550
Total issued, subscribed and paid-up equity share capital	19,11,49,550	19,11,49,550

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

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

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
At the beginning of the year	1,91,14,955	19,11,49,550	1,83,27,100	18,32,71,000
Issued during the year	-	-	7,87,855	78,78,550
Outstanding at the end of the year	1,91,14,955	19,11,49,550	1,91,14,955	19,11,49,550

b) Terms / rights attached to equity shares

- i) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.
- ii) The Company declare and pays dividend in Indian Rupees. Each equity shareholder has the same right of dividend.
- iii) In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- iv) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% holding	No. of Shares	% holding
Veto Electropowers (India) Private Limited	37.30%	71,30,704	37.30%	71,30,704
Pushpa Devi Gurnani	6.68%	12,76,744	-	-

d) Issue of Share Under ESOP

During the previous year, the Company has allotted 7,87,855 shares under Employees Stock Option Plan (ESOP) of the Company.

e) Forfeiture of Share Warrants

During FY 2017-18, the Company had made a preferential issue of 45,00,000 Convertible Warrants of Rs. 10 each at a premium of Rs 160 per warrant and in accordance with SEBI guidelines the company has received 25 % upfront money amounting to Rs.19,12,50,000. The warrants can be exercised at anytime within a period of 18 months.

The said share warrants were not converted into equity shares on non-exercise of option before the due dates and accordingly, the upfront subscription amount of Rs. 19,12,50,000/- on issue of these warrants have been forfeited during the previous year and credited to the Capital Reserve.

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 14B : Other Equity

Amount in ₹

Particulars	Reserves and surplus					Other comprehensive income	Total equity attributable to equity holders
	Securities premium reserve	Statutory Reserve	Retained earnings	Capital Reserve	Foreign Currency Translation Reserve	Re-measurement gains / (losses) on defined benefits plans	
As at 31 March 2019	24,24,32,949	88,28,262	1,01,11,23,956	19,12,50,000	2,68,22,506	15,22,906	1,48,19,80,579
Total comprehensive income for the year	-	-	9,27,99,787	-	1,11,58,355	6,50,715	10,46,08,858
Retained Earnings adjustment on adoption of INDAS 116	-	-	(85,233)	-	-	-	(85,233)
As at 31 March 2020	24,24,32,949	88,28,262	1,10,38,38,510	19,12,50,000	3,79,80,861	21,73,621	1,58,65,04,204

Description of nature and purpose of reserve

Securities Premium Reserve

Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Statutory Reserve

Statutory reserves represents surplus allocated as statutory reserve according to the Articles of Association and Article 8 of the Memorandum of Incorporation (modified) of one of the Subsidiary companies, viz. Veto Overseas Private FZE and prevelant law for establishments in Ajman Free Zone, Ajman, U.A.E.

Retained Earnings

Retained Earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

(Gain / (loss) on fair value of defined benefit plans)

The Company has recognised remeasurement gains/ (loss) on defined benefit plans in OCI. These changes are accumulated within the OCI reserve within other equity. The Group transfers amounts from this reserve to retained earnings when the relevant obligations are derecognised.

Capital Reserve

Capital Reserve represents reserves of the Company on the forfeiture of the upfront subscription amount received on the share warrants, on non-exercise of option before the due date to convert such warrants into equity shares. The reserve is utilised in accordance with the provisions of the Act.

Foreign Currency Translation Reserve

Foreign Currency Translation Reserve represents accumulated gain/ (loss) on remeasuring the financial statements of the foreign entity presented in foreign currency (AED) into the reporting currency of parent company (INR).

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 35 : Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:

a) Names of related parties and nature of relationship (to the extent of transactions entered into during the year except for control relationships where all parties are disclosed)

Nature of relationship	Nature of the party
(A) Key Managerial Personnel	
Akshay Gurnani	Managing Director & Chief Executive Officer
Naraindas Gurnani	Whole time Director & Chief Financial Officer
Jyoti Gurnani	Director
Bhavna Giamalani	Company Secretary Cum Compliance Officer
(B) Entity of which the company is an associate	Veto Electropower (India) Private Limited
(C) Subsidiary Companies	Veto Electricals Private Limited Veto Led Lighting Private Limited Veto Overseas Private FZE
(D) Entities in which KMP and/ or their relatives have significant influence	Vimal Power Cables Private Limited Tulsi Palace Resort Private Limited Veto Polymers and Metals V1 Infradevelopers Private Limited Kripa Realmart Private Limited Anjali Packaging
(E) Relative of Director	Pushpa Devi Gurnani

b. Transactions with Related Parties :

Name of Party	Nature of Transaction	Year ended March 31, 2020	Year ended March 31, 2019
Akshay Gurnani	Remuneration	19,50,000	15,00,000
Naraindas Gurnani	Remuneration	12,00,000	12,00,000
Jyoti Gurnani	Remuneration	6,00,000	6,00,000
Bhavna Giamalani	Salary paid	1,89,394	-
Pushpa Devi Gurnani	Salary paid	1,50,000	-
Veto Polymers and Metals	Purchase of Raw material	4,46,75,068	-
	Advance given to Creditor	-	6,22,33,969
Veto Electro Power (India) Private Limited	Rent	1,44,000	98,800
	Advance given to Creditor	30,16,076	-
Vimal Power Cavle Pvt. Ltd.	Purchases	-	73,24,564
	Rent	3,00,000	9,00,000
V1 Infradevelopers Private Limited	Rent	6,60,000	-
Kripa Realmart Private Limited	Rent Income	54,00,000	-
Anjali Packaging	Purchase of Packing Material	29,837	21,790

c. Balance Outstanding of Related Parties :

Name of Party	Receivable / Payable	As at March 31, 2020	As at March 31, 2019
Akshay Gurnani	Remuneration Payable	2,00,000	1,25,000
Naraindas Gurnani	Remuneration Payable	1,00,000	1,00,000
Jyoti Gurnani	Remuneration Payable	50,000	50,000
Bhavna Giamalani	Salary payable	15,000	-
Pushpa Devi Gurnani	Salary payable	50,000	-
Veto Polymers and Metals	Advance to Creditor	1,75,58,901	6,22,33,969
Veto Electro Power (India) Private Limited	Advance to Creditor	30,16,076	-
V1 Infradevelopers Private Limited	Trade Recievables	58,32,000	-
Tulsi Palace Resort Pvt. Ltd. Jaipur	Trade Recievables	32,904	35,035
Kripa Realmart Private Limited	Trade payable	3,97,424	-
Anjali Packaging	Trade payable	27,149	-

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 36 : Expenditure on Corporate Social Responsibility Activities

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013.

Details of CSR Expenditure:

(a) Gross amount required to be spent by the Company during the year.

Particulars	As at 31 March 2020	As at 31 March 2019
Details of CSR Expenditure:		
Amount required to be spent by the Company	39,19,973	36,72,131

(b) Amount spent during the year

Particulars	Amount Spent		Amount yet to be Spent	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Contribution to Trust	44,01,000	23,16,383	-	12,12,948
For the Welfare of Widows	35,82,000	1,42,800	-	-
	79,83,000	24,59,183	-	12,12,948

Note 37 : Share Base Payment

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

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

During the period upto March 31, 2019, the Company has granted options on the following dates:

Grant date	No of options
23-May-19	7,87,855
Total	7,87,855

The Options shall vest in 1 year from the date of Grant. The exercise period shall be 3 years after vesting period. As per the scheme, the exercise price is determined by the Compensation Committee. The fair value of the option is determined at the Market Price based on latest available closing price on a recognised stock exchange on the date immediately prior to the grant date expected forfeiture rate is assumed to be 1%.

Employee stock option activity under the Scheme is as follows:

Particulars	For the year ended 31st March 2020		For the year ended 31st March 2019	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
Outstanding at beginning of the year	-	-	7,91,955	50.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	4,100	50.00
Exercised during the year	-	-	7,87,855	50.00
Outstanding at the end of the year	-	-	-	-
Vested and exercisable at the end of the year	-	-	-	-

Expenses Arising from share based payment transactions

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Employee share based payment expense	-	2,49,447

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 38 : Fair Value Measurement

(i) Financial instruments by category

Particulars	Refer note	As at 31-03-2020				As at 31-03-2019			
		Carring Amount	FVPL	FVOCI	Amortised Cost	Carring Amount	FVPL	FVOCI	Amortised Cost
Financial Assets:									
Investments									
Investments in equity shares	4	51,000.00	51,000	-		51,000	-	-	-
Others financial assets	5	1,62,65,714	-	-	1,62,65,714	1,58,77,732	-	-	1,58,77,732
Trade receivables	10	59,48,17,116	-	-	59,48,17,116	60,97,62,824	-	-	60,97,62,824
Cash and cash equivalents	11	15,10,27,636	-	-	15,10,27,636	14,54,51,384	-	-	14,54,51,384
Other Bank balances	12	59,28,120	-	-	59,28,120	53,64,106	-	-	53,64,106
Total Financial Assets		76,80,99,586	51,000	-	76,80,38,586	77,65,07,046	51,000	-	77,64,56,046
Financial Liabilities:									
Borrowings	15&18	23,91,87,111	-	-	23,91,87,111	37,95,62,168	-	-	37,95,62,168
Trade payables	19	9,63,58,242	-	-	9,63,58,242	8,18,00,454	-	-	8,18,00,454
Lease Liability	16	85,43,835	-	-	85,43,835	-	-	-	-
Other financial liabilities	20	6,85,93,335	-	-	6,85,93,335	6,27,24,734	-	-	6,27,24,734
Total Financial liabilities		41,26,82,523	-	-	41,26,82,523	52,40,87,356	-	-	52,40,87,356

The Company has not disclosed the fair values for financial instruments for loans (non current), other non current financial assets, trade receivables, cash and cash equivalents and bank balances other than cash and cash equivalents, Borrowings (current and non current), Trade payables, other current financial liabilities because their carrying amounts are reasonably approximation of fair value.

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Amount in ₹

Note 39: Leases

On transition, the adoption of the new standard IND AS 116 [Refer note 1.2(xxi)] resulted in recognition of 'Right of Use' asset of Rs. 1,02,68,579/- and a lease liability of Rs. 1,03,53,812/-. The cumulative effect of applying the standard, amounting to Rs. 85,233/- was debited to retained earnings. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	Amount in ₹
Balance as at 1st April, 2019	1,02,68,579
Addition	-
Deletion	-
Depreciation	21,38,721
Balance as at 31st March, 2020	81,29,857

The following is the break-up of current and non-current lease liabilities as at March 31, 2020 :

Particulars	Amount in ₹
Current lease liabilities	24,68,575
Non-Current lease liabilities	60,75,260
	85,43,835

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	Amount in ₹
Balance as at 1st April, 2019	1,03,53,812
Addition	-
Finance cost accrued during the period	-
Deletion	-
Payment of lease liabilities	18,09,977
Balance as at 31st March, 2020	85,43,835

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis :

Particulars	Amount in ₹
- Less than one year	30,26,610
- Later than one year but not later than five years	67,01,266
- Later than five years	-
	97,27,876

Rental expense recorded for short-term leases was Rs. 32,54,818/- for the year ended March 31,2020.

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 40 : Financial risk management objectives and policies

i. Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables, cash and cash equivalents and other bank balances. To manage this, the Group periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

(i) Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

The Group measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Group's historical experience for customers.

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Ageing of Accounts receivables :

Particulars	As at 31-03-2020	As at 31-03-2019
Not Due	-	-
0 - 6 months	54,30,42,223	48,92,51,466
6 - 12 months	2,75,85,748	8,23,98,334
Beyond 12 months	5,56,18,265	6,72,85,496
Total	62,62,46,236	63,89,35,297

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

The movement of the allowance for lifetime expected credit loss is stated below:

Particulars	31 March 2020	31 March 2019
Balance at the beginning of the year	1,69,74,486	1,12,97,876
Addition/(Reversal during the year)	22,56,647	56,76,610
Balance at the end of the year	1,92,31,133	1,69,74,486

ii) Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings.

b) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be low

Veto Switchgears and Cables Limited
Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2020	On Demand	Less than 1 year	1 to 5 years	Total
Borrowings	23,80,58,532	1,22,73,390	11,28,579	25,14,60,501
Other current financial liabilities	-	5,63,19,945	-	5,63,19,945
Lease Liability	-	24,68,575	60,75,260	85,43,835
Trade payables	9,63,58,242	-	-	9,63,58,242
	33,44,16,774	7,10,61,910	72,03,839	41,26,82,523

As at March 31, 2019	On Demand	Less than 1 year	1 to 5 years	Total
Borrowings	37,17,84,911	2,20,71,823	77,77,257	40,16,33,991
Other current financial liabilities	-	4,06,52,911	-	4,06,52,911
Trade payables	8,18,00,454	-	-	8,18,00,454
	45,35,85,365	6,27,24,734	77,77,257	52,40,87,356

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and investments in securities.

i. Currency risk

The Group is exposed to currency risk on account of its operating and financing activities. The functional currency of the Group is Indian Rupee. Our exposure are mainly denominated in U.S. dollars and Arab Emirates Dirham. The Group's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. This intent has been achieved in all years presented. The Group has put in place a Financial Risk Management Policy to identify the most effective and efficient ways of managing the currency risks.

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Particulars	Amount in Foreign currency			
	31st March 2020 AED	31st March 2020 USD	31st March 2019 AED	31st March 2019 USD
Financial Asset				
Non Current Loans	-	-	-	-
Trade Receivables	70,22,842	-	81,29,674	-
Exposure for assets (a)	70,22,842	-	81,29,674	-
Financial Liabilities				
Trade Payables	-	-	-	-
Exposure for liabilities (b)	-	-	-	-
Net exposure (a-b)	70,22,842	-	81,29,674	-

Particulars	Amount in ₹			
	31st March 2020 AED	31st March 2020 USD	31st March 2019 AED	31st March 2019 USD
Financial Asset				
Non Current Loans	-	-	-	-
Trade Receivables	14,42,35,962	-	15,35,69,539	-
Exposure for assets (a)	14,42,35,962	-	15,35,69,539	-
Financial Liabilities				
Trade Payables	-	-	-	-
Exposure for liabilities (b)	-	-	-	-
Net exposure (a-b)	14,42,35,962	-	15,35,69,539	-

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Group's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Impact of movement on Profit or (loss) and Equity :

Effect in INR (before tax)	31st March, 2020		31st March, 2019	
	Profit or (loss) and		Profit or (loss) and Equity	
	Strengthening	Weakening	Strengthening	Weakening
1% movement				
AED	14,42,360	(14,42,360)	15,35,695	(15,35,695)
USD	-	-	-	-
	14,42,360	(14,42,360)	15,35,695	(15,35,695)

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Group manages its interest rate risk by monitoring the movements in the market interest rates closely.

Exposure to interest rate risk

Group's interest rate risk arises primarily from borrowings. The interest rate profile of the Group's interest-bearing financial instruments is as follows.

Particulars	As at 31-03-2020	As at 31-03-2019
Total Borrowings	25,13,69,516	40,16,33,991
	25,13,69,516	40,16,33,991

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates :

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Cash flow sensitivity (net)	Profit or loss	
	50 bp increase	50 bp decrease
31st March 2020		
Variable-rate loan instruments	(1,25,68,476)	1,25,68,476
Cash flow sensitivity (net)	(1,25,68,476)	1,25,68,476
31st March 2019		
Variable-rate loan instruments	(2,00,81,700)	2,00,81,700
Cash flow sensitivity (net)	(2,00,81,700)	2,00,81,700

iii. Other price risk

The Group is not exposed to the other price risk.

Note 41 : Capital Management

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. Management monitors the return on capital as well as the debt equity ratio and make necessary adjustments in the capital structure for the development of the business. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day - to - day needs. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Particulars	As at March 31, 2020	As at March 31, 2019
Loans and borrowings	25,13,69,516	40,16,33,991
Net Debt	25,13,69,516	40,16,33,991
Equity	1,77,76,53,754	1,67,31,30,129
Total Capital	1,77,76,53,754	1,67,31,30,129
Capital and Net Debt	2,02,90,23,270	2,07,47,64,120
Gearing ratio (Net Debt/Capital and Net Debt)	12.39	19.36

Note : For the purpose of computing debt to equity ratio, equity includes Equity share capital and Other Equity and Debt includes Long term borrowings, Short term borrowings and current maturities of long term borrowings.

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 42 : Disclosure of additional information pertaining to the Parent Group and Subsidiaries:

a) For the Year ended 31st March 2020

Name of the Enterprises	Net Assets		Share in Profit or loss		Other comprehensive income		Total comprehensive income	
	Net Assets	As % of Consolidated Net Assets	Profit / (Loss)	As % of Consolidated Profit or Loss	Other comprehensive income	As % Of Other comprehensive income	Total comprehensive income	As % Of Total comprehensive income
Parent								
Veto Switchgears And Cables Limited	1,51,92,46,825	85%	10,18,48,916	110%	6,50,715	6%	10,24,99,631	98%
Subsidiaries								
Veto Overseas Private FZE	29,84,99,122	17%	1,26,10,165	14%	1,11,58,355	94%	2,37,68,520	23%
Veto Electricals Private Limited	(4,00,75,212)	-2%	(2,16,42,312)	-23%	-	-	(2,16,42,312)	-21%
Veto Led Lighting Private Limited	(16,982)	0%	(16,982)	0%	-	-	(16,982)	0%
Minority Interest in all subsidiaries								
	-	0%	-	0%	-	0%	-	0%
	-	-	-	-	-	-	-	-
TOTAL	1,77,76,53,754	100%	9,27,99,787	100%	1,18,09,070	100%	10,46,08,858	100%

Note : The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2020

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

b) For the Year ended 31st March 2019

Name of the Enterprises	Net Assets		Share in Profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	Net Assets	As % of Consolidated Net Assets	Profit / (Loss)	As % of Consolidated Profit or Loss	Other Comprehensive income	As % Of Other comprehensive income	Total Comprehensive income	As % Of Total comprehensive income
Parent								
Veto Switchgears And Cables Limited	1,41,10,95,387	84.34%	7,64,34,040	66.04%	3,04,709	0.91%	7,67,38,749	51.49%
Subsidiaries								
Veto Overseas Private FZE	28,04,67,642	16.76%	5,10,32,899	44.10%	3,30,09,726	99.09%	8,40,42,625	56.39%
Veto Electricals Private Limited	(1,84,32,900)	-1.10%	(1,17,36,455)	-10.14%	-	0.00%	(1,17,36,455)	-7.87%
Minority Interest in all subsidiaries								
	-	0.00%	-	0.00%	-	0.00%	-	0.00%
TOTAL	1,67,31,30,129	100%	11,57,30,484	100%	3,33,14,435	100%	14,90,44,919	100%

Note : The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2019

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 43 : Since the first quarter of Calendar Year 2020, the Covid-19 pandemic has impacted most of the countries, including India. This resulted in countries announcing lockdown and quarantine measures that sharply stalled economic activity. Accordingly, the operation of the Company were disrupted. The Company's manufacturing units at Haridwar and Mumbai were temporarily shut down as per the local guidelines during this period. Even the supply chains have been put under stress which has resulted in loss of business and temporary pressure on cash flows, liquidity, profitability and margins due to lower collection of receivables, operating expenses, payment obligations towards vendors and statutory authorities, etc.

However, with subsequent ease in the lockdown restrictions by the Government Authorities, the Company saw partial resumption since early May, 2020 and eventually, the Company has resumed its operations / business activities with full strength of Manpower from 1st of June, 2020.

The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Receivables, Inventories, Investments and other assets / liabilities.

Since, this situation is exceptional and is changing dynamically; the management of the Company is not in a position to gauge with certainty, the future impact on its operations. The management of the Company expects the operations to remain sub-normal in the immediate future, with a possibility of intermittent disruptions based on the evolving situation and varying Government guidelines and permissions. The Company continues to closely monitor the situation and shall take appropriate action as per regulatory guidelines. However, the markets have already opened across the segments and a clear upward trend is visible in daily sales numbers, the management of the Company is quite confident that the business operations will pick up progressively.

Note 44 : Figures of the previous year have been regrouped, reclassified and/or rearranged wherever necessary.

In terms of our report of even date

For C A S & Co

Chartered Accountants

Firm Registration No. 111075W

For and on behalf of the Board

Veto Switchgears and Cables Limited

Nitesh Musahib

Partner

Membership No. : 131146

Place: Mumbai

Date : June 29, 2020

Akshay Kumar Gurnani

Managing Director & CEO

DIN : 06888193

Place: Jaipur

Date : June 29, 2020

Narain Das Gurnani

Whole Time Director & CFO

DIN : 01970599

Varsha Rani Choudhary

Company Secretary

C A S & C O
CHARTERED ACCOUNTANTS
INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone financial statements of **Veto Switchgears and Cables Limited** (“the Company”), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss (Including Other Comprehensive Income), statement of cash flows and statement of changes in equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March 2020, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. During the course of our audit, we have determined that there are no key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis Board's Report, Annual Report, Report on Corporate governance and Business Responsibility report but does not included in the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and accounting principles generally accepted in India, including the IND AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

1. Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.
2. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :
 - Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

3. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
4. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
5. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We draw attention to Note no. 47 to the Standalone Financial Statements, which describes the uncertainties due to the outbreak of SARS-CoV-2 virus (COVID-19). In view of these uncertainties, the impact on the Company's financial statements is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Standalone Ind AS financial statements dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone financial statements comply with the IND AS as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There have been no delays in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

3. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For C A S & Co

Chartered Accountants

Firm’s Registration No. 111075W

Nitesh Musahib

Partner

Mem. No. 131146

UDIN : 20131146AAAABU1603

Place: Mumbai

Date: June 29, 2020

Annexure “A” to Independent Auditor’s Report

Annexure referred to in Paragraph 1 under “Report on Other Legal and Regulatory Requirements” in the Independent Auditor’s Report of even date to the members of **Veto Switchgears and Cables Limited** (“the Company”) on the Standalone Ind AS financial statements for the year ended 31st March 2020.

- (i) a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the company and the nature of its assets. In accordance with this program certain fixed assets were verified during the year. The frequency of verification is reasonable and no discrepancies have been noticed on such physical verification.
 - c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of company.
- (ii) The inventories have been physically verified by the management during the year at reasonable intervals. Discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) a) The Company has granted unsecured loans to 3 parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - b) As explained to us and on the basis of information and explanation given to us, the rate of interest and terms and conditions on the basis of which such loans are granted are not prejudicial to the interest of the Company.
 - c) As informed to us, no repayment schedule has been stipulated for repayment of principal and interest. There is no overdue amount outstanding for more than 90 days.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Sections of Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from the public within the provision of Section 73 to 76 of the Act and the rules framed there under.

- (vi) The Central Government has prescribed the maintenance of cost record under Section 148(1) of the Act. We have not reviewed the cost records maintained by the Company but based on the information submitted by the Company we are of the view that such accounts and records have been made and duly maintained.
- (vii) a) According to the records of the Company, amount deducted/accrued in the books of accounts in respect of the undisputed statutory dues including Provident Fund, Employee's State Insurance, Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other Statutory Dues to the extent applicable to the Company, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us there are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2020 for a period more than six months from the date they became payable.
- b) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, service tax, Goods & Service tax, value added tax, custom duty, excise duty which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institution.
- (ix) The Company has not raised money by way of public issue offer/ further public offer (including debt instruments) and term loan have been applied by the Company for the purposes for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practises in India, and according to the information and explanation given to us, we have neither come across any instances of fraud by the Company or any fraud on the Company by its officer or employees, noticed or reported during the year, nor have we been informed of any such instance by the Management.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us, all transaction entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the financial Statements etc., as required by the applicable Indian Accounting Standards.

- (xiv) According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company Is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For C A S & Co.

Chartered Accountants

Firm's Reg. No. 111075W

Nitesh Musahib

Partner

Mem. No. 131146

UDIN : 20131146AAAABU1603

Place : Mumbai

Date : June 29, 2020

Annexure “B” to the Independent Auditor’s Report of even date on the Standalone Ind AS financial statements of Veto Switchgears and Cables Limited for the year ended 31st March 2020.

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

We have audited the internal financial controls over financial reporting of Veto Switchgears and Cables Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For C A S & Co.

Chartered Accountants

Firm's Reg. No. 111075W

Nitesh Musahib

Partner

Mem. No. 131146

UDIN : 20131146AAAABU1603

Place : Mumbai

Date : June 29, 2020

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited
Balance Sheet as at 31st March, 2020

Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019
Amount in ₹			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3A	10,23,36,751	10,58,84,930
Capital work in progress	3B	2,38,97,766	26,01,469
Other Intangible assets	3C	-	-
Investment Property	3D	14,22,47,830	14,52,69,439
Right of Use Asset	3E	1,22,86,237	-
Financial Asset			
Investments	4	12,69,67,993	1,91,71,000
Loans	5	28,56,11,614	40,04,40,443
Other financial assets	6	1,58,84,824	1,55,35,018
Deferred tax asset (net)	7	2,70,17,000	2,53,11,686
Income tax assets (net)	8	2,36,443	37,38,791
Other non - current assets	9	28,58,905	29,30,346
Total Non-Current Assets		73,93,45,362	72,08,83,121
Current Assets			
Inventories	10	59,39,08,312	58,68,82,633
Financial Asset			
Trade receivables	11	48,91,76,607	46,17,25,173
Cash and cash equivalents	12	6,70,60,938	12,27,22,569
Other bank balances	13	45,90,631	43,30,918
Other Current Asset	14	4,25,91,360	3,73,72,171
Total Current Assets		1,19,73,27,848	1,21,30,33,464
TOTAL ASSETS		1,93,66,73,210	1,93,39,16,584
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	15	19,11,49,550	19,11,49,550
Other equity	16	1,33,43,60,752	1,22,32,38,304
Total Equity		1,52,55,10,302	1,41,43,87,854
Liabilities			
Non-current Liabilities			
Financial liabilities			
Borrowings	17	11,28,579	77,77,257
Lease Liability	18	60,75,260	-
Provisions	19	26,05,820	14,36,685
Total Non-current Liabilities		98,09,659	92,13,942
Current Liabilities			
Financial liabilities			
Borrowings	20	23,80,58,532	37,17,84,911
Trade payables	21	9,29,35,064	7,81,41,659
Lease Liability	18	24,68,575	-
Other financial liabilities	22	5,81,88,072	5,48,19,673
Other current liabilities	23	80,78,662	36,97,406
Provisions	19	16,24,345	18,71,140
Total Current Liabilities		40,13,53,250	51,03,14,789
TOTAL EQUITY AND LIABILITIES		1,93,66,73,210	1,93,39,16,584
Notes 1 to 48 form an integral part of the standalone financial statements			
This is the Balance Sheet referred to in our audit report of even date			
For C A S & Co		For and on behalf of the Board	
Chartered Accountants		Veto Switchgears and Cables Limited	
Firm Registration No. 111075W			
Nitesh Musahib		Akshay Kumar Gurnani	
Partner		Managing Director & CEO	
Membership No. : 131146		DIN : 06888193	
Place: Mumbai		Place: Jaipur	
Date : June 29, 2020		Date : June 29, 2020	
		Narain Das Gurnani	
		Whole Time Director & CFO	
		DIN : 01970599	
		Varsha Rani Choudhary	
		Company Secretary	

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited
Statement of Profit and Loss for the year ended 31st March ,2020

Amount in ₹

Particulars	Notes	Year ended 31st March, 2020	Year ended 31st March, 2019
INCOME			
Revenue from operation	24	1,20,69,73,144	1,08,93,31,572
Other income	25	5,64,65,496	6,37,66,951
Total Income		1,26,34,38,640	1,15,30,98,523
EXPENSES			
Cost of materials consumed	26	44,02,88,056	50,57,26,512
Purchases of stock-in-trade	27	38,57,42,294	40,22,91,874
Changes in inventories of finished goods and stock in trade	28	(91,58,979)	(16,51,40,289)
Employee benefits expense	29	10,31,99,693	8,42,84,028
Finance costs	30	3,71,51,021	3,83,49,292
Depreciation and amortisation expense	31	1,75,47,078	1,29,64,808
Other expenses	32	13,16,60,267	13,88,06,009
Total Expenses		1,10,64,29,430	1,01,72,82,233
Profit before tax (A-B)		15,70,09,210	13,58,16,289
Tax expenses :			
- Current tax		4,26,15,000	3,66,00,000
- Tax for earlier years		57,66,762	28,22,178
- Deferred tax liability / (asset)		(19,29,517)	30,93,834
Total Tax Expenses		4,64,52,245	4,25,16,012
Net Profit for the year		11,05,56,966	9,33,00,277
Other comprehensive income (OCI)			
Items not to be reclassified subsequently to profit or loss :			
- Re-measurement gains / (Loss) on defined benefits plans		8,74,918	4,29,894
- Income tax effect on above		(2,24,203)	(1,25,185)
Total Other comprehensive income (OCI)		6,50,715	3,04,709
Total comprehensive income for the year (E-F)		11,12,07,681	9,36,04,986
Earnings per equity share	33		
(Nominal value of share Rs.10 each)			
- Basic		5.82	4.91
- Diluted		5.82	4.91
Notes 1 to 48 form an integral part of the standalone financial statements			
This is the statement of profit and loss referred to in our audit report of even date			
For C A S & Co		For and on behalf of the Board	
Chartered Accountants		Veto Switchgears and Cables Limited	
Firm Registration No. 111075W			
Nitesh Musahib		Akshay Kumar Gurnani	
Partner		Managing Director & CEO	
Membership No. : 131146		DIN : 06888193	
		Narain Das Gurnani	
		Whole Time Director & CFO	
		DIN : 01970599	
Place: Mumbai		Place: Jaipur	
Date : June 29, 2020		Date : June 29, 2020	
		Varsha Rani Choudhary	
		Company Secretary	

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited
Cash Flow Statement For the year ended 31st March, 2020

Particulars	Amount in ₹	
	Year ended 31st March, 2020	Year ended 31st March, 2019
A. Cash flow from operating activities		
Net profit before taxation	15,70,09,210	13,58,16,289
<u>Adjustments for:</u>		
Depreciation on fixed assets	1,54,08,356	1,29,64,808
Interest expense	3,71,51,021	3,83,49,292
Provision for expected credit loss on trade receivables	24,20,000	56,76,610
Foreign Exchange Gain/Loss	(57,25,573)	(1,71,73,636)
Rent received	(54,88,000)	-
Remeasurement of defined benefit plans as per actuarial valuation	8,74,918	4,29,894
Interest income	(4,07,52,503)	(4,42,13,579)
Operating profit before working capital changes	16,08,97,430	13,18,49,678
<u>Adjustments for :</u>		
Decrease / (increase) in trade receivables	(2,98,71,434)	7,58,74,862
Decrease / (increase) in inventories	(70,25,679)	(15,40,08,398)
Decrease / (increase) in other financial assets	(3,49,806)	14,63,559
Decrease / (increase) in other non current assets	71,441	(17,24,413)
Decrease / (increase) in other current assets	(52,19,189)	4,11,86,484
(Decrease) / Increase in provisions	9,22,340	14,28,787
(Decrease) / Increase in trade and other payables	1,47,93,405	56,60,348
(Decrease) / Increase in other financial liabilities	1,35,86,575	1,83,99,033
Increase / (Decrease) in other current liabilities	43,81,256	79,647
Cash generated from / (used in) operations	15,21,86,338	12,02,09,587
Direct taxes paid	(4,48,79,414)	(9,56,95,150)
Cash Inflow / (Outflow) before Prior Period Adjustment	10,73,06,924	2,45,14,437
Net cash flow from operating activities	(A) 10,73,06,924	2,45,14,437
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(3,42,91,258)	(1,76,03,335)
Loans & advances received back / (given)	1,37,57,410	2,58,36,667
Investment made / (Proceeds) from sale of equity instruments	(10,00,000)	98,000
Net (investments in)/ proceeds from bank deposits (having original maturity of more than three months)	(2,59,713)	(7,42,651)
Interest received	4,07,52,503	4,42,13,579
Rent received	54,88,000	-
Net cash flow from / (used in) investment activities	(B) 2,44,46,941	5,18,02,260
C. Cash Flow from Financing Activities		
Proceeds from issue of Equity shares under ESOP	-	3,96,42,197
Proceeds / (Repayment) of long-term borrowings (net)	(1,65,38,096)	(2,53,24,396)
Proceeds / (Repayment) of short-term borrowings (net)	(13,37,26,379)	5,03,61,753
Interest paid	(3,71,51,021)	(3,83,49,292)
Net cash flow from / (used in) financing activities	(C) (18,74,15,496)	2,63,30,262
Net increase / (decrease) in cash and cash equivalents	A+B+C (5,56,61,631)	10,26,46,959
Cash and cash equivalents at the beginning of the year	12,27,22,569	2,00,75,610
Cash and cash equivalents at the end of the year	6,70,60,938	12,27,22,569
Components of cash and cash equivalents considered only for the purpose of cash flow statement		
Cash on hand	6,31,693	7,62,366
Balances with bank on current account	6,64,29,245	4,64,00,203
Fund in Transit	-	7,55,60,000
	6,70,60,938	12,27,22,569

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited
Cash Flow Statement For the year ended 31st March, 2020

Note :

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

Notes 1 to 48 form an integral part of the standalone financial statements

This is the Cash Flow Statement referred to in our audit report of even date

For C A S & Co

Chartered Accountants

Firm Registration No. 111075W

Nitesh Musahib

Partner

Membership No. : 131146

Place: Mumbai

Date : June 29, 2020

For and on behalf of the Board

Veto Switchgears and Cables Limited

Akshay Kumar Gurnani

Managing Director & CEO

DIN : 06888193

Place: Jaipur

Date : June 29, 2020

Narain Das Gurnani

Whole Time Director & CFO

DIN : 01970599

Varsha Rani Choudhary

Company Secretary

Veto Switchgears and Cables Limited
Statement of Changes in Equity for the year ended 31 March 2020

(A) Equity share capital	Number	Amount in ₹
Equity shares of Rs. 10 each issued, subscribed and paid As at 31 March 2018	1,83,27,100	18,32,71,000
Issue of equity shares	7,87,855	78,78,550
As at 31 March 2019	1,91,14,955	19,11,49,550
Issue of equity shares	-	-
As at 31 March 2020	1,91,14,955	19,11,49,550

Particulars	Reserves and surplus					Items of Other comprehensive income	Money Received against Share Warrants	Total equity attributable to equity holders
	Securities premium reserve	Employee Stock Option Outstanding Account	Retained earnings	Capital Reserve	Foreign Currency Translation Reserves			
As at 31 March 2018	15,94,71,817	5,11,97,485	69,47,32,172	-	-	12,18,197	19,12,50,000	1,09,78,69,671
Total comprehensive income for the year	-	-	9,33,00,277	-	-	3,04,709	-	9,36,04,986
On further issue of shares	8,29,61,132	-	-	-	-	-	-	8,29,61,132
On Forfeiture of share warrants	-	-	-	19,12,50,000	-	-	(19,12,50,000)	-
Employee stock compensation expense for the year	-	(5,11,97,485)	-	-	-	-	-	(5,11,97,485)
As at 31 March 2019	24,24,32,949	-	78,80,32,449	19,12,50,000	-	15,22,906	-	1,22,32,38,304
Total comprehensive income for the year	-	-	11,05,56,966	-	-	6,50,715	-	11,12,07,681
Retained Earnings adjustment on adoption of INDAS 116	-	-	(85,233)	-	-	-	-	(85,233)
As at 31 March 2020	24,24,32,949	-	89,85,04,182	19,12,50,000	-	21,73,621	-	1,33,43,60,752

This is the Statement of Changes in Equity referred to in our audit report of even date

For CA S & Co
Chartered Accountants
Firm Registration No. 111075W

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

Akshay Kumar Gurnani
Managing Director & CEO
DIN : 06888193

Narain Das Gurnani
Whole Time Director & CFO
DIN : 01970599

Nitesh Musahib
Partner
Membership No. : 131146

Place : Mumbai
Date : June 29, 2020

Place : Jaipur
Date : June 29, 2020

Varsha Rani Choudhary
Company Secretary

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Note 1 Corporate Information

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

Note 2.1 Significant Accounting Policies

i Basis of Preparation

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

All the assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in as per the guidance set out in Schedule III to the Act. Based on nature of services, the Company ascertained its operating cycle as 12 months for the purpose of current and non-current classification of asset and liabilities.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest Rupees, except when otherwise indicated.

The standalone financial statements (the financial statements) of the Company for the year ended 31 March 2020 were authorised for issue in accordance with resolution of the Board of Directors on June 29, 2020

ii Accounting Estimates

The preparation of the financial statements, in conformity with the Ind AS, requires the management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Deferred tax assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Impairment of Receivables

The impairment provisions of financial receivables based on the assumptions about risk of default and expected loss rates.

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

iii Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost.

iv Intangible Assets

Costs relating to acquisition of trademarks are capitalised as "Intangible Assets"

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2016 of its Intangible Assets and used that carrying value as the deemed cost.

v Depreciation/ Amortisation

Depreciation/ amortisation is provided:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant & Equipment of the company has been provided as per the Written Down value method as per the useful lives of the respective Property, Plant & Equipment in the manner as prescribed by Schedule II of the Act. Leasehold improvements are written off over the noncancellable period of lease. Leasehold land have not been amortised being a perpetual in nature. Goodwill & Trade marks has been amortized over a period of five years.

vi Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets

Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2016 of its equity investments in subsidiaries and used that carrying value as the deemed cost of these investments on the date of transition i.e. 1 April 2016.

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b) Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

1) Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

3) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

c) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

vii Inventories

Inventories are valued as follows:

- a Finished Goods are valued at lower of cost or net realisable value*.
- b Raw Materials are valued at lower of cost or net realisable value**.
- c Packing Materials are valued at cost or net realizable value**.
- d Stock in Trade is valued at lower of cost or net realisable value**.

* Cost is arrived at on retail method.

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

viii Employee Benefits

a Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b Defined Benefit Plan

The Company also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

c Leave entitlement and compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

ix Share - Based Compensation

The company recognizes compensation expense relating to employees stock option plan in statement of profit and loss account in accordance with IND AS 102, Share - Based Payment. Accordingly, compensation expense as determined on the date of the grant is amortised over the vesting period. The Company follows fair value method to calculate the value of the stock options.

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

x Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand, which are subject to an insignificant risk of changes in value.

xi Borrowing Costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

xii Foreign Exchange Translation and Accounting of Foreign Exchange Transaction

a Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

b Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss except those arising from investment in Non Integral operations.

xiii Revenue Recognition

a Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

b Revenue in respect of export sales is recognised on shipment of products.

c Sales are recognised net of discounts, rebates and returns.

d Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

e Dividend income is recognized when the company's right to receive dividend is established.

f Claims for insurance are accounted on receipts/ on acceptance of claim by insurer.

xiv Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

b Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

xv Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

xvi Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

xvii Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

xviii Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

xix Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are disclosed in the financial statements.

xx Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM). The Company has identified its Managing Director as CODM which assesses the operational performance and position of the Company and makes strategic decisions.

xxi Leases

Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition

Effective April 1, 2019, the Company adopted IND AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

Veto Switchgears and Cables Limited
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Note 3 : Property, Plant and Equipment

A) Tangible assets

Particulars	Amount in ₹									
	Leasehold Land	Factory Building	Office Building	Leasehold Improvement	Plant & Machinery	Office Equipments	Furniture & Fixtures	Computers	Vehicles	Total
Gross carrying value (at deemed cost)										
Balance as at 31 March 2018	11,86,21,732	3,86,80,805	-	46,46,066	9,66,52,065	31,98,547	1,19,52,747	23,33,293	2,84,39,528	30,45,24,782
Additions	-	-	1,78,46,280	53,08,984	7,81,631	74,496	1,27,634	89,872	12,97,368	2,55,26,266
Transferred to Investment Property	8,32,24,102	-	-	-	-	-	-	-	-	8,32,24,102
Disposals	-	-	-	-	2,18,492	-	-	-	-	2,18,492
Balance as at 31 March 2019	3,53,97,630	3,86,80,805	1,78,46,280	99,55,050	9,72,15,204	32,73,043	1,20,80,381	24,23,165	2,97,36,896	24,66,08,454
Additions	-	-	-	-	38,80,768	2,64,480	79,22,976	2,50,817	6,75,920	1,29,94,961
Reclassified on adoption of IND AS 116	-	-	-	99,55,050	-	-	-	-	-	99,55,050
Balance as at 31 March 2020	3,53,97,630	3,86,80,805	1,78,46,280	-	10,10,95,972	35,37,523	2,00,03,356	26,73,982	3,04,12,816	24,96,48,364
Accumulated depreciation										
Balance as at 31 March 2018	-	2,45,61,494	-	43,12,959	6,52,12,248	29,23,412	86,12,617	22,60,338	2,07,52,813	12,86,35,881
Depreciation charge	-	18,04,104	2,14,302	2,43,451	63,41,012	1,17,497	8,91,208	41,747	25,54,579	1,22,07,898
Deletions / Adjustments	-	-	-	-	1,20,243	-	-	-	-	1,20,243
Balance as at 31 March 2019	-	2,63,65,598	2,14,302	45,56,409	7,14,33,017	30,40,909	95,03,825	23,02,085	2,33,07,392	14,07,23,536
Reclassified on adoption of IND AS 116	-	16,24,913	8,58,677	45,56,409	-	-	-	-	-	45,56,409
Depreciation charge	-	2,79,90,510	10,72,979	-	7,67,22,155	31,55,527	1,05,08,413	24,52,866	2,54,09,163	14,73,11,614
Balance as at 31 March 2020	-	2,79,90,510	10,72,979	-	7,67,22,155	31,55,527	1,05,08,413	24,52,866	2,54,09,163	14,73,11,614
Net carrying value										
Balance as at 31 March 2018	11,86,21,732	1,41,19,311	-	3,33,107	3,14,39,817	2,75,135	33,40,130	72,955	76,86,714	17,58,88,902
Balance as at 31 March 2019	3,53,97,630	1,23,15,207	1,76,31,978	53,98,641	2,57,82,187	2,32,134	25,76,568	1,21,080	64,29,504	10,58,84,930
Balance as at 31 March 2020	3,53,97,630	1,06,90,295	1,67,73,300	-	2,43,73,817	3,81,996	94,94,943	2,21,116	50,03,653	10,23,36,751

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

B) Capital Work In Process

Particulars	Total
Gross carrying value (at deemed cost)	
Balance as at 31 March 2018	7,32,25,597
Additions	1,00,21,598
Capitalised during the year	8,06,45,726
Balance as at 31 March 2019	26,01,469
Additions	2,91,55,563
Capitalised during the year	78,59,266
Balance as at 31 March 2020	2,38,97,766

C) Intangible assets

Amount in ₹

Particulars	Trademark	Total
Gross carrying value (at deemed cost)		
Balance as at 1 April 2018	1,12,000	1,12,000
Additions	-	-
Balance as at 31 March 2019	1,12,000	1,12,000
Additions	-	-
Balance as at 31 March 2020	1,12,000	1,12,000
Accumulated amortisation		
Balance as at 1 April 2018	1,09,200	1,09,200
Amortisation charge	2,800	2,800
Balance as at 31 March 2019	1,12,000	1,12,000
Amortisation charge	-	-
Balance as at 31 March 2020	1,12,000	1,12,000
Net carrying value		
Balance as at 1 April 2018	2,800	2,800
Balance as at 31 March 2019	-	-
Balance as at 31 March 2020	-	-

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

D) Investment Property		Amount in ₹		
Particulars	Leasehold Land	Building	Total	
Gross carrying value (at deemed cost)				
Balance as at 31 March 2018	-	-	-	
Transferred from Property Plant and Equipment	8,32,24,102	-	8,32,24,102	
Capitalised from Capital Work in Progress	-	6,27,99,446	6,27,99,446	
Balance as at 31 March 2019	8,32,24,102	6,27,99,446	14,60,23,548	
Capitalised from Capital Work in Progress	-	-	-	
Balance as at 31 March 2020	8,32,24,102	6,27,99,446	14,60,23,548	
Accumulated depreciation				
Balance as at 31 March 2018	-	-	-	
Depreciation charge	-	7,54,110	7,54,110	
Balance as at 31 March 2019	-	7,54,110	7,54,110	
Depreciation charge	-	30,21,608	30,21,608	
Balance as at 31 March 2020	-	37,75,718	37,75,718	
Net carrying value				
Balance as at 31 March 2018	-	-	-	
Balance as at 31 March 2019	8,32,24,102	6,20,45,337	14,52,69,439	
Balance as at 31 March 2020	8,32,24,102	5,90,23,728	14,22,47,830	

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**E) Right of Use Assets**

Amount in ₹

Particulars	Office Premises	Leasehold Improvements	Total
Gross carrying value (at deemed cost)			
Balance as at 31 March 2018	-	-	-
Additions	-	-	-
Disposals / Adjustments	-	-	-
Balance as at 31 March 2019	-	-	-
Additions	1,02,68,579	-	1,02,68,579
Reclassified on adoption of IND AS 116	-	99,55,050	99,55,050
Balance as at 31 March 2020	1,02,68,579	99,55,050	2,02,23,629
Accumulated Amortization			
Balance as at 31 March 2018	-	-	-
Amortisation charge for the year	-	-	-
Balance as at 31 March 2019	-	-	-
Reclassified on adoption of IND AS 116	-	45,56,409	45,56,409
Amortisation charge for the year	21,38,721	12,42,262	33,80,983
Balance as at 31 March 2020	21,38,721	57,98,671	79,37,392
Net carrying value			
Balance as at 31 March 2018	-	-	-
Balance as at 31 March 2019	-	-	-
Balance as at 31 March 2020	81,29,857	41,56,380	1,22,86,237

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Amount in ₹

Note 4 : Investments

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non Current Investments		
I. Investments valued at deemed cost		
Investment in equity shares		
i) In domestic subsidiaries	20,00,000	10,00,000
ii) In foreign subsidiaries	12,49,16,993	1,81,20,000
iii) In other companies	51,000	51,000
Total non-current investments	12,69,67,993	1,91,71,000

Note 4.1 Detailed list of non-current investments

Particulars	As at 31st March, 2020	As at 31st March, 2019
I. Investments valued at cost, fully paid up, unquoted, unless otherwise stated		
a) Investments in equity shares:		
i) In subsidiaries		
Veto Led Lighting Private Limited 1,00,000 (PY Nil) Equity Shares of Rs.10 each fully paid up	10,00,000	-
Veto Electricals Private Limited 1,00,000 (PY 1,00,000) Equity Shares of Rs.10 each fully paid up	10,00,000	10,00,000
ii) In foreign subsidiaries		
Veto Overseas Private FZE 64,75,000 (PY 10,00,000) Equity Shares of 1 AED each fully paid up	12,49,16,993	1,81,20,000
iii) In other companies		
Veto Lightings Private Limited 5,100 (PY 5,100) Equity Shares of Rs.10 each fully paid up	51,000	51,000
Total non-current investments	12,69,67,993	1,91,71,000

Particulars	As at 31st March, 2020	As at 31st March, 2019
Aggregate of non-current investments:		
Book value of investments	12,69,67,993	1,91,71,000
Investments carried at deemed cost	12,69,16,993	1,91,20,000
Investments carried at fair value through profit and loss	51,000	51,000

Note 5 : Loans

(Unsecured, Considered Good)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-current		
Considered good		
Loans & Advances to related parties (Refer Note No. 38) - to subsidiary companies	28,56,11,614	40,04,40,443
Total non-current loans	28,56,11,614	40,04,40,443

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Amount in ₹

Note 6 : Other financial assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-current		
Security Deposits	85,24,368	80,67,805
VAT Receivables	73,60,456	74,67,213
Total Other Non - Current financial assets	1,58,84,824	1,55,35,018

Note 7 : Deferred tax asset (net)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred income tax asset		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	1,70,35,127	1,58,53,423
Employee Benefits	10,84,005	9,63,239
Other Provisions	88,97,867	84,95,024
Total Deferred tax assets (net)	2,70,17,000	2,53,11,686

Note 8 : Income tax assets (net)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance Tax & TDS (net of provisions)	2,36,443	37,38,791
	2,36,443	37,38,791

(a) Income Tax Expense

Particulars	2019-20	2018-19
Current tax expense (A)		
Current year	4,26,15,000	3,66,00,000
Short/(Excess) provision of earlier years	57,66,762	28,22,178
	4,83,81,762	3,94,22,178
Deferred tax expense (B)		
Origination and reversal of temporary differences	(19,29,517)	30,93,834
	(19,29,517)	30,93,834
Tax expense recognised in the income statement (A+B)	4,64,52,245	4,25,16,012

(b) Amounts recognised in other comprehensive income

Particulars	2019-20			2018-19		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	8,74,918	(2,24,203)	6,50,715	4,29,894	(1,25,185)	3,04,709
Total	23,29,683	8,06,257	15,23,426	(4,56,179)	(1,50,950)	(3,05,229)

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Amount in ₹

(c) Reconciliation of effective Tax Rate

Particulars	2019-20	2018-19
Profit before tax	15,70,09,210	13,58,16,289
Tax using the Company's domestic tax rate (Current year 25.63 % and Previous Year 34.608%)	4,02,34,552	3,95,49,703
Tax effect of :		
Tax effect on non-deductible expenses	4,09,168	1,44,131
Adjustments recognised in current year in relation to the current tax of prior years	57,66,762	28,22,178
	4,64,10,482	4,25,16,012
Tax expense as per Statement of Profit & Loss	4,64,52,245	4,25,16,012
Effective tax rate	29.59%	31.30%

Note 9 : Other non - current assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital Advances	10,71,990	5,47,793
Deferred assets on financial assets carried at amortised cost	17,86,915	23,82,553
Total Other non - current assets	28,58,905	29,30,346

Note 10 : Inventories

(valued at lower of cost or net realisable value)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Finished goods	16,30,25,798	18,51,05,047
Stock in trade	31,87,13,059	28,74,74,832
Raw materials	10,09,24,181	10,33,13,450
Packing materials	1,12,45,274	1,09,89,304
Total Inventories	59,39,08,312	58,68,82,633

Note 11 : Trade receivables

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, Considered Good	52,06,05,727	49,08,97,646
Less : Provision for expected credit loss	3,14,29,120	2,91,72,473
Total trade receivables	48,91,76,607	46,17,25,173

Note 12 : Cash and cash equivalents

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances with banks:		
- In current accounts	6,64,29,245	4,64,00,203
Cash in hand	6,31,693	7,62,366
Funds in Transit	-	7,55,60,000
Total cash and cash equivalents	6,70,60,938	12,27,22,569

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Amount in ₹

Note 13 : Other bank balances

Particulars	As at 31st March, 2020	As at 31st March, 2019
Earmarked balances with banks for:		
Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	45,90,631	43,30,918
Total other bank balances	45,90,631	43,30,918

Note 14 : Other Current Asset

(Unsecured Considered Good)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance to Suppliers	1,57,18,901	2,06,17,482
Balance with Government Authorities	2,18,65,217	1,08,18,330
Staff Advances	18,08,931	20,25,104
Other Receivables	6,90,616	-
Deferred assets on financial assets carried at amortised cost	5,95,638	5,95,638
Prepaid Expenses	19,12,057	4,66,884
	4,25,91,360	3,73,72,171

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Amount in ₹

Note 17 : Borrowings

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non current		
Secured		
Term loans from banks	1,10,90,985	2,60,00,000
Less: Current maturities of long term debt	1,10,00,000	2,00,00,000
Less: Interest accrued but not due	90,985	-
	-	60,00,000
Hire purchase loans from banks	23,10,984	38,49,080
Less: Current maturities of long term debt	11,82,405	20,71,823
	11,28,579	17,77,257
Total non-current borrowings	11,28,579	77,77,257

Additional information pursuant to long term borrowings :

a) Term loan amounting to Rs. 1,10,00,000 (PY: Rs. 2,60,00,000) from Indian Oversease Bank carries interest of Base Rate + 2% p.a. The loan is repayable in 20 Quarterly instalments along with interest started from June, 2016. The loan is primarily secured by way of equitable mortgage of land and building of Corporate office under construction and collateral security of factory land and building of the Company, land and building of M/s. Vimal Power Cables Private Limited, hypothecation of fixed assets (excluding land and building and vehicles) of the Company, personal guarantee of two director and two promoters and corporate guarantee of Vimal Power cables Private Limited and Veto Electropowers (India) Private Limited (formerly Holding Company).

b) Hire Purchase Loans amounting to Rs. 23,10,984 (PY Rs. 38,49,080) from various banks and financial institutions are secured by hypothecation of respective vehicle financed. The loans carries interest @ 8.50% to 11% p.a. The loan is repayable in 36 to 60 equal monthly instalments.

Note 18 : Lease Liability

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-Current		
Lease Liability	60,75,260	-
	60,75,260	-
Current		
Lease Liability	24,68,575	-
	24,68,575	-

Note 19 : Provisions

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-Current		
Provision for gratuity	26,05,820	14,36,685
	26,05,820	14,36,685
Current		
Provision for gratuity	16,24,345	18,71,140
	16,24,345	18,71,140

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Amount in ₹

Note 20 : Borrowings

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Secured)		
Cash Credit Facility		
From Bank	23,80,58,532	37,17,84,911
	23,80,58,532	37,17,84,911

Additional information pursuant to secured short term borrowing :

Cash credit facility amounting to Rs. 23,80,58,532 (PY Rs. 37,17,84,911) from indian oversease bank carries interest rate of base rate + 1.75% p.a. The loan is secured by way of 1st charge on entire current assets of the Company and collateral security of factory land and building of the Company, land and building of M/s. vimal Power Cables Private Limited, hypothecation of fixed assets (excluding land and building and vehicles) of the Company, personal guarantee of two director and two promoters and corporate guarantee of Vimal Power cables Private Limited and Veto Electropowers (India) Private Limited (Formerly Holding Company).

Note 21 : Trade payables

Particulars	As at 31st March, 2020	As at 31st March, 2019
- Total outstanding dues of Micro Enterprises and Small Enterprises.	3,11,04,210	2,10,97,597
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	6,18,30,854	5,70,44,062
Total trade payables	9,29,35,064	7,81,41,659

The Company has amounts due to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act), as at 31 March 2020.

The disclosure pursuant to the said Act is as under:

Particulars	As at 31st March, 2020	As at 31st March, 2019
The principal amount remaining unpaid to any supplier as at the end of accounting year;	3,11,04,210	2,10,97,597
The interest due and remaining unpaid to any supplier as at the end of accounting year;	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Note: This information, as required to be disclosed under the MSMED Act, has been determined to the extent such parties have been identified on the basis of information available with the Company.

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

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Amount in ₹

Note 22 : Other financial liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current		
Current maturities of loan term debt	1,21,82,405	2,20,71,823
Interest accrued but not due	90,985	-
Trade deposits	3,79,67,670	1,98,66,010
Salary & Wages Payable	57,49,556	68,20,890
Duties & taxes payable	16,77,555	55,41,049
Unpaid Dividend (refer Note below)	5,19,901	5,19,901
Total other financial liabilities	5,81,88,072	5,48,19,673

Note: The unpaid dividend includes Rs 2,00,370/- and Rs.3,19,531/- in relation to interim and/ or final dividends declared by the company for FY 2015-16 and 2016-17 respectively against which claims have not been made. The amounts against the same have been set aside and deposited in separate scheduled bank accounts by the company in compliance with section 124 of the Companies Act 2013.

Note 23 : Other current liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance from debtors	35,11,873	16,50,011
Provision for Expenses	24,92,064	1,22,298
Deferred Revenue	20,74,725	19,25,098
	80,78,662	36,97,406

Note 24 : Revenue from operation

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Revenue from operations		
Sale of Products *	1,20,69,73,144	1,08,93,31,572
Total Revenue from Operations	1,20,69,73,144	1,08,93,31,572

*** Details of Products Sold**

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Finished Goods		
Accessories & Others	29,92,55,272	30,90,84,700
Wire & Cables	41,11,38,413	36,70,03,010
	71,03,93,685	67,60,87,710
Traded Goods		
Accessories & Others	1,23,80,380	2,58,50,668
Wire & Cables	1,79,02,150	3,26,45,387
Lighting & Fittings	46,62,96,929	35,47,81,687
	49,65,79,459	41,32,77,742
	1,20,69,73,144	1,08,93,65,452

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Amount in ₹

Note 25 : Other income

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Interest Income		
- on loans to wholly owned subsidiary	4,08,59,204	4,44,98,680
- on margin money deposits	4,87,730	2,67,406
- on others	43,324	71,002
- on unwinding of financial assets carried at amortised cost	4,96,963	6,23,510
Rental income on Investment Property	54,88,000	-
Foreign Currency Fluction Gain / (Loss) on loans and advances to subsidiary	57,25,573	1,71,73,636
Gain on Foreign Exchange Fluctuations (Net)	30,55,959	11,20,102
Miscellaneous Income	3,08,743	12,615
Total other income	5,64,65,496	6,37,66,951

Note 26 : Cost of materials consumed

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Opening stock	10,33,13,450	10,88,90,575
Add: Purchases	43,78,98,786	50,01,49,388
Less: Closing stocks	10,09,24,181	10,33,13,450
Total Cost of Materials Consumed	44,02,88,056	50,57,26,512

* Purchases are stated net of discounts and rate difference.

Details of Material Consumed

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Copper	26,13,24,900	25,56,34,609
Alluminium	86,16,803	1,18,44,185
PVC Compound	3,68,00,981	2,77,18,135
Others	13,35,45,372	21,05,29,583
	44,02,88,056	50,57,26,512

Details of Inventory

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Copper	3,94,19,472	5,70,34,518
Alluminium	8,77,938	4,17,812
PVC Compound	21,20,160	56,56,776
Others	5,85,06,611	4,02,04,344
	10,09,24,181	10,33,13,450

Note 27 : Purchases of stock-in-trade

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Purchase of stock in trade	38,57,42,294	40,22,91,874
Total Purchases of stock-in-trade	38,57,42,294	40,22,91,874

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Amount in ₹

Note 28 : Changes in inventories of finished goods and stock in trade

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Finished goods		
Opening stock		
- Accessories & Others	9,39,39,264	5,00,16,916
- Wire & Cables	9,11,65,783	7,06,47,425
	18,51,05,047	12,06,64,341
Closing stock		
- Accessories & Others	9,90,34,731	9,39,39,264
- Wire & Cables	6,39,91,067	9,11,65,783
	16,30,25,799	18,51,05,047
Changes in inventories of finished goods (A)	(2,20,79,248)	6,44,40,705
Stock in trade		
Opening stock		
- Accessories & Others	1,85,26,441	3,49,40,059
- Wire & Cables	95,67,231	1,86,76,307
- Lighting & Fittings	25,93,81,160	13,31,58,882
	28,74,74,832	18,67,75,248
Closing stock		
- Accessories & Others	1,32,80,827	1,85,26,441
- Wire & Cables	1,46,00,653	95,67,231
- Lighting & Fittings	29,08,31,580	25,93,81,160
	31,87,13,059	28,74,74,832
Changes in inventories of stock in trade (B)	3,12,38,227	10,06,99,584
Total Changes in inventories of finished goods and stock in trade (A+B)	91,58,979	16,51,40,289

Note 29 : Employee benefits expense

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Salary, wages and other allowances	8,88,11,722	7,09,17,169
Directors Remuneration	37,50,000	33,00,000
Employee Stock Option Compensation Expense	-	2,49,447
Provision for Gratuity	12,49,931	23,44,105
Contribution to provident fund and other funds	56,19,978	54,45,645
Staff welfare expenses	37,68,062	20,27,662
Total employee benefits expense	10,31,99,693	8,42,84,028

Note 30 : Finance costs

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Interest expense to:		
Banks	2,83,31,107	3,72,77,088
Others	21,61,118	-
Leasing Arrangements as per IND AS 116	5,81,423	-
Other Borrowing Cost	60,77,372	10,72,204
Total finance costs	3,71,51,021	3,83,49,292

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Amount in ₹

Note 31 : Depreciation and amortisation expense

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Depreciation on tangible assets	1,11,44,487	1,22,07,898
Amortisation on intangible assets	-	2,800
Amortisation on Right of Use assets	33,80,983	-
Depreciation on Investment Property	30,21,608	7,54,110
Total depreciation and amortisation expense	1,75,47,078	1,29,64,808

Note 32 : Other expenses

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Manufacturing expenses		
Consumption of :		
- Consumable & stores	3,37,550	5,75,340
- Power & fuel	62,24,643	70,32,791
Job Charges	49,24,644	65,66,333
Repairs & Maintenance :		
- Plant & machinery	19,49,464	16,46,714
- Factory building	29,520	28,320
Freight & transportation	11,53,656	17,63,874
Other factory expenses	19,99,602	24,10,965
	1,66,19,078	2,00,24,338
Administration, Selling and Distribution expenses		
Rent (Refer note no 43)	30,97,131	44,20,652
Insurance	7,09,291	6,76,405
Rates & taxes	19,19,404	1,15,158
Repairs & maintenance		
- Others	37,21,663	18,06,930
Legal and professional fees	43,96,416	53,21,648
Auditor's remuneration *	4,72,500	4,15,000
Travelling & conveyance	1,32,44,858	1,07,40,366
Communication costs	9,04,132	12,86,979
Printing & stationery	4,17,162	3,73,030
Water & electricity charges	11,14,799	15,47,621
Commission	57,06,793	18,26,699
Packing material consumed	2,29,15,506	3,10,66,932
Advertising & sales promotion	2,07,92,508	2,00,98,420
Transportation, freight & handling charges	2,04,75,744	1,76,00,150
Expenditure on CSR activities	79,83,000	24,59,183
Provision for expected credit loss	22,56,647	56,76,610
Loss by theft	-	11,66,116
Advances / Sundry balances written off	-	55,55,404
Miscellaneous expenses	49,13,633	66,28,370
Total other expenses	13,16,60,267	13,88,06,009

*** Payment to Auditor includes**

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Audit fees	3,75,000	3,75,000
Other services	97,500	40,000
	4,72,500	4,15,000

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Amount in ₹

Note 33 : Earnings per equity share

The amount considered in ascertaining the Company's earnings per share constitutes the net loss after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

Basic and diluted EPS

Net Profit after Tax as per Statement of Profit and Loss attributable to	(₹)	11,05,56,966	9,33,00,277
Weighted average number of equity shares for calculating Basic EPS	(Nos.)	1,90,02,713	1,90,02,713
Weighted Average Potential Equity Shares	(Nos.)	-	-
Total Weighted Average number of Equity Shares used for calculating	(Nos.)	1,90,02,713	1,90,02,713
Basic EPS	(₹)	5.82	4.91
Diluted EPS	(₹)	5.82	4.91

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Note 15 : Equity Share capital

Particulars	As at 31st March, 2020	As at 31st March, 2019
Authorised		
2,50,00,000 (PY 2,50,00,000) Equity shares of Rs.10/- each	25,00,00,000	25,00,00,000
	25,00,00,000	25,00,00,000
Issued, Subscribed and Fully Paid Up		
1,91,14,955 (PY 1,91,14,955) Equity shares of Rs. 10/- each fully paid up	19,11,49,550	19,11,49,550
	19,11,49,550	19,11,49,550

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

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

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
At the beginning of the year	1,91,14,955	19,11,49,550	1,83,27,100	18,32,71,000
Issued during the year	-	-	7,87,855	78,78,550
Outstanding at the end of the year	1,91,14,955	19,11,49,550	1,91,14,955	19,11,49,550

b. Terms/rights attached to equity shares:

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

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

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

iv) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

c. Shareholding of more than 5%:

Name of the Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	% held	No. of shares	% held	No. of shares
Veto Electropowers (India) Private Limited	37.30%	71,30,704	37.30%	71,30,704
Pushpa Devi Gurnani	6.68%	12,76,744	-	-

d. Issue of Share Under ESOP

During the previous year, FY 2018-19, the Company had allotted 7,87,855 shares under Employees Stock Option Plan (ESOP) of the Company.

e. Forfeiture of Share Warrants

During FY 2017-18, the Company had made a preferential issue of 45,00,000 Convertible Warrants of Rs. 10 each at a premium of Rs 160 per warrant and in accordance with SEBI guidelines the company has received 25 % upfront money amounting to Rs.19,12,50,000. The warrants can be exercised at anytime within a period of 18 months.

The said share warrants were not converted into equity shares on non-exercise of option before the due dates and accordingly, the upfront subscription amount of Rs. 19,12,50,000/- on issue of these warrants have been forfeited during the previous year and credited to the Capital Reserve.

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Note 16 : Other equity

Amount in ₹

Particulars	Reserves and surplus			Items of Other comprehensive income	Total equity attributable to equity holders
	Securities premium reserve	Retained earnings	Capital Reserve	Gain / (loss) on fair value of defined benefit plans	
As at 1 st April 2019	24,24,32,949	78,80,32,449	19,12,50,000	15,22,906	1,22,32,38,304
Retained Earnings adjustment on adoption of IND AS 116	-	(85,233)	-	-	(85,233)
Total comprehensive income for the year	-	11,05,56,966	-	6,50,715	11,12,07,681
As at 31 st March 2020	24,24,32,949	89,85,04,182	19,12,50,000	21,73,621	1,33,43,60,752

Description of nature and purpose of reserve

Securities Premium Reserve

Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Retained Earnings

Retained Earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

Capital Reserve

Capital Reserve represents reserves of the Company on the forfeiture of the upfront subscription amount received on the share warrants, on non-exercise of option before the due date to convert such warrants into equity shares. The reserve is utilised in accordance with the provisions of the Act.

Gain / (loss) on fair value of defined benefit plans

The Company has recognised remeasurement gains/ (loss) on defined benefit plans in OCI. These changes are accumulated within the OCI reserve within other equity. The Group transfers amounts from this reserve to retained earnings when the relevant obligations are derecognised.

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Note 34 : Contingent liabilities disclosures as required under Indian Accounting Standard 37, “Provisions,Contingent Liabilities and Contingent Assets” are given below:

Particulars	As at 31st March, 2020	As at 31st March, 2019
I) Guarantees		
Bank Guarantee	35,10,388	11,40,243
	35,10,388	11,40,243

Note 35 : Investment in subsidiaries, associates and joint ventures

- (a) These financial statement are separate financial statements prepared in accordance with Ind AS-27 “Separate Financial Statements”.
- (b) The Company’s investments in direct subsidiaries are as under:

Name of the subsidiaries	Country of incorporation	Portion of ownership interest as at 31 March 2020	Portion of ownership interest as at 31 March 2019	Portion of ownership interest as at 31 March 2018	Method used to account for the investment
Veto Electricals Private Limited	India	100%	100%	100%	At Cost
Veto Led Lighting Private Limited	India	100%	NA	NA	At Cost
Veto Overseas Private FZE	Dubai	100%	100%	100%	At Cost

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Note 36 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

A Defined benefit obligations - Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
a) Changes in defined benefit obligations		
Present value of obligation as at the beginning of the year		
Defined Benefit Obligation ("PBO") at the beginning of the year	74,46,226	54,30,538
Past service cost	-	-
Service cost	18,71,140	25,67,334
Interest cost	5,41,890	3,92,460
Actuarial loss / (gain)	(10,67,224)	(5,75,865)
Benefits paid	(1,30,617)	(3,68,241)
Present value of obligation as at the end of the year	86,61,425	74,46,226
b) Changes in Plan Assets		
Opening value of plan assets	41,38,411	41,50,222
Interest Income	3,60,413	3,49,060
Return on plan assets excluding amounts included in interest income	(1,92,306)	(1,45,971)
Contributions by employer	1,24,742	1,53,341
Benefits paid	-	(3,68,241)
Closing value of plan assets	44,31,260	41,38,411
c) The amounts recognised in the Balance Sheet are as follows:		
Present value of obligation as at the end of the year	86,61,425	74,46,226
Fair Value of plan assets as at the end of the year	44,31,260	41,38,411
Net (assets) / liability recognised in balance sheet	42,30,165	33,07,815
d) Expenses recognised in the Statement of Profit and Loss		
Service cost	18,71,140	25,67,334
Past service cost	-	-
Net Interest Cost	1,81,477	43,400
Total	20,52,617	26,10,734
e) Remeasurement (gains)/ losses recognised in OCI		
Actuarial changes arising from changes in financial assumptions	6,90,050	(27,280)
Actuarial changes arising from changes in demographic assumptions	-	-
Due to experience adjustments	(17,57,274)	(5,48,585)
Return on plan assets excluding amount included in interest income	1,92,306	1,45,971
Total	(8,74,918)	(4,29,894)

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Particulars	31st March 2020	31st March 2019
f) Actuarial assumptions		
Discount rate	6.55% p.a.	7.65% p.a.
Normal retirement age (in years)	58	58
Salary escalation rate (% p.a.) *	7% p.a.	7% p.a.
Attrition rate	20% at younger ages reducing to 1% at older ages	20% at younger ages reducing to 1% at older ages
Mortality rate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

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

g) Quantities sensitivity analysis for significant assumption is as below:

Particulars	31st March 2020	31st March 2019
	0.5 % increase	
i. Discount rate	83,34,854	71,83,326
	-3.77%	-3.53%
	0.5 % increase	
ii. Salary escalation rate	90,00,982	77,18,476
	3.92%	3.66%
	10% increase	
iii. Attrition rate	85,94,291	74,05,176
	0.78%	0.55%
	0.5 % decrease	
i. Discount rate	90,11,771	77,27,478
	4.04%	3.78%
	0.5 % decrease	
ii. Salary escalation rate	83,38,512	71,83,335
	3.73%	3.53%
	10% decrease	
iii. Attrition rate	87,31,063	74,84,629
	0.52%	0.52%

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant.

Particulars	31st March 2020	31st March 2019
h) Maturity analysis of defined benefit obligation		
1st Following Year	7,95,445	7,25,412
2nd Following Year	7,98,333	7,63,894
3 rd Following Year	7,68,397	8,03,904
4th Following Year	7,70,132	7,88,121
5th Following Year	7,57,194	8,20,443
Sum of Year 6 to 10 Year	43,81,287	36,08,617
Total expected payments	82,70,788	75,10,391

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

B Defined contribution plans

Particulars	31st March 2020	31st March 2019
a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:		
(i) Contribution to provident fund	43,43,641	36,37,951
(ii) Contribution to ESIC	12,76,337	18,07,694
	56,19,978	54,45,645

Particulars	31st March 2020	31st March 2019
b) Current/ non-current classification		
Gratuity		
Current	16,24,345	18,71,140
Non-current	26,05,820	14,36,685
	42,30,165	33,07,825

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March

Note 37 : Segment reporting as required under Indian Accounting Standard 108, "Operating Segments"

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Operating Segments

Wire and Cables
Lighting & Fittings
Accessories & Others

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of inventory. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

(a) Summary of segment Information as at and for the year ended 31st March,2020 and 31st March,2019 is as follows:

Particulars	Amount in ₹	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Segment Revenue		
Wire & Cables	42,90,40,564	39,96,48,397
Lighting & Fittings	46,63,61,929	35,47,81,687
Accessories & Others	31,15,70,152	33,49,35,368
Total Revenue	1,20,69,72,644	1,08,93,65,452
Segment Results		
Wire & Cables	5,20,89,250	5,27,09,437
Lighting & Fittings	16,73,88,748	11,90,08,359
Accessories & Others	8,86,03,679	7,23,13,544
	30,80,81,677	24,40,31,340
Less : Unallocable Expenses	15,28,39,864	12,06,67,423
Less : Depreciation	1,75,47,078	1,29,64,808
Operating Profit	13,76,94,736	11,03,99,109
Less : Finance Cost	3,71,51,021	3,83,48,884
Add : Other Income	5,64,65,496	6,37,66,064
Profit Before Tax	15,70,09,211	13,58,16,289
Less : Tax expense (Net)	4,64,52,245	4,25,16,012
Profit After Tax	11,05,56,966	9,33,00,277

Particulars	As at	
	31st March, 2020	31st March, 2019
Segments Assets		
Wire & Cables	12,35,09,290	16,21,98,975
Lighting & Fittings	29,08,31,580	25,93,81,160
Accessories & Others	16,83,22,170	15,43,13,194
Unallocated	1,35,40,10,171	1,35,80,23,255
Total Capital Employed	1,93,66,73,210	1,93,39,16,584
D. Segments Liabilities		
Wire & Cables	89,02,846	65,14,650
Lighting & Fittings	2,12,95,279	2,16,04,924
Accessories & Others	4,28,05,873	3,91,48,059
Unallocated	33,81,58,911	45,22,61,098
	41,11,62,909	51,95,28,731

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March

Note 38 : Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:

a) Names of related parties and nature of relationship (to the extent of transactions entered into during the year except for control relationships where all parties are disclosed)

Nature of relationship	Nature of the party
(i) Key Managerial Personnel	
Akshay Gurnani	Managing Director & Chief Executive Officer
Naraindas Gurnani	Whole time Director & Chief Financial Officer
Jyoti Gurnani	Director
Bhavna Giamalani	Company Secretary Cum Compliance Officer
(ii) Entity of which the company is an associate	Veto Electropower (India) Private Limited
(iii) Subsidiary Companies	Veto Electricals Private Limited Veto Led Lighting Private Limited Veto Overseas Private FZE
(iv) Enterprises owned or significantly influenced by KMP and / or their relatives	Vimal Power Cables Private Limited Tulsi Palace Resort Private Limited V1 Infradevelopers Private Limited Kripa Realmart Private Limited Anjali Packaging
(v) Relative of Director	Pushpa Devi Gurnani

b) Transactions carried out with related parties referred to above, in ordinary course of business and balances outstanding:

b. Transactions with Related Parties :

Name of Party	Nature of Transaction	Year ended March 31, 2020	Year ended March 31, 2019
Akshay Gurnani	Remuneration	19,50,000	15,00,000
Naraindas Gurnani	Remuneration	12,00,000	12,00,000
Jyoti Gurnani	Remuneration	6,00,000	6,00,000
Bhavna Giamalani	Salary paid	1,89,394	-
Pushpa Devi Gurnani	Salary paid	1,50,000	-
Veto Electricals Private Limited	Interest Income	2,45,28,630	1,79,76,066
	Advance Granted	16,00,87,999	20,08,87,752
	Loan Received Back	18,07,98,863	17,68,00,000
	Rent Income	88,000	-
Veto Led Lighting Private Limited	Investment made	10,00,000	-
	Interest Income	31,01,907	-
	Advance Granted	10,74,14,431	-
	Loan Received Back	3,10,191	-
Veto Overseas Private FZE	Investment made*	10,67,96,993	-
	Loan Granted	-	1,71,73,636
	Interest Income	1,32,28,667	2,64,94,872
	Loan Received Back	14,10,09,990	7,55,60,000
Veto Electropower (India) Private Limited	Rent	1,44,000	98,800
Vimal Power Cables Private Limited	Purchases	-	73,24,564
	Rent	3,00,000	9,00,000
Kripa Realmart Private Limited	Rent	6,60,000	-
V1 Infradevelopers Private Limited	Rent Income	54,00,000	-
Anjali Packaging	Purchase of Packing Material	29,837	21,790

* Conversion of loan outstanding into Investment into Equity share capital

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March

c. Balance Outstanding of Related Parties :

Name of Party	Receivable / Payable	Year ended March 31, 2020	Year ended March 31, 2019
Akshay Gurnani	Remuneration Payable	2,00,000	1,25,000
Naraindas Gurnani	Remuneration Payable	1,00,000	1,00,000
Jyoti Gurnani	Remuneration Payable	50,000	50,000
Bhavna Giamalani	Salary Payable	15,000	-
Pushpa Devi Gurnani	Salary Payable	50,000	-
Veto Electrical Private Limited	Loans Receivable	17,12,00,987	16,73,83,221
Veto Led Lighting Private Limited	Loans Receivable	11,02,06,147	-
Veto Overseas FZE	Loans Receivable	42,04,479	23,30,57,222
V1 Infradevelopers Private Limited	Trade Recievables	58,32,000	-
Tulsi Palace Resort Private Limited	Trade Recievables	32,904	35,035
Kripa Realmart Private Limited	Trade payable	3,97,424	-
Anjali Packaging	Trade payable	27,149	-

Note 39 : Disclosure with regards to section 186 of the Companies Act, 2013

During the year, the Company has granted Unsecured loan to its Subsidiary Companies for General Corporate

Amount in ₹

Name of the Subsidiary	Opening Balance	Loan given During the year	Closing Balance	Interest Rate
Veto Electricals Private Limited	16,73,83,221	16,00,87,999	17,12,00,987	10%
Veto Led Lighting Private Limited	-	10,74,14,431	11,02,06,147	10%
Veto Overseas FZE	23,30,57,222	-	42,04,479	10%
TOTAL	40,04,40,443	26,75,02,430	28,56,11,614	

Note 40 : Disclosure with regards to regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015

Amount of Loans & Advances in nature of loans outstanding from subsidiaries as at 31st March, 2020 :

Amount in ₹

Name of the Subsidiary	Closing Balance	Maximum Outstanding
Veto Electricals Private Limited	17,12,00,987	17,12,00,987
Veto Led Lighting Private Limited	11,02,06,147	11,02,06,147
Veto Overseas FZE	42,04,479	23,30,57,222

Note 41 : Expenditure on Corporate Social Responsibility Activities

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013.

Details of CSR Expenditure:

a) Gross amount required to be spent by the Company during the year.

Amount in ₹

Particulars	As at 31st March 2020	As at 31st March 2019
Amount required to be spent by the Company	39,19,973	36,72,131
	39,19,973	36,72,131

b) Amount spent during the year

Amount in ₹

Particulars	Amount Spent		Amount yet to be Spent		Total	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Contribution to trust	44,01,000	23,16,383	-	12,12,948	44,01,000	35,29,331
Others	35,82,000	1,42,800	-	-	35,82,000	1,42,800
	79,83,000	24,59,183	-	12,12,948	79,83,000	36,72,131

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March

Note 42 : Share Base Payment

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

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

During the period upto March 31, 2019, the Company has granted options on the following dates:

Grant date	No of options
23-May-19	7,87,855
Total	7,87,855

The Options shall vest in 1 year from the date of Grant. The exercise period shall be 3 years after vesting period. As per the scheme, the exercise price is determined by the Compensation Committee. The fair value of the option is determined at the Market Price based on latest available closing price on a recognised stock exchange on the date immediately prior to the grant date expected forfeiture rate is assumed to be 1%.

Particulars	For the year ended 31st March 2020		For the year ended 31st March 2019	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
Outstanding at beginning of the year	-	-	7,91,955	50.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	4,100	50.00
Exercised during the year	-	-	7,87,855	50.00
Outstanding at the end of the year	-	-	-	-
Vested and exercisable at the end of the year	-	-	-	-

Expenses Arising from share based payment transactions

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Employee share based payment expense	-	2,49,447

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Amount in ₹

Note 43: Leases

On transition, the adoption of the new standard IND AS 116 [Refer note 1.2(xxi)] resulted in recognition of 'Right of Use' asset of Rs. 1,02,68,579/- and a lease liability of Rs. 1,03,53,812/-. The cumulative effect of applying the standard, amounting to Rs. 85,233/- was debited to retained earnings. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	Amount in ₹
Balance as at 1st April, 2019	1,02,68,579
Addition	-
Deletion	-
Depreciation	21,38,721
Balance as at 31st March, 2020	81,29,857

The following is the break-up of current and non-current lease liabilities as at March 31, 2020 :

Particulars	Amount in ₹
Current lease liabilities	24,68,575
Non-Current lease liabilities	60,75,260
	85,43,835

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	Amount in ₹
Balance as at 1st April, 2019	1,03,53,812
Addition	-
Finance cost accrued during the period	-
Deletion	-
Payment of lease liabilities	18,09,977
Balance as at 31st March, 2020	85,43,835

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis :

Particulars	Amount in ₹
- Less than one year	30,26,610
- Later than one year but not later than five years	67,01,266
- Later than five years	-
	97,27,876

Rental expense recorded for short-term leases was Rs. 30,97,131/- for the year ended March 31,2020.

Veto Switchgears and Cables Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Note 44: Fair Value Measurement

(i) Financial instruments by category

Particulars	Refer note	31st March 2020				31st March 2019				Amount in ₹
		Carrying Amount	FVPL	FVOCI	Amortised Cost	Carrying Amount	FVPL	FVOCI	Amortised Cost	
Financial Assets:										
Investments										
Investments in equity shares	4	12,69,67,993	51,000	-	12,69,16,993	1,91,71,000	-	-	1,91,20,000	
Loans	5	28,56,11,614	-	-	28,56,11,614	40,04,40,443	-	-	40,04,40,443	
Others financial assets	6	1,58,84,824	-	-	1,58,84,824	1,55,35,018	-	-	1,55,35,018	
Trade receivables	11	48,91,76,607	-	-	48,91,76,607	46,17,25,173	-	-	46,17,25,173	
Cash and cash equivalents	12	6,70,60,938	-	-	6,70,60,938	12,27,22,569	-	-	12,27,22,569	
Other Bank balances	13	45,90,631	-	-	45,90,631	43,30,918	-	-	43,30,918	
Total Financial Assets		98,92,92,607	51,000	-	98,92,41,607	1,02,39,25,121	51,000	-	1,02,38,74,121	
Financial Liabilities:										
Borrowings	17 & 18	23,91,87,111	-	-	23,91,87,111	37,95,62,168	-	-	37,95,62,168	
Trade payables	21	9,29,35,064	-	-	9,29,35,064	7,81,41,659	-	-	7,81,41,659	
Lease Liability	18	85,43,835	-	-	85,43,835	-	-	-	-	
Other financial liabilities	22	5,81,88,072	-	-	5,81,88,072	5,48,19,673	-	-	5,48,19,673	
Total Financial Liabilities		39,88,54,082	-	-	39,88,54,082	51,25,23,500	-	-	51,25,23,500	

The Company has not disclosed the fair values for financial instruments for loans (non current), other non current financial assets, trade receivables, cash and cash equivalents and bank balances other than cash and cash equivalents, Borrowings (current and non current), Trade payables, other current financial liabilities because their carrying amounts are reasonably approximation of fair value.

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Note 45 : Financial risk management objectives and policies

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

(i) Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

Ageing of Accounts receivables :

Particulars	Amount in ₹	
	As at 31-03-2020	As at 31-03-2019
Not Due	-	-
0 - 6 months	43,74,01,714	34,12,13,815
6 - 12 months	2,75,85,748	8,23,98,334
Beyond 12 months	5,56,18,265	6,72,85,496
Total	52,06,05,727	49,08,97,645

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

The movement of the allowance for lifetime expected credit loss is stated below:

Particulars	Amount in ₹	
	31 March 2020	31 March 2019
Balance at the beginning of the year	2,91,72,473	2,34,95,863
Addition/(Reversal during the year)	22,56,647	56,76,610
Balance at the end of the year	3,14,29,120	2,91,72,473

ii) Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings.

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

b) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2020	Amount in ₹			
	On Demand	Less than 1 year	1 to 5 years	Total
Borrowings	23,80,58,532	1,22,73,390	11,28,579	25,14,60,501
Other financial liabilities	-	4,59,14,682	-	4,59,14,682
Trade payables	9,29,35,064	-	-	9,29,35,064
Lease liabilities	-	24,68,575	60,75,260	85,43,835
	33,09,93,596	6,06,56,647	72,03,839	39,88,54,082

As at March 31, 2019	Amount in ₹			
	On Demand	Less than 1 year	1 to 5 years	Total
Borrowings	37,17,84,911	2,20,71,823	77,77,257	40,16,33,991
Other financial liabilities	-	3,27,47,850	-	3,27,47,850
Trade payables	7,81,41,659	-	-	7,81,41,659
	44,99,26,570	5,48,19,673	77,77,257	51,25,23,500

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and investments in securities.

i. Currency risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. Our exposure are mainly denominated in U.S. dollars and Arab Emirates Dirham. The Company's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. This intent has been achieved in all years presented. The Company has put in place a Financial Risk Management Policy to identify the most effective and efficient ways of managing the currency risks.

Particulars	Amount in Foreign currency			
	31st March, 2020		31st March 2019	
	USD	AED	USD	AED
Financial Asset				
Non Current Loans	-	2,04,737	-	1,23,38,055
Trade Receivables	-	7,86,761	-	98,002
Exposure for assets (a)	-	9,91,498	-	1,24,36,057
Financial Liabilities				
Trade Payables	-	-	-	-
Exposure for liabilities (b)	-	-	-	-
Net exposure (a-b)	-	9,91,498	-	1,24,36,057

Particulars	Amount in ₹			
	31st March, 2020		31st March 2019	
	USD	AED	USD	AED
Financial Asset				
Non Current Loans	-	42,04,479	-	23,30,65,859
Trade Receivables	-	1,61,56,926	-	18,51,262
Exposure for assets (a)	-	2,03,61,405	-	23,49,17,121
Financial Liabilities				
Trade Payables	-	-	-	-
Exposure for liabilities (b)	-	-	-	-
Net exposure (a-b)	-	2,03,61,405	-	23,49,17,121

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars and AED at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

Impact of movement on Profit or (loss) and Equity :

Effect in INR (before tax)	Amount in ₹			
	31st March, 2020		31st March 2019	
	Profit or (loss) and Equity Strengthening	Profit or (loss) and Equity Weakening	Profit or (loss) and Equity Strengthening	Profit or (loss) and Equity Weakening
1% movement				
USD	-	-	-	-
AED	(20,361)	20,361	(2,34,917)	2,34,917
	(20,361)	20,361	(2,34,917)	2,34,917

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

Exposure to interest rate risk

Company's interest rate risk arises primarily from borrowings. The interest rate profile of the Company's interest-bearing financial instruments is

Particulars	Amount in ₹	
	As at 31-03-2020	As at 31-03-2019
Total Borrowings	25,13,69,516	40,16,33,991
	25,13,69,516	40,16,33,991

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates :

Cash flow sensitivity (net)	Amount in ₹	
	Profit or (loss) 50 bp increase	Profit or (loss) 50 bp decrease
31st March 2020		
Variable-rate loan instruments	(1,25,68,476)	1,25,68,476
Cash flow sensitivity (net)	(1,25,68,476)	1,25,68,476
31st March 2019		
Variable-rate loan instruments	(2,00,81,700)	2,00,81,700
Cash flow sensitivity (net)	(2,00,81,700)	2,00,81,700

iii) Other price risk

The Company is not exposed to the other price risk.

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Note 46 : Capital Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. Management monitors the return on capital as well as the debt equity ratio and make necessary adjustments in the capital structure for the development of the business. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day - to - day needs. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Particulars	Amount in ₹	
	As at March 31, 2020	As at March 31, 2019
Borrowings	25,13,69,516	40,16,33,991
Net Debt	25,13,69,516	40,16,33,991
Equity	1,52,55,10,302	1,41,43,87,854
Total Capital	1,52,55,10,302	1,41,43,87,854
Capital and Net Debt	1,77,68,79,818	1,81,60,21,845
Gearing ratio (Net Debt/Capital and Net Debt)	14%	22%

Note : For the purpose of computing debt to equity ratio, equity includes Equity share capital and Other Equity and Debt includes Long term borrowings, Short term borrowings and current maturities of long term borrowings.

Note 47 : Since the first quarter of Calendar Year 2020, the Covid-19 pandemic has impacted most of the countries, including India. This resulted in countries announcing lockdown and quarantine measures that sharply stalled economic activity. Accordingly, the operation of the Company were disrupted. The Company's manufacturing units at Haridwar and Mumbai were temporarily shut down as per the local guidelines during this period. Even the supply chains have been put under stress which has resulted in loss of business and temporary pressure on cash flows, liquidity, profitability and margins due to lower collection of receivables, operating expenses, payment obligations towards vendors and statutory authorities, etc.

However, with subsequent ease in the lockdown restrictions by the Government Authorities, the Company saw partial resumption since early May, 2020 and eventually, the Company has resumed its operations / business activities with full strength of Manpower from 1st of June, 2020.

The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Receivables, Inventories, Investments and other assets / liabilities.

Since, this situation is exceptional and is changing dynamically; the management of the Company is not in a position to gauge with certainty, the future impact on its operations. The management of the Company expects the operations to remain sub-normal in the immediate future, with a possibility of intermittent disruptions based on the evolving situation and varying Government guidelines and permissions. The Company continues to closely monitor the situation and shall take appropriate action as per regulatory guidelines. However, the markets have already opened across the segments and a clear upward trend is visible in daily sales numbers, the management of the Company is quite confident that the business operations will pick up progressively.

Note 48 : Previous year's figure's have been re-grouped, re-arranged & re-classified, wherever considered necessary, to confirm the current period figures.

As per our report of even date attached

For C A S & Co

Chartered Accountants

Firm Registration No. 111075W

For and on behalf of the Board

Veto Switchgears and Cables Limited

Nitesh Musahib

Partner

Membership No. : 131146

Akshay Kumar Gurnani

Managing Director & CEO

DIN : 06888193

Narain Das Gurnani

Whole Time Director & CFO

DIN : 01970599

Place: Mumbai

Date : June 29, 2020

Place: Jaipur

Date : June 29, 2020

Varsha Rani Choudhary

Company Secretary

Veto Switchgears and Cables Limited

Progress at a Glance of Last 10 Years - Veto Switchgears and Cables Limited (Standalone)										Rs. In Lakhs	
Particulars	I GAAP							IND AS			
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Gross Sales/ Revenue from Operations	4700.40	5314.89	6860.29	7413.99	9447.72	9730.22	11209.48	12033.93	12368.78	10893.31	12069.73
Other Income	164.92	6.19	9.53	27.80	87.46	53.64	78.10	444.70	604.44	663.65	564.65
Total Revenue	4865.32	5308.15*	6869.82	7441.79	9535.18	9783.86	11287.58	12478.628	12973.22	11556.96	12634.39
Earning Before Interest and Tax	478.85	612.62	996.65	995.53	1027.71	1359.2	1557.80	1,935.31	3212.09	1730.93	1941.6
Profit Before Tax	408.89	491.91	753.92	761.72	843.63	975.56	994.04	1,534.63	2987.16	1358.16	1570.09
Profit After Tax	364.86	603.51	722.41	587.64	608.97	714.54	765.54	1,218.65	2004.08	933.00	1105.57
Net Worth	1280.06	1982.76	2710.15	5944.66	6553.67	7266.33	7565.53	8,989.12	12811.41	14143.87	15255.10
No. of Equity Shares	49.99	53.32	58.30	116.60	183.27	183.27	183.27	183.27	183.27	191.14	191.14
Paid up Equity to Capital	499.90	533.23	538.21	1666.10	1832.71	1832.71	1832.71	1,832.71	1832.71	1911.49	1911.49
Dividend Paid	0	0	0	0	0	0	366.54**	183.27	183.27	0	0
Book Value	25.61	37.19	46.49	50.98	35.76	39.65	41.28	49.05	69.90	74.00	79.81
EPS	9.85	12.07	6.47	4.47	3.32	3.90	4.18	6.65	10.88	4.91	5.82
Secured Loan Term Loan	227.00	191.8	23.25	14.54	605.54	600	563.75	571.02	298.95	60.00	0.00
Working Capital	727.67	1053.54	1865.09	362.79	2909.94	2834.53	3401.43	2335.6	3214.23	3717.84	2380.58
Hire Purchase Loan	21.29	17.45	47.36	48.92	29.4	26.64	37.78	15.91	26.15	17.77	11.28

* Decrease in stock

**Exclusive of DDT

Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of Veto switchgears and Cables Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Veto switchgears and Cables Limited Annual Report 2019-20.



WE ARE AVAILABLE AT

Rajasthan • Madhya Pradesh • Gujarat • Maharashtra
Himachal Pradesh • Delhi • Uttarakhand • Uttar Pradesh
Punjab • Haryana • Jharkhand • Assam • Kerala

VETO SWITCHGEARS AND CABLES LTD.

Corp. Office : Plot No. 10, Days Hotel, Airport Plaza, Behind Raddison Blu Hotel, Durgapura, Tonk Road, Jaipur
Regd. Office. : 506, 5th Floor, Landmark Building, Link Road, Andheri (W), Mumbai - 400 053 (India)
Factory : (Haridwar) Plot, No. 65-67, 74-77, Sector-2E, Sidcual, Ranipur, Haridwar - 24403 (UK) India
Website : www.vetoswitchgears.com • Email : info@vetoswitchgears.com