



# 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: 01<sup>st</sup> September, 2022

To,

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

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

SCRIP CODE: 539331; VETO

Dear Sir/Madam,

SUB: Annual Report for FY 2021-22 alongwith Notice of AGM

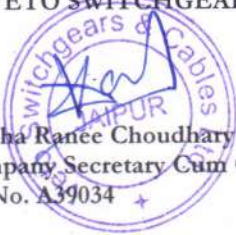
In terms of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, we enclose herewith copy of 15<sup>th</sup> Annual report for the Financial Year 2021-22, along with the Notice of 15<sup>th</sup> Annual General Meeting of the Company.

The aforesaid documents are also available on the website of the Company at [www.vetoswitchgears.com](http://www.vetoswitchgears.com)

Kindly take the same on your record

Thanking You.

for VETO SWITCHGEARS AND CABLES LIMITED

  
Varsha Rancee Choudhary  
Company Secretary Cum Compliance Officer  
M. No. A39034

Encl: As above

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**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](mailto:info@vetoswitchgears.com), [vetoswitchgears@yahoo.co.in](mailto:vetoswitchgears@yahoo.co.in), Website : [www.vetoswitchgears.com](http://www.vetoswitchgears.com)  
**Factory :** Plot No. 65-67 & 74-77, Sector -5, IIE, SIDCUL, Ranipur, Haridwar-249403

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# 15<sup>th</sup> ANNUAL REPORT

2021-2022



GOOD IDEAS !  
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Celebrating 55 Years  
of Excellence

Switch to Smart Living



**VETO SWITCHGEARS AND CABLES LIMITED**

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

Notice is hereby given that the 15<sup>th</sup> Annual General Meeting (AGM) of the members of VETO SWITCHGEARS AND CABLES LIMITED will be held on Wednesday, the September 28<sup>th</sup>, 2022 at 03:00 P.M. through Video Conferencing (VC) or Other Audio Visual Means (OAVM), 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 31<sup>st</sup> March 2022 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a Final Dividend of Rs. 1/- per equity share having face value of Rs. 10/- each aggregating to 10% of F.V., for the financial year ended on 31<sup>st</sup> March 2022.
3. To Re-appoint Ms. Jyoti Gurnani (DIN: 06953899) as a Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To Re-appoint M/s C A S & Co Chartered Accountants formerly known as M/s. K. M. Tulsian & Associates (Firm Registration No. 111075W), as Statutory Auditors of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as **ORDINARY RESOLUTION:**

“**RESOLVED THAT** in accordance with the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, M/s C A S & Co Chartered Accountants formerly known as M/s K. M. Tulsian & Associates (Firm Registration No. 11 1075W) be and are hereby Re-appointed as Statutory Auditors of the Company to hold office for second term of 5 (five) years from the conclusion of 15<sup>th</sup> Annual General Meeting till the conclusion of the 20<sup>th</sup> Annual General Meeting on such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.”

**SPECIAL BUSINESS:**

**5. Ratification of Cost Auditor’s Remuneration**

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 & Company, 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 2022-2023, amounting to Rs. 15,000/- (Fifteen Thousand Rupees only) inclusive of Goods and Services tax as applicable and re-imbursement 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.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts and deeds as may be necessary to give effect to this resolution.”

**6. For Revision in the terms of remuneration of Mr. Akshay Kumar Gurnani (DIN 06888193), Managing Director and CEO of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** in partial modification of the relevant Resolution passed earlier by the shareholders at the Annual General Meeting of the Company held on 29<sup>th</sup> September 2021 and in line with the Nomination and Remuneration Policy of Directors, Key Managerial Personnel and Other Employees of the Company and pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), consent of the Company be and is hereby accorded to revision in the remuneration of Mr. Akshay Kumar Gurnani (DIN 06888193), Managing Director and CEO of the Company from Rs. 2,00,000/- (Rupees Two Lacs) to Rs. 3,00,000/- (Rupees Three Lacs) per month with effect from 01<sup>st</sup> Day of April, 2022.

**RESOLVED FURTHER THAT** wherein any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the remuneration payable to him shall not exceed the ceiling limit prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 for that year, which will be payable to him as minimum remuneration for that year.

**RESOLVED FURTHER** that the Board of Directors and / or any Committee thereof be and are hereby authorized to vary, alter, increase or enhance/change from time to time, subject to overall limit on remuneration payable to all the managerial personnel taken together, as laid down in the Companies Act, 2013, read with Schedule V thereto, and subject to the requisite approvals, if any, being obtained.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, as may be considered necessary, proper or desirable in the said regard including filing of returns with any authority.”

**7. To Re-appointment of Mr. Kanwar Jeet Singh (DIN: 07813714) as an Independent Director for a Second Term**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee, Mr. Kanwar Jeet Singh (DIN: 07813714), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and who is eligible for re-appointment, consent of the members be and is hereby accorded to re-appointed Mr. Kanwar Jeet Singh as an Independent

Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (Five ) consecutive years on the Board of the Company upto the conclusion of the Annual General Meeting to be held in calendar year after expiration of the said term.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any committee(s) constituted or to be constituted by the Board to exercise the powers conferred on the Board by this Resolution) be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution.”

#### **8. Appointment of Mr. Sanjeev Kumar Dass (DIN: 09690317) as an Independent Director for first term.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as **SPECIAL RESOLUTION**:

“**RESOLVED THAT** Mr. Sanjeev Kumar Dass (DIN: 09690317), who was appointed as an Additional Director on the Board of Directors of the Company in place of retiring Independent Director namely Mr. Govind Ram Thawani (DIN: 06367093) in terms of Section 161(1) of the Companies Act, 2013 (‘the Act’) with term of office expires at the ensuing Annual General Meeting and who meets the criteria of Independence as provided under Section 149(6) of the Act and the SEBI Listing Regulations and who is eligible for appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director as an Independent Director, the consent of the members be and is hereby accorded for appointment of Mr. Sanjeev Kumar Dass in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding Rules framed thereunder, as an Independent Director to hold office for a first term of 5 (Five) consecutive years with effect from September 01<sup>st</sup> 2022 to August 31<sup>st</sup>, 2027 whose office shall not be liable to retire by rotation, on such terms and conditions including remuneration determined/ to be determined by the Board.

**RESOLVED FURTHER THAT** the retirement of Mr. Govind Ram Thawani, Independent Director (DIN: 06367093) be and is hereby taken on record and appreciated for invaluable contribution made by him during his period of association with the Company and also authorized Director of the Company to take such necessary steps as may be required to give effect to the said retirement.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any committee(s) constituted or to be constituted by the Board to exercise the powers conferred on the Board by this Resolution) be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution.”

#### **9. For Revision in the terms of remuneration of Ms. Jyoti Gurnani (DIN 06953899), Non-Executive non Independent Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provision of Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirement ) Regulations, 2015, as amended from time to time, and subject to the applicable provisions of the Companies Act, 2013 and Articles of Association of the Company and as recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee, approval of the members be and hereby accorded for payment of annual remuneration of Rs. 6,00,000/- (Rupees Six Lakh) for the financial year 2022-23 to Ms. Jyoti Gurnani, Non-Executive Director of the Company, being an amount exceeding 50% of total annual remuneration payable to all Non-Executive Director of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any committee(s) constituted or to be constituted by the Board to exercise the powers conferred on the Board by this Resolution) be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution.”

**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**

**Place: Jaipur**

**Date: 01<sup>st</sup> September 2022**

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

**NOTES**

1. The Ministry of Corporate Affairs (MCA) vide its General Circular No. 14/2020 dated April 8<sup>th</sup>, 2020, General Circular No. 17/2020 dated April 13<sup>th</sup>, 2020, General Circular No. 20/2020 dated May 5<sup>th</sup>, 2020, General Circular no. 02/2021 dated January 13<sup>th</sup>, 2021, General Circular no. 19/2021 dated December 08<sup>th</sup>, 2021, General Circular no. 21/2021 dated December 14<sup>th</sup>, 2021 followed by Circular No. 02/2022 dated 5<sup>th</sup> May, 2022 (collectively “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12<sup>th</sup>, 2020, circular no. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15<sup>th</sup>, 2021 followed by SEBI circular no. SEBI/HO/CFD/ CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May, 2022 (collectively “SEBI Circulars”), have permitted companies to conduct AGM through Video Conferencing (VC) or other audio-visual means (OAVM), subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of Companies Act, 2013 and rules made there under, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 15<sup>th</sup> AGM of the Company is being convened and conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue.
2. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence proxy form and attendance slip are not annexed to this Notice.
3. Pursuant to the provisions of Sections 112 and 113 of the Act, Institutional/Corporate Members (i.e. other than individuals/ HUF/ NRI, etc.) are required to send a scanned copy of its Board Resolution/Authorization/POA etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013 (the Act).
5. **Electronic Dispatch Of Notice And Annual Report:** In compliance with the aforesaid MCA and SEBI circulars, physical copies of the financial statements (including Board’s Report, Auditor’s Report or other documents required to be attached therewith) for the Financial Year ended 31<sup>st</sup> March, 2022 pursuant to Section 136 of the Act and Notice calling the AGM pursuant to Section 101 of the Act read with the Rules framed thereunder are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/RTA or the Depositories. The Company will not be dispatching physical copies of such statements and Notice of AGM to any Member.

To support the ‘**Green Initiative**’, Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company/RTA in case the shares are held by them in physical form after complying due procedure.

6. Members who have not registered their e-mail address and those members who have become the member of the Company after 26<sup>th</sup> August, 2022 being the cut-off date for sending soft copy of the Notice of 15<sup>th</sup> AGM and Annual Report for the financial year 2021-22, may access the same from Company’s website at [www.vetoswitchgears.com](http://www.vetoswitchgears.com), websites of the Stock Exchange i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com), and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of CDSL (agency for providing the Remote e-Voting facility) [www.evotingindia.com](http://www.evotingindia.com)



7. Since the AGM will be held through VC / OA VM, the Route Map is not annexed with this Notice.
8. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by writing to the Company at its email ID [cs@vetoswitchgears.com](mailto:cs@vetoswitchgears.com) till the date of AGM. Further, Shareholders may also write to the Company at its mailing id [cs@vetoswitchgears.com](mailto:cs@vetoswitchgears.com) for inspection of any statutory register/ documents required to be placed at the time of AGM of the Company.
9. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Businesses specified in the Notice is annexed hereto.
10. The relevant details, pursuant to Regulations 36 of the Listing Regulations and Secretarial Standards -2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment/retire by rotation at the AGM are provided as an annexure to the Notice forms integral part of this notice. Requisite declarations have been received from Director/s for seeking reappointment/appointment.
11. 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.
12. Pursuant to provision of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Book of the Company will remain closed during the period commencing from **Thursday, September 22<sup>nd</sup>, 2022 to Wednesday, September 28<sup>th</sup>, 2022 (both days inclusive)** for the purpose of 15<sup>th</sup> Annual General Meeting and for determining the entitlement of members to final dividend for the financial year ended March 31<sup>st</sup>, 2022, if approved at the AGM.
13. The Dividend for the Year ended March 31<sup>st</sup>, 2022, as recommended by the Board, if approved at the AGM, will be paid within thirty days from the date of declaration of dividend to –
  - a) Member as in the Register of Members of the Company/ Registrar & Share Transfer Agent after giving effect to valid share transmissions, if any, in physical form lodged with the Company as at the end of business hours on **21<sup>st</sup> September, 2022, and**
  - b) as Beneficial Owner as at the end of business hours **on 21<sup>st</sup> September, 2022**, as per the lists to be furnished by National Securities Depositories Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form.
14. TDS ON DIVIDEND: Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend income has become taxable in the hands of shareholders with effect from 1<sup>st</sup> April, 2020 and therefore, the Company shall be required to deduct tax at source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates of various categories, shareholders are requested to refer to the Finance Act, 2021 and amendments thereof. Shareholders are requested to update their Residential Status, PAN, and Category as per the IT Act with the Company/RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Further, as per SEBI Circular dated April 20<sup>th</sup>, 2018 all securities

holders holding securities in physical form should submit their PAN and Bank account details to the RTA.

16. Members who are holding shares in physical form are advised to submit particulars of their PAN details, e-mail address, Mobile Number, bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number etc. to our Registrar and Share Transfer Agent in prescribed Form ISR-1 quoting their folio number and enclosing the self-attested supporting document and other forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3<sup>rd</sup>, 2021. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or RTA.
17. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25<sup>th</sup>, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website [www.vetoswitchgears.com](http://www.vetoswitchgears.com) and on the website of the Company's Registrar and Transfer agents [www.bigshareonline.com](http://www.bigshareonline.com). It may be noted that any service request can be processed only after the folio is KYC Compliant.
18. SEBI vide its notification has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
19. Members who are holding shares in demat mode are requested to notify any change in their residential address, Bank A/c details and/ or email address immediately to their respective Depository Participants.
20. As per the provisions of Section 72 of the Act, the facility for making a nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nominations are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form SH-14. Members who are either not desiring to register Nomination or would want to opt out, are requested to fill and submit Form No. ISR-3. The said forms can be downloaded from the RTA website at [www.bigshareonline.com](http://www.bigshareonline.com). Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the RTA in case the shares are held in physical form, quoting their folio no.
21. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

22. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred, under Section 124 of the Companies Act, 2013, to the Investor Education and Protection Fund ("IEPF"), established under Section 125 of the Companies Act, 2013. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members / claimants whose shares, unclaimed dividend, sale proceeds of fractional shares etc. have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite fee as decided by it from time to time. The Member / claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

It is in the Member's interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Member's account on time.

23. Members who have not encashed the dividend warrants/demand drafts so far in respect of the unclaimed and unpaid dividends declared by the Company for the Financial Year 2015-16 and thereafter, are requested to make their claim to Registrar and Share Transfer Agent i.e. Bigshare Services Pvt. Ltd. well in advance of the last dates for claiming such unclaimed and unpaid dividends as specified hereunder:

S. No.	Financial Year ended	Type of dividend	Amount of Dividend	Date of Declaration of Dividend
1	2015-2016	Interim dividend	0.50/- Per Share	18/01/2016
2	2015-2016	Final Dividend	1.50/- Per share	28/09/2016
3	2016-2017	Interim dividend	1.00/- Per share	13/02/2017
4	2016-2017	Final Dividend	1.00/- Per share	29/09/2017
5	2020-2021	Final Dividend	1.00/- Per share	29/09/2021

24. 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, 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.

25. The remote e-voting period commences from **25<sup>th</sup> September, 2022, Sunday (09.00 am) and ends on 27<sup>th</sup> September, 2022 Tuesday (05:00 pm).**

Members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 21<sup>st</sup> September, 2022**, Wednesday may opt for remote e-voting and cast their vote electronically.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting at the Meeting.

Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and is holding shares as on the cut-off date i.e. **September 21<sup>st</sup>, 2022**, may obtain the login ID and password by sending a request at [evoting@cdsl.co.in](mailto:evoting@cdsl.co.in) However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote.

Once the vote on a resolution is cast by the members, he/she shall not be allowed to change it subsequently.

26. The Company has appointed Ms. Manisha Kalra, Practicing Company Secretary (Membership No. FCS-7320; CP No.7945) to act as the scrutinizer for conducting the remote e-voting process as well as the e-voting during AGM in a fair and transparent manner.
27. The Scrutinizer shall after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-voting on the date of the AGM 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.
28. The results declared along with the scrutinizer's report shall be placed on the website of the Company [www.vetoswitchgears.com](http://www.vetoswitchgears.com), and CDSL's, website within two days of passing of resolution at the Annual general meeting of the company held on September 28<sup>th</sup>, 2022. The same shall be communicated by the Company to the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited.
29. The recorded transcript of the forthcoming AGM on 28<sup>th</sup> September, 2022, shall also be made available on the website of the Company [www.vetoswitchgears.com](http://www.vetoswitchgears.com) in the Investor Relations Section, as soon as possible after the Meeting is over.
30. 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.

31. Members desirous of obtaining any information concerning to the accounts are requested to write to the Company at least 10 days before the date of the meeting so that the required information can be made available at the meeting.
32. Queries proposed to be raised at the Annual General Meeting may be sent to the company by mailing the same at [cs@vetoswitchgears.com](mailto:cs@vetoswitchgears.com) at least seven days prior to the date of Annual General Meeting. The same shall be replied suitably by the Company.

**THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND EVOTING DURING AGM AND JOINING MEETING THROUGH VC/OA VM ARE AS UNDER:**

- (i) 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.
- (ii) The voting period begins on Sunday, the 25<sup>th</sup> September, 2022, 9:00 A.M. and ends on Tuesday, the 27<sup>th</sup> September, 2022, 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 21<sup>st</sup> September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (iii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iv) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09/12/2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- (v) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9<sup>th</sup>, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access E-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.**

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- (vi) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  2. Click on “Shareholders” module.
  3. Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  4. Next enter the Image Verification as displayed and Click on Login.
  5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  6. If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders 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)	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. 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.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.



- (x) Click on the EVSN for the relevant <Veto Switchgears and Cables Limited> on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**  
Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “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](mailto:helpdesk.evoting@cdslindia.com).  
After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.  
The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.  
A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.  
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](mailto: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.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@vetoswitchgears.com](mailto: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 [cs@vetoswitchgears.com](mailto:cs@vetoswitchgears.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. 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.
10. 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.
11. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good Internet speed.
12. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

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.

1. For Demat shareholders -, please update your email id & mobile no. with your respective Depository Participant (DP).
2. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

**If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 1800 22 55 33.**

**All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 1800 22 55 33.**

**Regd. Office:**

**By order of the Board**

**506, 5<sup>th</sup> Floor Plot No. B-9, Landmark Building  
New Link Road, Andheri (West),  
Mumbai, Maharashtra 400058**

**For Veto Switchgears And Cables Limited**

**Akshay Kumar Gurnani**

**(DIN: 06888193)**

**(Managing Director & CEO)**

**Place: Jaipur**

**Date: 01<sup>st</sup> September 2022**

**STATEMENT SETTING OUT MATERIAL FACTS UNDER REGULATION 36(5) OF THE LISTING REGULATIONS AND SECTION 102 OF THE COMPANIES ACT, 2013:****Material Facts under Regulation 36(5) of the Listing Regulations.****Item No. 4 - Re-appoint of M/s C A S & Co Chartered Accountants formerly known as M/s K. M. Tulsian & Associates (Firm Registration No. 111075W), as Statutory Auditors of the Company:**

At the 10<sup>th</sup> AGM of the Company held on September 29<sup>th</sup>, 2017, the shareholders had approved the appointment of M/s C A S & Co Chartered Accountants formerly known as M/s K. M. Tulsian & Associates (Firm Registration No. 111075W), as Statutory Auditors of the Company, to hold office till the conclusion of the 15<sup>th</sup> AGM.

The Board of Directors at their meeting held on September 01<sup>st</sup>, 2022, based on recommendations of the Audit Committee, have approved the re-appointment of M/s C A S & Co Chartered Accountants formerly known as M/s K. M. Tulsian & Associates, as the Statutory Auditors of the Company for a term of 5 (five) years i.e. from the conclusion of this AGM till the conclusion of 20<sup>th</sup> AGM. The re-appointment is subject to approval of the shareholders of the Company.

In accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Audit and Auditors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), M/s C A S & Co Chartered Accountants formerly known as M/s K. M. Tulsian & Associates, have provided their consent and eligibility certificate to that effect, their re-appointment, if made, would be in compliance with the applicable laws.

None of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Ordinary Resolution.

The Board recommends the ordinary Resolution for passing of the resolution as set out at Item No.4 of the accompanying Notice.

**EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 5- Ratification of Cost Auditor’s Remuneration:**

As part of Company’s Policy on rotation of auditors, the Board, on the recommendation of the Audit Committee, in its Meeting held on 26<sup>th</sup> May, 2022 has approved the appointment and remuneration of M/s Rajesh & Company, Cost Accountants, (Firm Registration No. 000031), as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2022 -23 at a fees amounting to Rs. 15,000/- ( Fifteen Thousand Rupees only) per Annum inclusive of Goods and Services tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit, for the Financial Year 2022 -23.

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 being sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31<sup>st</sup> March, 2023.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice.

The Board recommends the ordinary Resolution for passing of the resolution as set out at Item No.5 of the accompanying Notice.

**ITEM NO. 6: Revision in the terms of remuneration of Mr. Akshay Kumar Gurnani (DIN 06888193), Managing Director and CEO of the Company.**

In terms of the Corporate Governance Guidelines of the Company and as per the relevant provisions of the Act, Mr. Akshay Kumar Gurnani (DIN: 06888193), Managing Director and CEO of the Company, was Re-appointed by the shareholders in the 14<sup>th</sup> Annual General Meeting (AGM) held on 29<sup>th</sup> September 2021. As per the existing terms of his appointment, he can be paid basic salary, as may be decided by the Board and/ or any Committee thereof subject to a maximum basic salary of Rs. 2,00,000/- per month.

Mr. Akshay Kumar Gurnani, Managing Director and CEO of the Company is qualified post graduate in the fields of Commerce and Business Administration and one of the promoter Group member of the Company. He carries a vision of growth of the Company and has made invaluable contributions to the success and performance of the Company over the years. Looking to his total devotion and resultant progress made by the Company under his dynamic leadership skills in spite of various difficulties faced by the Company time to time, the Board of Directors in its Meeting held on 01<sup>st</sup> September, 2022, upon the recommendation of the Nomination and Remuneration Committee and subject to the approval of Members sought in the Annual General Meeting has approved the revision in his monthly basic salary, as may be decided by the Board and/ or any Committee thereof, by increase in existing remuneration from Rs. 2,00,000/- (Rupees Two Lacs) to Rs. 3,00,000/- (Rupees Three Lacs) per month with effect from 01<sup>st</sup> Day of April, 2022 however that the maximum remuneration payable shall be within the limits prescribed under Schedule V as amended from time to time and in the event such remuneration exceeds the prescribed limits under Schedule V, consent of members, Board of Directors and the Central Government be obtained in such a manner that the remuneration payable by way of salary and perquisites shall not be reduced. Actual monthly basic salary shall however continue to be decided by the Board and/ or any Committee thereof.

Pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Board recommends the revision in the terms of remuneration of Mr. Akshay Kumar Gurnani to the Members for their approval.

In furtherance to the Resolution No. AGM/2021/05 passed in the Fourteenth Annual General Meeting of the company held on Wednesday, the 29<sup>th</sup> day of September, 2021 (“resolution”) and except for the aforesaid revision in salary, all other terms and conditions of his appointment as the Managing Director and CEO shall remain unchanged.

Save and except Akshay Kumar Gurnani and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (“KMP”) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice. However Akshay Kumar Gurnani is related to Ms. Jyoti Gurnani, Director of the Company.

The Board recommends the Special Resolution for passing of the resolution as set out at Item No.6 of the accompanying Notice.

**ITEM NO. 7: To Re-appointment of Dr. Kanwar Jeet Singh (DIN: 07813714) as an Independent Director for a Second Term.**

In the opinion of the Board, Mr. Kanwar Jeet Singh fulfils the conditions specified in the Act and he is independent of the management. The profile and specific areas of his expertise as required under SEBI (LODR) Regulations, 2015, is provided at the end of this notice. Keeping in view his vast expertise and knowledge, it was be in the interest of the Company that Mr. Kanwar Jeet Singh is proposed to be appointed as an Independent Director of the Company for a period of 5 (Five) years with effect from May 6<sup>th</sup> 2017 and upto the conclusion of this Annual General Meeting of the Company. Further, the term shall not be subject to retirement by rotation. Accordingly, the tenure of Mr. Kanwar Jeet Singh (DIN: 07813714) as an Independent Director is due for expire.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of Mr. Kanwar Jeet Singh (DIN: 07813714) as an Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. Kanwar Jeet Singh (DIN: 07813714) would be beneficial for the Company and it is desirable to continue to avail his services as an Independent Director.

Accordingly, it is proposed to re-appoint Mr. Kanwar Jeet Singh (DIN: 07813714) as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company upto the conclusion of the Annual General Meeting to be held in calendar year after expiration of the said term.”

Mr. Kanwar Jeet Singh (DIN: 07813714) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received declaration from him that he meets the criteria of independence as prescribed under Section 149(6) of the Act and under regulation 16 (1) b and other applicable Regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, he fulfills the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The brief profile of Mr. Kanwar Jeet Singh (DIN: 07813714) who is proposed to be re-appointed as an independent director is annexed herewith separately with this notice. The Board of Directors have evaluated the performance of the Mr. Kanwar Jeet Singh (DIN: 07813714) and details of the same is given in the Corporate Governance Report.

Except Mr. Kanwar Jeet Singh (DIN: 07813714) none of the other Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 7 of the Notice.

The Board recommends the Special Resolution for passing of the resolution as set out at Item No.7 of the accompanying Notice.

**ITEM NO. 8: Appointment of Mr. Sanjeev Kumar Dass (DIN: 09690317) as an Independent Director for first term.**

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee, appointed Mr. Sanjeev Kumar Dass (DIN: 09690317) as an Additional Director with effect from 01<sup>st</sup> September, 2022 pursuant to Section 161(1) of the Companies Act, 2013 and as an Independent Director pursuant to Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations. In terms of the provisions of Section 161(1) of

the Companies Act, 2013, Mr. Sanjeev Kumar Dass will hold office only upto the date of ensuing Annual General Meeting.

The Company has received consent in writing to act as Director in Form DIR-2 and intimation in Form DIR-8 to the effect that he is not disqualified u/s 164(2) to act as Director. The Company has also received declaration from him that he meets the criteria of independence as prescribed u/s 149(6) of the Companies Act, 2013 and the SEBI Listing Regulations. In the opinion of the Board, Mr. Sanjeev Kumar Dass fulfils the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

Mr. Sanjeev Kumar Dass, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold office for a first term of 5 (Five) consecutive years with effect from September 01<sup>st</sup> 2022 to August 31<sup>st</sup>, 2027 whose office shall not be liable to retire by rotation, on such terms and conditions including remuneration determined/ to be determined by the Board.

Except Mr. Sanjeev Kumar Dass, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 8 of this Notice.

Disclosure u/r 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are set out in the annexure to the Explanatory Statement. Other details as required under ICSI Secretarial Standard SS-2 are also included in the Corporate Governance Report of the Integrated Annual Report of the Company.

The Board recommends the Special Resolution for passing of the resolution as set out at Item No.8 of the accompanying Notice.

**ITEM NO. 9: For Revision in the terms of remuneration of Ms. Jyoti Gurnani (DIN 06953899), Non-Executive non Independent Director of the Company.**

In terms of the Corporate Governance Guidelines of the Company and as per the relevant provisions of the Act, Ms. Jyoti Gurnani (DIN 06953899), Non-Executive non Independent Director of the Company, was appointed by the shareholders in the Annual General Meeting (AGM) held on 27<sup>th</sup> August 2014 as a woman Director.

Ms. Jyoti Gurnani (DIN 06953899) is Non-Executive Non Independent Director of the Company. She is Graduate by qualification and participates actively in the growth and development of the Company. The Board of Directors in its Meeting held on 01<sup>st</sup> September, 2022, upon the recommendation of the Nomination and Remuneration Committee and subject to the approval of Members sought in the Annual General Meeting has approved payment of annual remuneration of Rs. 6,00,000/- (Six Lakh) for the financial year 2022-23, being an amount exceeding 50% of total annual remuneration payable to all Non-Executive Directors of the Company.

Pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and provision of regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirement ) Regulation, 2015, as amended from time to time, the Board recommends the revision in the terms of remuneration of Ms. Jyoti Gurnani to the Members for their approval.

Save and except Ms. Jyoti Gurnani and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (“KMP”) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 9 of the Notice. However Ms. Jyoti Gurnani is related to Akshay Kumar Gurnani, Director of the Company.

The Board recommends the Special Resolution for passing of the resolution as set out at Item No.9 of the accompanying Notice.

**Regd. Office:**  
**506, 5<sup>th</sup> Floor Plot No. B-9, Landmark Building**  
**New Link Road, Andheri (West), Mumbai,**  
**Maharashtra 400058**

**Place: Jaipur**  
**Date: 01<sup>st</sup> September 2022**

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

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

**Additional Information of Director seeking re-appointment/retire by rotation at the ensuing Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standard of General Meeting:**

**Annexure to the Notice**

**15<sup>TH</sup> ANNUAL GENERAL MEETING (AGM)**

<b>Name of the Director</b>	<b>Ms. Jyoti Gurnani (DIN: 06953899)</b>
<b>Date of Birth</b>	19/01/1988
<b>Date of the Appointment</b>	27/08/2014
<b>Qualification</b>	She is Graduate by qualification and participates activity in the growth and development of the Company.
<b>Brief Profile / Expertise in Specific field of areas</b>	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.
<b>Directorship held in other Public Companies as on 31.03.2022 (excluding foreign Companies and Private Companies)</b>	She has no Directorships in any other public companies.
<b>Membership/Chairmanship of Committees of other public Companies ( as on 31.03.2022)*</b>	None
<b>Number of shares held in the Company (as on 31.03.2022)</b>	Nil
<b>Relationship with other Directors, Managers and other Key Managerial Personnel of the Company</b>	She is sister of Mr. Akshay Kumar Gurnani
<b>Terms and conditions of appointment or re-appointment</b>	Appointment as an executive director and is liable to retire by rotation.



**Annexure to the Notice**

**15<sup>TH</sup> ANNUAL GENERAL MEETING (AGM)**

<b>Name of the Director &amp; DIN</b>	<b>Kanwar Jeet Singh (DIN: 07813714)</b>
<b>Date of Birth</b>	05/07/1953
<b>Date of the Appointment</b>	6 <sup>th</sup> May 2017
<b>Qualification</b>	He is a senior physician and in private practice since 40 years.
<b>Brief Profile / Expertise in Specific field of areas</b>	He appointed as an additional Non- Executive Independent Director since 2017. He is a senior physician and in private practice since 40 years. He is associated with Life Insurance Corporation of India (LIC), Sindhu Welfare Society and Rajasthan Housing Board. His acumen, administrative power and experience can act as a guiding part for the growth of our organization.
<b>Directorship held in other Public Companies as on 31.03.2022 (excluding foreign Companies and Private Companies)</b>	He has no Directorships in any other public companies.
<b>Membership/Chairmanship of Committees of other public Companies ( as on 31.03.2022)*</b>	None
<b>Number of shares held in the Company (as on 31.03.2022)</b>	Nil
<b>Relationship with other Directors, Managers and other Key Managerial Personnel of the Company</b>	Not related with any Director/ KMP of the Company
<b>Terms and conditions of appointment or re-appointment</b>	Appointment as an Independent director not liable to retire by rotation.

**Annexure to the Notice****15<sup>TH</sup> ANNUAL GENERAL MEETING (AGM)**

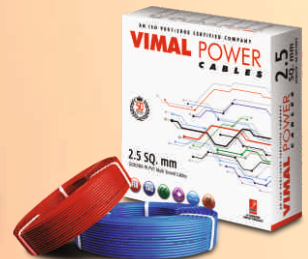
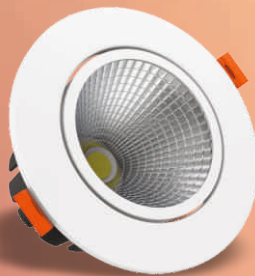
<b>Name of the Director &amp; DIN</b>	<b>Sanjeev Kumar Dass (DIN: 09690317)</b>
<b>Date of Birth</b>	<b>20/08/1965</b>
<b>Date of the Appointment</b>	01 <sup>st</sup> September 2022
<b>Qualification</b>	graduate in arts with a Diploma in Hotel Management
<b>Brief Profile / Expertise in Specific field of areas</b>	He is appointed as an additional Non- Executive Independent Director with effect from 01 <sup>st</sup> September 2022. He has 30 years of rich experience in the hotel industry with a long and successful stint in various renowned hotels. His acumen, administrative power and experience can act as a guiding part for the growth of our organization.
<b>Directorship held in other Public Companies as on 31.03.2022 (excluding foreign Companies and Private Companies)</b>	He has no Directorships in any other public companies.
<b>Membership/Chairmanship of Committees of other public Companies ( as on 31.03.2022)*</b>	None
<b>Number of shares held in the Company (as on 31.03.2022)</b>	Nil
<b>Relationship with other Directors, Managers and other Key Managerial Personnel of the Company</b>	Not related with any Director/ KMP of the Company
<b>Terms and conditions of appointment or re-appointment</b>	Appointment as an Independent director not liable to retire by rotation.

**Veto**<sup>®</sup>  
SINCE 1967  
ALL ELECTRICAL SEGMENT

Better  
Switch to  
**'VETO'**  
You can't  
Switch Better

**POWER**  
**Z BLACK PLATE**

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



**VETO SWITCHGEARS AND CABLES LTD.**

Regd. Off.: 506, 5th Floor,  
Landmark Building, Link Road,  
Andheri (W), Mumbai - 400 053

Corp. Off. : Plot No. 10, Days  
Hotel, Airport Plaza, Durgapura,  
Tonk Road, Jaipur-302 018

Email : [info@vetoswitchgears.com](mailto:info@vetoswitchgears.com) | Customer Care : +91-7410884444

# WHAT'S INSIDE?



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# Veto's Thriving Success

Where we come from and what we have achieved

***"If You Cannot Do Great Things. Do Small Things in a Great way"***

***"Napoleon Hill "***

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.

Veto is India's first company to produce ISI mark electrical accessories in INDIA. The company uses high quality raw material to give best products to its customers and ensures highest level satisfaction of customers. VETO captures a major share of Electrical market in India.

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.

Further, 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. In February 2015, the Company migrated from SME Platform to NSE Main Board and simultaneously got listed on BSE Limited in the same year.

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. and the company is leading with the continuous progressive results.

Another Wholly Owned Subsidiary Company in India in the name of Veto Electricals Private Limited taken over in the year 2014-15 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 Wholly Owned Subsidiary Company in India incorporated on 8<sup>th</sup> November 2019 under the name of Veto LED Lightings Private Limited.

Further the Company has also acquired 95.5% stake in M/s Vankon Modular Private Limited in February 2021. Now Veto has more strengthened in the market of Northern East as Vankon is having marker share in UP & Northern East State of the Country which is engaged in manufacturing of Electrical Accessories, LED Lighting, Wires & Cables.

The company has a strong team of highly qualified professionals who strive to innovate the best products with the use of advanced high tech machinery. The group sustained the position as a leading supplier of electrical goods in the gulf countries for a time period of more than a decade.

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

## 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)

## Leadership Team



**MRS. VARSHA RANEE CHOUDHARY**  
(M.com ACS)  
Company Secretary cum Compliance Officer



**Mr. Vasudev Lalwani**  
Vice President Marketing  
(B.com)



**Mr. Mohd. Khalid**  
Production Head  
(B.tech)



**Mr. Anil Kaslya**  
Sr. Manager Accounts  
(M.Com, C.A.)



## Corporate Information...

### 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.

Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road,

Andheri (East), Mumbai - 400093 • Tel.: +91 22-6263 8200; Fax: +91 22 6263 8299

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

### Bankers

Indian Overseas Bank

### Secretarial Auditor

Ms. Nisha Agarwal

### Cost Auditor

Rajesh & Company

### Internal Auditor

Amit Tiwari

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

National Stock Exchange of India Limited ,  
BSE Limited

### Registered Office

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

### Corporate Office

4<sup>th</sup> Floor, Plot No. 10, Days Hotel, Behind Hotel Radisson Blu, Tonk Road,  
Durgapura, Jaipur, Rajasthan - 302018

### Website

www.vetoswitchgears.com

### Corporate Identity Number

L31401MH2007PLC171844

### Email Id

cs@vetoswitchgears.com





## 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 cum 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 by newbull from sales in next Five years.

#### **Other Directorships:**

S. No.	Name of the Companies	Position
1	Vankon Modular 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	Pink Square Build Estate 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 40 years of experience in the field of electrical industry. Besides this 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
4.	Jaipur Buildvision Private Limited	Director
5.	Pink Square Build Estate Private Limited	Director

### **Other Directorships:**

#### **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 40 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 40 years of experience in the fields of marketing and finance. He is a Chairman in all Board Committees of our Company.

### **Other Directorships:**

<b>S. No.</b>	<b>Name of the Companies</b>	<b>Position</b>
<b>1</b>	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 31<sup>st</sup> March 2022.**
- 2. No Changes in the composition of Director and the Committee in the relevant year.**

## Business Performance Highlights

Years of Consistent Progress and Perseverance (Standalone)

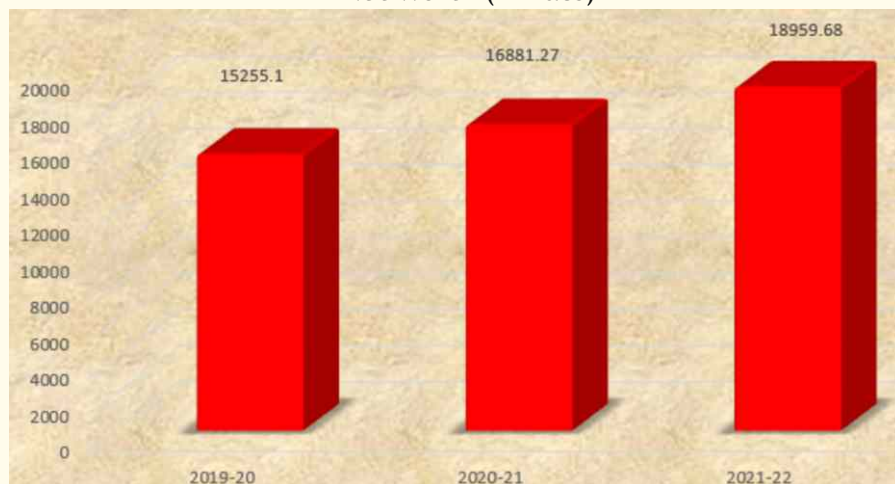
Revenue from Operations (in Lacs)



EBIDTA & Profit after Tax (in Lacs)



Net Worth (in Lacs)



## Message from the Managing Director's



**AKSHAY KUMAR GURNANI**  
Managing Director

“All growth depends upon activity. There is no development physically or intellectually without effort and effort means work.”

Calvin Coolidge

Dear and Esteemed Fellow Shareowners,

Veto Switchgears and Cables Limited has been on the journey of making a valuable difference in the world of electrical and the brand Veto has successfully completed 55 years of its upward and ongoing journey with all your support.

As said, growth depends upon activity and there is no development without effort and effort means work, so, together we have put a strong foot in the revolutionizing industry and contributed with utmost excellence.

The world has now entered in post Covid-19 era. This new post covid-19 life has emerged with some new opportunities and has transformed the way of doing business. Our company is constantly working hard to achieve success and commendable position in the world of electrical.

Your company in the past year has demonstrated its true capabilities via its growth, expansion and technological upgradation. These are reflected in the financial performance of the company. Your company has earned the consolidated revenue of Rs. 27097.66 Lakhs for the F.Y. 2021-22, this is around 48.29% growth on Year-on-year basis. Profit after Tax is Rs. 2075.15 Lakhs this is around 39.46% growth Year-on-year basis. Further your company has achieved EBIDTA of Rs. 3374.67 lakhs this is around 45.10% growth Year-on-year basis for financial year 2021-22.

Our footsteps towards growth have led us to acquire Vankon Modular Private Limited in Feb 2021 to strengthen and expand our business and client base. This acquisition added 200 dealer points in UP market, 150 dealer points in MP market and 150 dealer points in Karnataka market.

Our team has developed various policies and strategies to generate profits for our clients and help them keeping their stake safe. Our major focus is to attain growth in electrical segment of our country and overseas. We have been at the forefront of various policies adoption which has helped us improve our client base and resulted in covering wide market.

Our team is constantly working hard for unique ideas and upgradations. Our seamless backend integration has enabled us to stay ahead of the curve.

Employees are the essence of any organisation. A happy employee leads to happy customers which lead to a successful company. We believe in our employees and their contribution; hence we never laid off the workforce, instead we have been working rigorously on team building. We are committed to provide a healthy environment with growth driven work culture where ideas and efforts of employees are recognised.

Your company firmly believes in the value of contributing towards the society. Over past many years, the company has been contributing towards various sectors such as education, medical, social organizations etc.

The vision of a company is a reflection of its actions. We have achieved growth, resilience and future existence with our current performance. With our various approaches and our team we are empowered to meet customer's needs faster and more efficiently.

I would like to thank all the stakeholders for keeping their trust in the company.

Wishing you all a healthy life ahead.

Thanking You!

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

## OUR VISION

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



## OUR MISSION

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

## CORE VALUE

### @Commitment

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

### @Honesty

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

### @Team Work

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



### @Passion

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

### @Optimistic Approach

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

# Board's Report

*Dear Members,*

The Board of Directors have the pleasure of presenting the **15<sup>th</sup> Annual Report** of the business and operations of your Company along with the Audited Financial Statements for the Financial Year ended **31<sup>st</sup> March, 2022** and other accompanying reports, notes and certificates. The Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

## FINANCIAL HIGHLIGHTS

Your Company is growing expeditiously. The Company's financial performance (standalone and consolidated) for the year ended **March 31<sup>st</sup>, 2022** is summarized below:

(Rs. In Lakhs)

Particulars	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations (including other Income)	<b>27097.66</b>	<b>18272.00</b>	<b>18397.09</b>	<b>15536.81</b>
Less Expenses :				
(a) Cost of materials consumed	11256.24	7521.25	6917.04	6212.31
(b) Purchases of stock-in-trade	8783.61	5770.00	5586.28	4765.39
(c) Changes in inventories of finished goods, and stock-in-trade	(714.81)	(519.14)	(622.65)	(626.60)
(d) Employee benefits expense	1647.89	1246.89	1076.80	1091.50
(e) Finance costs	395.05	186.28	323.37	174.68
(f) Depreciation and amortisation expense	333.40	199.82	257.91	185.60
(g) Other expenses	2416.66	1741.89	1782.34	1499.46
<b>Total expenses</b>	<b>24118.03</b>	<b>16146.99</b>	<b>15321.09</b>	<b>13302.34</b>
<b>Profit before tax and exceptional items</b>	<b>2979.63</b>	<b>2125.01</b>	<b>3076.00</b>	<b>2234.47</b>
Less: Exceptional items	-	13.85	-	-
<b>Profit before tax</b>	<b>2979.63</b>	<b>2138.86</b>	<b>3076.00</b>	<b>2234.47</b>
Less: Tax	960.66	655.30	813.99	622.54
<b>Profit after tax</b>	<b>2018.96</b>	<b>1483.56</b>	<b>2262.02</b>	<b>1611.93</b>
<b>Other Comprehensive Income</b>	73.42	8.52	7.54	14.24
<b>Total comprehensive income for the year, net of tax</b>	<b>2092.38</b>	<b>1492.08</b>	<b>2269.55</b>	<b>1626.17</b>

By encouraging performance of employees we have led to achieve revenue growth. We ended up the year with a positive revenue and profits recording a boost as highest ever thus it has been a year of comeback of business with positive results even after huge impact of pandemic and commodity inflation.

## **FINANCIAL PERFORMANCE**

### **Consolidated Financial Results**

During the year under review on consolidated basis our Company earned profit before tax and exceptional items of Rs. 2979.63 Lacs against Rs. 2125.01 Lacs in the previous year. The Company earned profit after tax of Rs. 2018.96 Lacs as compare to Rs. 1483.56 Lacs in the previous year. The Company had Income from operations of Rs. 27097.66 Lacs as compared to Rs.18272.00 Lacs in previous year. The Profit before Interest/Depreciation/Tax (PBDIT) was Rs. 3708.08 Lacs as compared to Rs. 2524.96 Lacs in previous year.

#### **Income from Operations (In Lacs)**

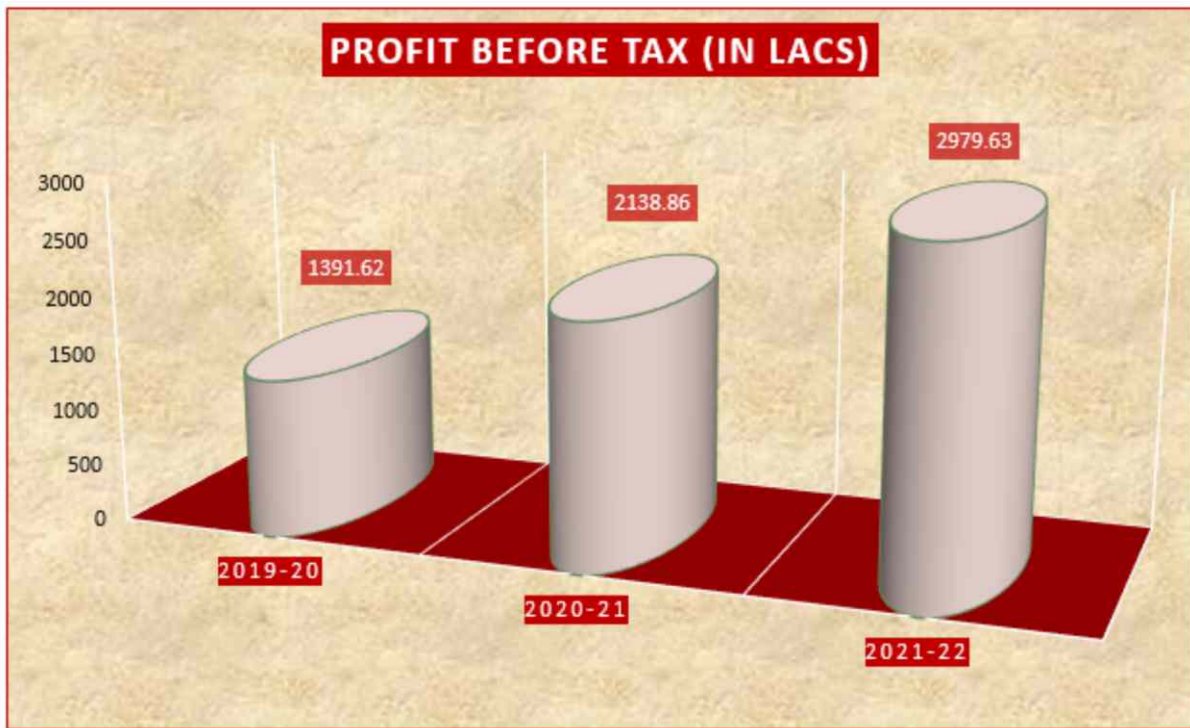


#### **Profit Before Interest and Tax (In Lacs.)**

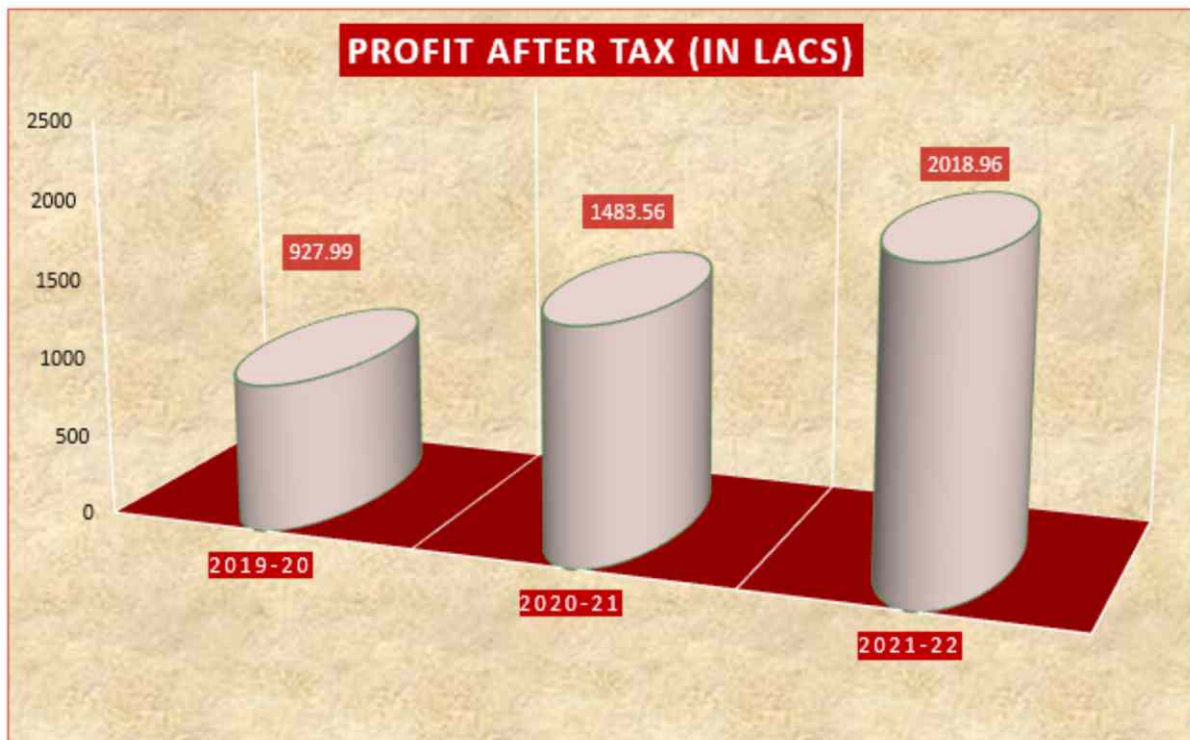




**Profit Before Tax (In Lacs)**



**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. 3076.00 Lacs against Rs. 2234.47 Lacs in the previous year. The Company earned profit after tax of Rs. 2262.02 Lacs as compare to Rs. 1611.93 Lacs in the previous year. The Company had Income from operation of Rs. 17365.84 Lacs as compared to Rs 15265.62 Lacs in previous year. The Profit before Interest/Depreciation/Tax (PBDIT) was Rs.3657.28 Lacs as compared to Rs. 2594.75 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.

## **INDIAN ACCOUNTING STANDARDS**

The standalone and consolidated financial statements of the Company for the financial year ended March 31<sup>st</sup>, 2022, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs and as amended from time to time.

## **FINANCIAL STATEMENTS**

In accordance with the 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 2021-22, along with statement containing salient features of the Directors' Report (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 and uploaded on the website of the Company and 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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively

Annual Report 2021-22 contains 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.

## **DIVIDEND**

The Board of Directors of your company all pleased to recommend a Final Dividend of 10% i.e. Rs. 1/- per Equity Share having face value of Rs. 10/- each aggregating to Rs. 19114955/- for the Financial Year ended on 31<sup>st</sup> March 2022. The proposed Dividend, subject to approval of Shareholders in the ensuing 15<sup>th</sup> Annual General Meeting of the Company, will be paid to Members within the period stipulated by the applicable Companies Act, 2013. The dividend would be payable to all Shareholders whose names appear in the Register of Members as on the Book Closure Date. The Register of Members and Share Transfer Books shall remain closed from 22<sup>nd</sup> September 2022, Thursday to 28<sup>th</sup> September, 2022, Wednesday (both days inclusive).

## **RESERVES**

Your Directors do not propose to transfer any amount to the general reserve and entire amount of profit for the year forms part of the 'Retained Earnings'. i.e. Rs. 2262.02 lakhs.

**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 Crore Fifty Lacs) equity shares of Rs. 10/- each and Issued, Subscribed and Paid-up capital is Rs. 19,11,49,550/- (Rupees Nineteen Crore Eleven Lacs Forty Nine Thousand Five Hundred Fifty Only) divided into 1,91,14,955 (One Crore Ninety One Lacs Fourteen Thousand Nine Hundred Fifty Five ) equity shares of Rs. 10/- each 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.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There is no change in the nature of business of the Company during the financial year ended 31<sup>st</sup> March, 2022.

**MATERIAL CHANGES & COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

**No material changes** and commitments affecting the financial position of the Company occurred between the end of the financial year of the Company to which financial year relates and the date of this Report.

Our footsteps towards growth had led us to acquire Vankon Modular Private Limited to strengthen and expand our business and client base. In Feb 2021 Veto Switchgears and Cables Limited had acquired 95.5% stake in Vankon Modular Private Limited. Due to this acquisition, we captured market in Uttar Pradesh by 200 sales dealer, in Madhya Pradesh 150 sales dealer and in karnataka 150 sales dealer.

**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.

The Company has not received any unsecured loan from its directors during the financial year 2021-22.

**BUSINESS OPERATIONS / STATE OF COMPANY'S AFFAIRS**

The Business operation status of your Company has enhanced and achieved a desirable target/ growth even after huge effect of pandemic to the worldwide businesses in way of part lockdowns, mobility restrictions. VETO manage to combat with all the post effects of pandemic which had declined various business lines in country by timely completion of customer product demands, maintaining quality products.

Your Company continued with new product launches and dealer engagements and the manufacturing capacities were also added in the LED lights and ceiling fans with initiatives in view of focusing on improving customers satisfaction by providing ranges of required product of segment with ease of doing business.

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.

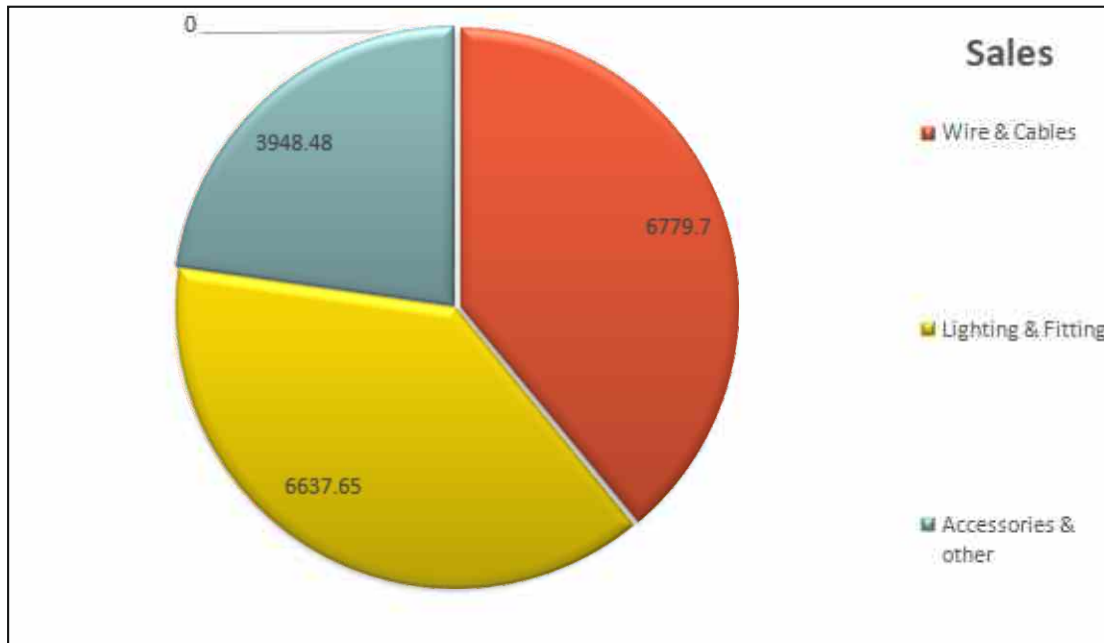
The brand VETO came into existence in 1967 and since then holds a major sector of electrical accessories in India. The company has built powerful and efficient team of marketing professionals, dealers and distributors. Result of which can be seen through its increasing sales. Production has reached its 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 in 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, Uttar Pradesh, Gujarat, Haryana, Himachal Pradesh, Punjab, J&K, Uttarakhand, Jharkhand, Assam, Karnataka, Kerala, Tamil Nadu, Andhra Pradesh and Madhya Pradesh.**



For detailed analysis of the performance, including industry overview, changes, segment details refer to the Management’s Discussion and Analysis Report provided 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

**Raw Material**

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

(Qty. in kg)

Product category	Existing (2021-22)	Proposed (2022-23)
Copper	4137.04	4219.78
PVC Resin	523.66	534.13
Aluminium	71096	72517.92

**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 is 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	10
Office staff	146
Skilled workers	57
Unskilled workers	163
<b>Total</b>	<b>379</b>

- **Effluent Treatment and Disposal:** Our Company does not generate any industrial effluents which is hazardous to the environment. The waste produced during the manufacturing 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 2021-22	FY 2022-23	FY 2021-22
<b>Wires &amp; Cables</b>			
Installed Capacity	20.00 Lacs Bundles	20.00 Lacs Bundles	20.00 Lacs Bundles
Capacity Utilization (in %)	47.5%	47.9%	39.90%
Production	9.50 Lac Bundles	9.58 Lac Bundles	7.98 Lac Bundles
<b>Electrical Accessories</b>			
Installed Capacity	600 Lac pieces	600 Lac pieces	600 Lac pieces
Capacity Utilization (in %)	47.50%	40%	19.99%
Production	285 Lac pieces	240 Lac pieces	119.92 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.

- **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 periodically.
- 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.
- 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.

### **SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES**

As on 31<sup>st</sup> March 2022, The Company had 4 (Four) Subsidiary Companies. One is registered outside India and three are registered in India:

<b>S. No</b>	<b>Name of the Entity</b>	<b>Relationship</b>
1.	Veto Electricals Private Limited	Wholly own Subsidiary
2.	Veto LED Lighting Private Limited	Wholly own Subsidiary
3.	Veto Overseas Private F.Z.E.	Wholly own Subsidiary
4.	Vankon Modular Private Limited	Subsidiary

**The details with respect to Subsidiary Companies are provided in the Annexure-I to the Directors' Report of the Company.**

A separate statement containing the salient features of **financial statements** of all the subsidiaries of your Company forms part of Annual Report in the prescribed **Form AOC-1** as **Annexure II** in compliance with Section 129(3) of the Companies Act, 2013 and the rules made there under.

In accordance with third proviso to Section 136(1) of the Companies Act, 2013, the Annual Report of your Company, containing inter alia the audited standalone and consolidated financial statements, has been placed on the website of the Company at <https://www.vetoswitchgears.com>. Further, audited financial statements together with related information of each of the subsidiary companies have also been placed on the website of the Company at <https://www.vetoswitchgears.com>.

In terms of Section 136 of the Companies Act, 2013 ('the Act'), financial statements of the subsidiary companies are not required to be sent to the members of the Company. The Company shall provide a copy of the annual accounts of its subsidiary companies to the members of the Company on their request. The annual accounts of its subsidiary companies will also be kept open for inspection at the registered office of the Company during business hours.

Pursuant to the requirements of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the details of Loans/ Advances made to and investments made in the subsidiary have been furnished in Notes forming part of the Accounts.

#### **Material Subsidiary:**

Vankon Modular Private Limited is a material subsidiary of the Company as per the thresholds laid down under the Listing Regulations. The Board of Directors of the Company has approved a Policy for determining material subsidiaries which is in line with the Listing Regulations as amended from time to time. The Policy has been uploaded on the Company's website at <https://vetoswitchgears.com>.

**Further, the Company does not have any joint venture or associate companies during the year or at any time after the closure of the year and till the date of this report.**

#### **MANAGERIAL REMUNERATION**

As Information has been laid down under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules,

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

#### **1. Remuneration paid to Directors**

<b>Name of Director</b>	<b>Title</b>	<b>Remuneration in Year 2021-22</b>	<b>Remuneration in Year 2020-21</b>	<b>% increase in Remuneration in comparison to last year</b>	<b>Ratio of Remuneration to MRE</b>
Mr. Akshay Kumar Gurnani	Managing Director/CEO	24,00,000	24,00,000	0.00	8.35
Mr. Narain Das Gurnani	Whole-time Director/ CFO	12,00,000	12,00,000	0.00	4.17
Ms. Jyoti Gurnani	Director	6,00,000	6,00,000	0.00	2.09

1. The remuneration disclosed here is upto 31<sup>st</sup> March 2022 as per the Audited Financial Statements.
2. The Median Remuneration of Employees is Rs.2,87,237.94/- approx.
3. Median Remuneration is calculated on the basis of annualized salary, MRE – Median Remuneration of employees.
4. The median remuneration of employees was Rs. 2,87,237.94/- as on 31<sup>st</sup> March 2022 and Rs. 2,99,621.80/- as on 31<sup>st</sup> March, 2021. There is decrease in MRE during the financial year 2021-22 of 4.14%.



5. On 31<sup>st</sup> March 2022, the total number of permanent employees on the rolls of Company is 379.
6. Average Salary increase of non-managerial employees is 8.33% and decrease of managerial employees is 0.34% in financial year 2021-22.
7. Remuneration paid during the year ended 31<sup>st</sup> March 2022 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.

### **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.

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.

### **CORPORATE GOVERNANCE CERTIFICATE**

The Company is continuously submitting “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 requirements of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 has been included in **Annexures VIII** of this report.

### **DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the Listing Regulations, with an appropriate combination of Executive, Non-Executive and Independent Directors.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, **Ms. Jyoti Gurnani, Director, (DIN: 06953899)** retires by rotation at the forthcoming Annual General Meeting and being eligible offers herself for reappointment. The Board recommends their reappointment.

Further, during the financial year, Board of Directors on recommendation of Nomination and Remuneration Committee, in their Meeting, considered re-appointment of **Mr. Akshay Kumar Gurnani (06888193)** as Managing Director cum CEO of the Company for a period of **Five** years w.e.f. 26<sup>th</sup> August 2022 to 25<sup>th</sup> August, 2027 and **Mr. Narain Das Gurnani (01970599)** as Whole-time Director cum CFO of the Company for term of **Five** years w.e.f 28<sup>th</sup> September, 2021 to 27<sup>th</sup> September 2026, which has been subsequently approved by members in 14<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2021.

Moreover, the term of office of **Mr. Kanwar Jeet Singh (DIN: 07813714)** as Independent Director, will be expire on this duration. The Board of Directors, on recommendations of the Nomination and Remuneration Committee have proposed re-appointment of Mr. Kanwar Jeet Singh (DIN: 07813714) as Independent Director of the Company for a second term of 5 (five) consecutive years on the expiry of his current term of office, for the consideration by the Members of the Company at the ensuing 15<sup>th</sup> Annual General Meeting.

Further, the term of office of Mr. Govind Ram Thawani (DIN:06367093) independent Director comes to an end due to expiration of his second term and with in line to fulfill the vacant post, upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors, in its Meeting held on 01<sup>st</sup> September, 2022, appointed **Mr. Sanjeev Kumar Dass (DIN: 09690317)** as an Independent Director (Additional) with effect from 01<sup>st</sup> September, 2022 and he will hold office upto the date of forthcoming AGM.

The following have been Directors and Key Managerial Personnel during the year.

S. No.	Name of the Directors / KMP	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	Woman 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
7.	Mrs. Varsha Rane Choudhary	Company Secretary cum Compliance Officer	29/06/2020

#### **NO. OF MEETINGS OF THE BOARD, IT'S COMMITTEES & AGM:**

In total, Nine (9) Board Meetings were held during the year 2021-2022 and the gap between two consecutive meetings did not exceed 120 days as prescribed in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Following is the schedule of Board Meetings:

**Detail of Board Meetings held**

<b>S. No.</b>	<b>Date of Board Meeting</b>
1.	17 <sup>th</sup> June 2021
2.	30 <sup>th</sup> June 2021
3.	30 <sup>th</sup> July 2021
4.	04 <sup>th</sup> September 2021
5.	25 <sup>th</sup> September 2021
6.	12 <sup>th</sup> November 2021
7.	01 <sup>st</sup> January 2022
8.	11 <sup>th</sup> February 2022
9.	29 <sup>th</sup> March 2022

**Separate Meeting of Independent Directors:**

Pursuant to the requirements of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Separate Meeting of the Independent Directors** of the Company was also held on **11<sup>th</sup> February, 2022**. The Meeting was conducted in an informal manner without the presence of the Chairman, the Whole Time Director, the Non-Executive Non-Independent Directors and the Chief Financial Officer.

**Information on the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee and the Corporate Social Responsibility Committee and meetings of these Committees held during the year is given in the Corporate Governance Report.**

**Further, Annual General Meeting of the Company for the financial year 2020-21 was held on 29<sup>th</sup> September, 2021.**

**FORMAL ANNUAL EVALUATION**

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) contain provisions for the evaluation of the performance of:

- (i) the Board as a whole,
- (ii) the individual directors (including independent directors and Chairperson) and
- (iii) various Committees of the Board.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The board and the Nomination and Remuneration Committee reviewed the performance of the Individual Directors on the basis of the criteria such as the contribution of the Individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Individual Directors, the Board as a whole and its Committees with the Company.

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and

contribution by a Director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgments.

All the Relevant details have been provided in the **Corporate Governance Report**.

### **REMUNERATION POLICY**

In accordance with Section 178 and other applicable provisions if any, of the Companies Act, 2013 read with the Rules issued there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors formulated the Nomination and Remuneration Policy of your Company on the recommendations of the Nomination and Remuneration Committee. Pursuant to Section 134(3) of the Companies Act, 2013, the nomination and remuneration policy of the Company which lays down the criteria for determining qualifications, competencies, positive attributes and independence for appointment of Directors and policies of the Company relating to remuneration of Directors, KMP and other employees is available on the Company's website at <https://vetoswitchgears.com>.

### **DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY**

The Independent Directors have submitted the declaration of independence, as required under Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') as amended from time to time. 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>.

The Board is of the opinion that the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience required to fulfil their duties as Independent Directors.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by The Indian Institute of Corporate Affairs, Manesar ("IICA"). The Independent Directors are also required to undertake online proficiency self-assessment test conducted by the IICA within a period of 2 (two) years from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption.

### **COMMITTEES OF BOARD**

The Company has various committees which have been constituted as a part of the good corporate governance practices and the same are in compliance with the requirements of the relevant provisions of applicable laws and statutes. Following are the four Committees of the Board namely:

- a) Audit Committee
- b) Nomination and 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

The Committee comprises of majority of Independent Directors.

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The constitution, composition, terms of reference, role, powers, rights, obligations of 'Corporate Social Responsibility Committee ['CSR Committee'] are in conformity with the provisions of Section 135 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. Relevant details have been provided in the **Corporate Governance Report**.

During the year under review, the Company has spent Rs.54.43 lacs on Corporate Social Responsibility as per the CSR policy of the Company. Which is more than 2% of average net profit of last three immediately preceding financial years. Detailed information report on the CSR policy and the CSR initiatives taken during financial year 2021-22 is given in **ANNEXURE-IV**.

The CSR Policy is available on the Company's website and is accessible through weblink. <https://vetoswitchgears.com/investor-zone/category/corporate-governance/policies-and-related-documents/>

### **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.

### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors to the best of their knowledge hereby state and confirms that:

- in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 31<sup>st</sup> March 2022 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.

### **RELATED PARTY TRANSACTIONS**

In line with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions. During the year under review, the Policy has been amended to incorporate the regulatory amendments in the SEBI Listing Regulations. The updated Policy can be accessed on the Company's website at [www.vetoswitchgears.com](http://www.vetoswitchgears.com)

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.

The Company has put in place a mechanism for certifying the Related Party Transactions, A Statements placed before the Audit Committee and the Board of Directors from an Independent Chartered Accountant.

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.

However, Details of related party transactions entered into by the Company, in terms of Ind AS-24 have been disclosed in the notes to the standalone/ consolidated financial statements forming part of this Report & Annual Accounts 2021-22.

### **EXTRACT OF ANNUAL RETURN**

A copy of the Extracts of the Annual Return of the Company as required under section 134(3)(a) of the Companies Act, 2013, in Form MGT-9, as they stood on the close of the financial year i.e. 31<sup>st</sup> March, 2022 is furnished in **Annexure V** and forms part of this Report.

Further, a copy of the Annual Return of the Company containing the particulars prescribed u/s 92 of the Companies Act, 2013, in Form MGT-7, as they stood on the close of the financial year i.e. 31<sup>st</sup> March, 2021 is uploaded on Company's website: <http://www.vetoswitchgears.com>.

### **AUDITORS**

#### **STATUTORY AUDITORS**

As per provisions of Section 139(1) of the Companies Act, 2013, at the forthcoming Annual General Meeting, CAS & Co. formerly known as M/s. K. M. Tulsian & Associates (Firm Registration No. 111075W) are completing their 1<sup>st</sup> five year term as Statutory Auditors.

Upon the recommendation of the Audit Committee, the Board of Directors approves and recommends for shareholders' approval, the Re-appointment of CAS & Co. formerly known as M/s. K. M. Tulsian & Associates (Firm Registration No. 111075W) for a Second term of 5 (five) consecutive years to hold office from the conclusion of this 15<sup>th</sup> Annual General Meeting until the conclusion of the 20<sup>th</sup> Annual General Meeting of the Company to be held in the year 2027 on such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors accordingly.

The observations of Statutory Auditor in its reports on standalone and consolidated financials are self-explanatory and does not contain any qualification, reservation or adverse remark or disclaimer.

**Further, there was no fraud in the Company, which was required to report by Statutory Auditors of the Company under sub-section (12) of Section 143 of Companies Act, 2013.**

#### **COST AUDITORS**

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice.

M/s. Rajesh & Company, Cost Accountants (Firm Registration Number No. 000031) were appointed as the Cost Auditor of the Company for the year ending 31<sup>st</sup> March, 2022. The due date for filing the Cost Audit Report of the Company for the financial year ended 31<sup>st</sup> March, 2021 was filed in XBRL made by the Cost Auditor within due date.

The Board of Directors on the recommendation of Audit Committee were Re-appointed M/s. Rajesh & Company, Cost Accountants (Firm Registration Number No. 000031) as Cost Auditor to audit the cost accounts of the Company for the Financial Year 2022-23, 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.

#### **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board were appointed Ms. Nisha Agarwal, Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2021-22.

The Secretarial Audit Report (MR-3) for the Financial Year ended 31<sup>st</sup> March 2022 is annexed herewith marked as **Annexure VI** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### **SECRETARIAL AUDIT OF MATERIAL UNLISTED SUBSIDIARY COMPANY**

Vankon Modular Private Limited, a material subsidiary of the Company undertakes Secretarial Audit under Section 204 of the Companies Act, 2013. The Secretarial Audit of Vankon Modular Private Limited for the Financial Year 2021-22 was carried out pursuant to Section 204 of the Companies Act, 2013 read with Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Secretarial Audit Report of Vankon Modular Private Limited submitted by Ms. Nisha Agarwal, Practicing Company Secretaries does not contain any qualification, reservation or adverse remark or disclaimer. The Secretarial Audit Report given by the Secretarial Auditor of the Company is annexed as **Annexure VII** and forms an integral part of this Report.

#### **ANNUAL SECRETARIAL COMPLIANCE REPORT**

The Company has undertaken an audit for the financial year 2021-22 for all applicable compliances as per SEBI Regulations and Circulars/ Guidelines issued there under. Pursuant to provision of Regulation 24A, the

Annual Secretarial Compliance Report has been submitted to the stock exchanges within 60 days of the end of the financial year.

### **INTERNAL AUDITORS**

Pursuant to the provisions of the Companies Act, 2013 read with corresponding Rules framed thereunder. The Board of Directors have appointed **Mr. Amit Tiwari** as Internal Auditor to conduct the internal audit of the various areas of operations and records of the Company. The periodic reports of the said internal auditors are regularly placed before the Audit Committee along with the comments of the management on the action taken to correct any observed deficiencies on the working of the various departments.

The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations including those relating to strengthening of the Company's risk management policies and systems.

### **CODE OF CONDUCT**

The Board of Directors has laid Code of Conduct ("the Code") for the Board members and Senior Management Personnel of your Company. The code of conduct is available on the website of the Company.

All Board members and senior management personnel have confirmed compliance with the Code has been included in **Annexures X** of this report. Declaration on adherence to the code of conduct is forming part of the Corporate Governance Report.

### **MD/CFO CERTIFICATION**

The Chief Executive Officer and Chief Financial Officer of your Company have issued necessary certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations has been included in **Annexures XI** of this report.

### **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.

### **DETAILS WITH RESPECT TO ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

Your Company's internal control system is commensurate with its scale of operations designed to effectively control the operations. The internal control systems are designed to ensure that the financial and other records are reliable for the preparation of financial statements. Independent Internal Auditor conduct audit covering a wide range of operational matters and ensure compliance with specified standards. Planned periodic reviews are carried out by Internal Auditor. The findings of Internal Audit are reviewed by the top management and by the Audit Committee of the Board of Directors. The Audit Committee reviews the adequacy and effectiveness of internal control systems and suggests ways of further strengthening them, from time to time. Report of statutory auditors for internal financial control system is part of Audit Report.

The Company has robust internal financial controls systems, which is in line with requirement of the Companies Act, 2013, which is intended to increase transparency & accountability in an organisation's process of designing and implementing a system of internal control. This provides the Directors with



reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks. The Company has devised appropriate systems and framework including proper delegation of authority, policies and procedures, effective IT systems aligned to business requirements, risk based internal audits and, risk management framework.

### **REPORT UNDER THE PREVENTION OF SEXUAL HARASSMENT ACT**

In accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (“POSH Act”) and Rules made thereunder, the Company has in place a policy which mandates no tolerance against any conduct amounting to sexual harassment of women at workplace.

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.

### **CREDIT RATING**

Your Company has been reaffirmed long-term rating of BBB+ (ICRA triple B plus) and Short-term rating ICRA A2 (A Two) by ICRA Limited. The outlook of long term rating is “Stable”.

### **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

### **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, Post IPO, shares of the Company are held in demat form.

### **LISTING OF SHARES**

The shares of the Company are listed on recognized Stock Exchanges i.e. at BSE Limited & at National Stock Exchange of India Limited and the listing fee for the year 2021-22 has been duly paid.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS & OUTGO**

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under 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**

Energy efficiency is a cornerstone for positive impact on environment and sustainable growth. The Company continued to improve across all facets of energy management which include generation, distribution and consumption. Energy conservation was achieved by optimising existing energy profile through digital technologies including advanced analytics, real-time optimization models, process engineering and embracing newer and more efficient Products.

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 equipment's – 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 like CFLs, cables, PCBs, etc. ensures safety across the product life cycle. Our Company strongly believes and promotes energy conservation not only through its products but also within the premises. Energy conservation measures have been adopted at all the plants.

Our Company follows best practices for health and safety. Employees and workers are regularly trained by industry experts on issues of occupational and industrial health & safety, first-aid and environment

management. Healthy lifestyle and well-being are also promoted as a culture at VETO. Our Company also provides life insurance cover, personal accident cover and robust medical & health policies to all field staff against any unfortunate incident. VETO India strongly believes in maintaining a 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.

Our approach at workplaces was strategically formulated and implemented, considering the nature of working site, employee strength, floor density and other relevant attributes

### **(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:

- Up gradation 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.
- New products, processes and catalyst development to support existing business and create breakthrough technologies for new businesses;
- Advanced troubleshooting; and
- Support to capital projects and profit and reliability improvements in manufacturing plants.
- Major efforts made towards technology absorption and launching of new products

### **(D) DETAIL OF FOREIGN EXCHANGE EARNINGS AND OUTGO.**

During the financial year Company's Foreign Exchange Earnings in terms of actual inflow was 4,26,38,173/- INR and the Foreign Exchange Outgo in terms of actual outflow (including machinery imported) was Nil. The information on foreign exchange earnings and outgo is furnished in the notes to the accounts of Standalone Financial results.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

The last two years have been difficult for the world economy on account of the COVID-19 pandemic as repeated waves of infection resulted a high impact on economy and more recently inflation have created a

challenging path for businesses to survive/grow but as of now with the vaccination programmes the country have covered the bulk of the population and this effort is helping economic momentum building back and the likely long-term benefits of supply-side reforms in the pipeline.

The overall economic activity has recovered past pre-pandemic levels. Almost all indicators show that the economic impact of the “second wave” in Q1 was much smaller than what experienced during the full lockdown phase in 2020-21 even though the health impact was more severe.

Just when uncertainties associated with the COVID-19 pandemic were declining, the Russia- Ukraine crisis escalated. Consequently, India’s growth outlook appears to have clouded. For India, which has been battling inflation for a while now, this situation is making matters worse. Despite the external shocks, we believe that India’s underlying economic fundamentals are strong and despite the short-term turbulence, the impact on the long-term outlook will be marginal. India was forecast to grow at 6.7 per cent in 2022 and this projection has been downgraded to 4.6 per cent by UNCTAD. [Sources: The economics times]

We believe, companies with strong values, solid fundamentals and governance practices, robust manufacturing, distribution and marketing capabilities can leverage these long-term growth opportunities and play an important role in the process of nation rebuilding while creating greater value for all stakeholders.

### **INDUSTRY STRUCTURE AND DEVELOPMENTS:**

It is true that the COVID-19 pandemic and the massive economic disruption have undoubtedly created a setback for the Electrical Goods industry. It was clear that significant disruptions would occur, be it shortages, supply chain disturbances, and production bottlenecks the unprecedented challenges & disruption in manufacturing caused by Pandemic had operational & social consequences it forced us to rethink risk management and contingency plans, workforce safety protocols, manufacturing operations, and new ways of working opportunities, all at the same time.

The Government of India have also taken a productive step for Indian market by boosting regulatory efforts to supply dependable and continuous power to large consumer bases, as well as by setting up government measures to electrify rural areas. The market in India is likely to be driven by government programs such as "**Make in India**" and the "**Go Green**" program.

The Government of India has announced the outlay of Rs. 2.6 lakh crore for the five-year period ending FY2022, the Transmission and Distribution sector is all set to remain in focus for quite some time. The government’s target of generation of 100 GW of solar energy by 2022 and measures like excise duty exemption for Ferro Silicon Magnesium used for manufacturing components of wind-operated electric power generators have also increased the demand for electrical wires and cables. [Sources; www.electricalindia.in]

To manage consequences of this complex and dynamic situation, your company pivoted to mitigate crisis management, supply chain realignment, agile product development, and innovation, amongst others your Company’s modern manufacturing units, a strong supply chain, expert workforce, and constant innovation has made significant contributions in the overall performance of the company.

### **COMPANY OVERVIEW**

Veto Switchgears and Cables Limited is one of the largest and most diversified manufacturers of electrical and telecommunication cables. The brand of VETO has been maintaining its leadership in manufacturing of Industrial Wires and Cables since the last 55 years. This has been primarily due to its continuing 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 contributions in the overall performance of the company.

## **MAJOR PRODUCTS AND SEGMENTS**

VETO brand is established in electrical industry since 1967 by delivering a wide array of wires and electrical cables, it is recognized as one of the leading companies in the electrical accessories market and we continue to transform ourselves and take on new challenges to improve satisfaction among client, shareholders & employees by having a large variety of Segments and Major Products that includes:-

- **WIRES AND CABLES:**

The COVID-19 pandemic had a major impact on the wire and cable market revenue. The outbreak of the pandemic decreased demand for wire and cables around the world. Lockdown impositions and supply chain interruptions caused a slight delay in the establishment of utility-scale projects and sustainable energy.

However, during the pandemic, the electricity and communications sectors were functioning for the upkeep of electrical infrastructure. In addition, the market outlook will be bolstered by rising demand for replacing and upgrading existing grid infrastructure, as well as ongoing building infrastructure constructions.

Rising investments in new power generation plants, a greater focus on smart infrastructure, and the introduction of modern communication services are driving the demand for wires and cables.

Demand for low voltage wires and cables is anticipated to rise at a higher CAGR of 8% through 2031. Due to the increasing rate of infrastructural development in emerging countries, demand for reliable electrical connectivity and transmission solutions is driving the deployment of low voltage wires and cables all over the world. [Sources: www.factmr.com]

Increasing expenditures on transmission and distribution of electricity, as well as increased demand from data centers and the telecommunications industry, will propel the wires and cables market forward over the forecast period. The growing trend of upgrading and replacing existing electric infrastructure has created a positive growth scenario for the wire and cable market. Increasing electricity demand due to population increase and fast industrialization would propel market growth.

**Your Company's Wires and Cables division registered revenues is Rs. 6779.7 0/- Lacs during FY 2021-22 compared to revenues of Rs. 5308.29 Lacs of FY 2020-21 with dynamic class of wires and Cables such as Summersible Cable, Aluminium Armoured Cable, Aluminium Unarmoured Cable, Twin Cable, Flexible Wire, RG6 Coaxial Wire & Specifications of House Hold Consumption.**

- **ACCESSORIES & OTHERS:**

Switchgear segment, which is part of the Electrical Accessories & other segment is primarily constituted by modular & non-modular switches and accessories.

India Switchgear Market Expected to Exhibit a CAGR of 7.1% during 2022-2027. According to 6Wresearch, India switchgear market size is projected to reach \$3.7 Billion by 2022. According to Niti Ayog, the government of India is planning to reach a renewable energy capacity of 175 GW by 2022. Further,

government initiatives to increase the penetration of clean energy is also a major source of growth for the switchgear market in India. Low voltage switchgear dominated the overall India Switchgear market and also reflects the highest growth due to rapidly growing commercial and residential sectors.

India's Switchgear Market is expected to gain momentum during the forthcoming years on account of rising surging population and several developments in the power distribution sector. This, coupled with the growing implementation of smart grids and smart meters for accurate billing and reducing fraud and technical losses in the country, represents one of the key factors driving the market. Moreover the surging urbanization, modernization and industrialization is also expected to enhance the demand for electricity which is further contributing to the India Switchgear Market Growth.

The infrastructure development schemes initiated by the Indian government, like Smart Cities, Make in India, Digital India, Integrated Power Development Scheme, and Atal Mission for Rejuvenation and Urban Transformation, among others, have significantly contributed to the growth of the switchgear market in India. However, the country's already slowing economy combined with an economic slowdown caused by the outbreak of COVID-19 leading to decreased energy demand and decreased investments in the power sector are likely to act as a restraint to the market though the real estate sector has been generally underperforming over the last couple of years, an uptick in residential and commercial construction and ongoing electrification programmes of the Government would support growth of the switchgear market.

Post Covid there was sharp recovery in demand owing to our comprehensive product and focus on expansion of semi-urban and rural markets. Veto was able to leverage its manufacturing capacity and requirement of the market.

Veto switchgear portfolio offers a complete range for Circuit protection for the rapidly urbanizing Indian market with wide range of modular switches other accessories such as Vyoma, Carino, Power, Puf Series Zac PC, Flex Boxes & Bells, and Distribution Boards etc.

**The Accessories & Others division registered revenues of Rs. 3948.48/-Lacs during FY 2021-22 compared to revenues of Rs. 4251.37/- Lacs of FY 2020-21.**

- **LIGHTING AND FITTINGS**

The sudden outbreak of the COVID-19 pandemic had led to the implementation of stringent lockdown regulations in India resulting in temporary halt in numerous construction and remodeling activities, thereby negatively impacting the LED lighting market.

**The Indian LED lighting market is expected to exhibit a CAGR of 23.31% during 2022-2027. [Sources: [www.imaregroup.com](http://www.imaregroup.com)]**

LED lights have emerged as a powerful source for lighting over the past several years. Due to their numerous advantages over conventional lighting technology, they have swiftly gained prominence in the Indian lighting market. Although Indian LED lighting market is at a nascent stage, it offers innumerable opportunities for growth over the next few decades. As India represents one of the biggest lighting markets, it offers a lucrative option for LED manufacturers to set up their facilities in the region. Skilled labour, ease of doing business and demographic advantages provides a sustainable environment for the LED industry.

Currently, the demand for LED lighting systems is primarily concentrated in the North and South regions due to growing urbanization rates and increasing number of government initiatives that encourage the use of LED lights. The government's support through various regulations that promote the investments in energy efficient

lighting technologies have expanded the applications of LED lights across various industrial, commercial and residential sectors.

A rapidly growing automotive industry also provides productive opportunities for the use of LEDs in head lamps, rear lamps, turn signal and brake lights. Other important factors such as increasing infrastructural investments, rapid growth of street lighting systems, decline in average prices of LEDs and various government and upcoming smart building projects are expected to drive the demand of LED lights in India.

**Veto** is a Brand name in the Smart lighting, led, Fan, CFL, and other fancy Lighting segment with a strong product profile, well-entrenched trade network along with supportive Consultants, Contractors, Specifiers. Veto has a strong presence both in the Consumer lighting and Professional luminaire market segment. Lighting is the spearhead product for the journey of Veto on the verge of expansion into rural markets some of major products of Veto in the segment of Lighting, Fans and Pumps are Vyoma LED Slim Panel Light, Sleek LED Slim Panel Light, Volux LED Slim Panel Light, Eeva LED Slim Panel Light, Ocean LED Slim Panel Light, Legend Frameless LED Panel Light, Illumex Adjustable LED Downlight, LED Surface Panel (Aluminium Body), Volux LED Surface Panel, Edge LED Surface Panel, V-Square LED Panel and various other Lights including LED Street Light, LED Concealed Light, LED Deep Light, Cob LED Deep Light, SMD LED DEEP Light, LED Spot Light, LED Track Light, LED Wall light, Cob Spot LED Light, LED Tubelight, LED Bulbs, LED Strip Lights; Lugano Deluxe Fans, Sleek Fans, Ocean Fans, Snowy Classic Fans, Puffer Fans, Ventilation Fans, Table Fans, Pedestal Fan, Wall Fan, Fresh Air Fans and Summersible Pumps or other electrical products and many more and these products are already getting good reviews.

**The Lighting and Fixtures division registered revenues is Rs 6637.65/- Lacs during FY 2021-22 compared to revenues of Rs. 5705.96/- Lacs of FY 2020-21.**

### **COMPETITION**

The market comprises international and regional / local vendors who faces 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 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

The other prominent vendors in the markets 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, Orient Electric Ltd, Crompton Greaves Consumer Electrical Ltd, ABB India Ltd, Siemens Ltd.

Your company has strong and efficient team of marketing professionals, dealers and distributors and is very well prepared to face the competition and to cater the consumer needs by enhancing its own brand in the industry.

## **MARKETING SETUP**

Veto holds a major part of market share of electrical accessories in India. The company has a strong and efficient team of marketing professionals, dealers and distributors. Our Promoters carry and share their vast experiences in the marketing segment of wires and cables, electrical accessories & other allied products. They have been indulging into manufacturing and marketing segments for Veto Brand products for the past over 55 years. Veto holds a recognized reputation among its dealer network consisting of more than 3000 in numbers. 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 Karnataka** and now **Madhya Pradesh and Uttar Pradesh** also forms the part of the major earnings due to our continuous focus on widening and covering more and more states of India. Almost 15 states have become a major part of our distribution network, including **Gujarat, NCR, Haryana, Punjab, Himachal Pradesh, J&K, Uttarakhand, Assam, Andhra Pradesh, Telangana, Kerala, Maharashtra and Tamilnadu**. The company has broadened its network and distribution channels. Our products are marketed in both domestic and international markets. We have also entered into International Market by distributing our dynamic varieties of electrical products in cities of UAE and got a major success over there. The company and its Board is continuously putting efforts toward making Veto a globally established brand.

## **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 3000 dealers
- Dedicated team of technical manpower
- Union Budget allocated high expenditure in IFRA Sector
- "Pradhan Mantri Awas Yojana" in Remote Area

## **WEAKNESS**

- Players in regional market.
- Any avoidance of rules of Government caused under unavoidable circumstances may have an adverse impact on the project.
- Dependence on suppliers of raw materials.

## **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 a 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.



With formalisation of economy and rising base of aspiring customers, the demand for branded electrical Products and organised companies is increasing.

### **THREATS**

- Uncertainty due to COVID-19 disruption and Ukraine-Russia War in business.
- 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.
- High inflation rate resulting in slowdown of economy.

### **RISK AND CONCERNS:**

1. Common Risks: Accidents in the workplace, 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

The Company has a risk identification and management framework appropriate to it and to the business environment under which it operates. Risks are being identified at regular intervals by the Board.

The Company has a Risk Management Policy, which provides an overall framework of Risk Management in the Company. The Board of Directors are responsible for the assessment, formulation and implementation of guidelines, managing key risks, risk minimization procedures and periodicals review.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The company has adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed according to the requirements of the Companies Act, 2013, and the globally accepted framework issued by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission, to provide reasonable assurance with regard to recording and providing reliable financial and operational information, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization, and ensuring compliance with corporate policies. The company has a well-defined manual for delegation of authority, for approving revenue and expenditure. The company uses an updated system to record data for accounting, consolidation, and management information purposes, connecting to different locations for the exchange of information.

While these controls are aligned with the requirements of the Companies Act, 2013, and the globally accepted framework issued by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission, they are also regularly tested by statutory and internal auditors for their effectiveness.

The internal audit process is designed to review the adequacy of internal control checks and covers all significant areas of the company's global operations.

The company has an Audit Committee of the Board of Directors, the details of which have been provided in the corporate governance report.

### **WHISTLE BLOWER POLICY**

Your 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 Audit Committee of the Company oversees vigil mechanism process of the Company pursuant to the provisions of the Act. Employees may also report to the Chairman of the Audit Committee. A report on the functioning of the mechanism, including the complaints received and actions taken, is presented to the Audit Committee on a quarterly basis.

**No complaints were received during the financial year 2021-22.**

### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

This has been dealt with in the Director Report.

### **HUMAN RESOURCES / INDUSTRIAL 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 enhance 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 for the good performance of the employees of the Company.

In the First quarter of 2021, India witnessed the second wave of COVID-19 affecting people on large level. The company was required to put in concerted efforts, very quickly, to prioritize employee wellness and safety. The company focused on running pan India vaccination drives, to safeguard its employees and their families. As on date, all of our employees are vaccinated with both doses. Besides ensuring support to continue operations safely during the lockdown, the function also ensured continued enhancement of flexible options for employees to work from home or remote locations while keeping safe.

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.

**The Company had a total of 379 permanent employees as on 31<sup>st</sup> March, 2022.**

**KEY FINANCIAL RATIOS:**

The key financial ratios are given as below:

<b>Ratio</b>	<b>FY 2020- 21</b>	<b>FY 2021- 22</b>	<b>Change</b>	<b>Remarks</b>
Current Ratio (times)	2.73	3.07	12.40	NA
Debt-Equity Ratio (times)	0.20	0.20	-3.02	NA
Debt Service Coverage Ratio	9.62	7.54	-21.61	NA
Return on Equity (ROE)	0.10	0.13	25.83	Due to Higher Profit
Trade Receivable Turnover Ratio	2.75	2.55	-7.26	NA
Trade Payable Turnover Ratio	11.31	12.59	11.35	NA
Net Capital Turnover Ratio	1.78	1.71	-4.08	NA
Net Profit Ratio	0.11	0.13	23.36	NA
Return on Capital Employed(ROCE)	0.12	0.15	26.27	Due to Higher Profit
Return on Investment (ROI)	-	0.19	-	NA

**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.

**OTHER DISCLOSURES**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/events on these items during the year under review:-

- As on 31<sup>st</sup> March 2022, none of the Directors of the company hold instruments convertible into equity shares of the Company.
- Company has not granted any stock option or issue sweat equity shares during the year.
- The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ending March 31<sup>st</sup>, 2022.
- No application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the year in respect of your Company.

- There was no one time settlement of loan obtained from the Banks or Financial Institutions.

### **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.

**Date: 01/09/2022**

**Place: Jaipur**

**for and on behalf of the Board of Directors**

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

**Narain Das Gurnani**  
**Whole-Time Director & CFO**  
**DIN: 01970599**

## **Subsidiary Companies Brief**

### **1. VETO ELECTRICALS PRIVATE LIMITED**

Veto Electricals Private Limited (“VEPL”) having CIN U31300RJ2008PTC026189 was incorporated on March 24, 2008 vide Certificate of Incorporation issued by the Registrar of Companies, Rajasthan, at Jaipur.

On November 22<sup>nd</sup> 2014 Veto Electricals Private Limited became the Wholly Owned Subsidiary Company of the Company.

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

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 – 302018 (RJ) India.

#### **Capital Structure and Shareholding Pattern**

The authorized share capital of VEPL is Rs. 9,00,00,000/- divided into 90,00,000 equity shares of Rs. 10/- each. The issued, subscribed and paid- up share capital is Rs. 9,00,00,000/- divided into 90,00,000 equity shares of Rs. 10/- each.

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

#### **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 11<sup>th</sup> Oct 2015 by the consent of the Board of Directors of our company vide resolution passed on August 31<sup>st</sup> 2015. It is Wholly Owned Subsidiary Company of Veto Switchgears and Cables Limited.

#### **Address:**

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

### Capital Structure and Shareholding Pattern

Current Capital 64,75,000 AED and minimum paid up capital of 64,75,000 AED. It has earned revenue of 55,76,974 AED for the year ended 31<sup>st</sup> March 2022. The Company has declared profit of 35,337AED.

### 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 8<sup>th</sup>, 2019 vide Certificate of Incorporation issued by the Registrar of Companies, Maharashtra, at Mumbai. It is Wholly Owned Subsidiary Company of Veto Switchgears and Cables Limited.

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, 5<sup>th</sup> 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 – 302018 (RJ) India.

### Capital Structure and Shareholding Pattern

The authorized share capital of VLLPL is Rs. 9,00,00,000/- divided into 90,00,000 equity shares of Rs. 10/- each. The issued, subscribed and paid- up share capital is Rs.9,00,00,000/- divided into 90,00,000 equity shares of Rs. 10/- each.

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

### Board Composition

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

#### 4. VANKON MODULAR PRIVATE LIMITED

Vankon Modular Private Limited (VMPL) having CIN U31900MH2015PTC264579 was incorporated on May 18<sup>th</sup>, 2015 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, Produce, Trading, Buy, Sell, Import, Export, Stock, Deal in machine tools, Grinding Machines, Automatic latches, Drilling Machine, Planning machines plan Grinders, Machineries of every Description, Precision tools, Cutting and small tolls, electrical motors, electrical equipments, cables, wires, switchgears, flame and drip proof motors, distribute, import, export, sale, purchase or otherwise deal in all type of electricals & electronics items, wiring, modular accessories, lighting & luminaries, house hold appliances, electrical fans regulators of all types, electric kilovolt hour maters magnets, industrial jewels, maters, voltmeters and other type of measuring instruments, electrical /non electrical die casting, screws, nuts, and bolts, transformers of all, circuit breakers, electronic instruments, conductors, materials, transistors and allied items, sewing machines, watches and clocks, tape recorders, household appliances and component parts thereof, engineering goods, lined equipments, pipes & fittings, hoists, elevators, gears, trolleys and coaches, winches, air compressors, welders, refrigerators, domestics washing machines, television and radio receivers and transmitters, micro wave components, radar equipments, valves, reactors.

#### Registered Office

The registered office of the Company is located at S.NO.72 & 74, Gala No. 4 & 5, Gr. Flr, Plot No. 22, Meghdoot Signature, Vasai Road - East Thane Maharashtra-401208 India.

#### Corporate office

The Corporate office of the Company is located at 4<sup>th</sup> Floor, Plot No. 10, Days Hotel, Airport Plaza Scheme, Behind Hotel Radisson Blu, Durgapura, Tonk Road, Jaipur – 302018 (RJ) India.

#### Capital Structure and Shareholding Pattern

The authorized share capital of VMPL is Rs. 5,00,00,000/- divided into 50,00,000 equity shares of Rs. 10/- each. The issued, subscribed and paid- up share capital is Rs. 2,90,00,000/-divided into 29,00,000 equity shares of Rs. 10/- each.

**The shareholding of Veto Switchgears And Cables Limited is of 95.50%.**

#### Board Composition

- Mr. Bhagwan Das Goklani
- Mr. Akshay Kumar Gurnani
- Mr. Gopal Lalchand Kriplani
- Mr. Rohit Gurnani
- Mr. Tushar Dhalwani

## 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 (in Crores)

Particulars	Details			
	Veto Overseas Private F.Z.E	Veto Electricals Private Limited	Veto LED Lightings Private Limited	Vankon Modular Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	AED 1 = 20.67 INR			
Share capital	13.38	9.00	9.00	2.90
Reserves & surplus	20.45	(4.12)	(0.064)	12.33
Total assets	35.59	17.90	12.92	61.98
Total Liabilities	2.65	13.03	3.98	46.76
Investments	0.00	0.00	00	0.003
Turnover	11.20	16.82	0.00	66.00
Profit before taxation	0.71	(0.71)	(0.037)	5.43
Provision for taxation/Deferred Tax	0.00	0.02	0.00	1.45
Profit after taxation	0.71	0.69	(0.037)	3.85
Proposed Dividend	7.29	0.00	0.00	0.00
% of shareholding	100%	100%	100%	95.5%

**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, 2022.
2. Veto Electricals Private Limited, Wholly Owned Subsidiary Company owns its manufacturing plant (100% Export Unit) at Light Engineering Zone, Mahindra SEZ, Jaipur.
3. The Vankon Modular Private Limited is in the same line of business of veto.
4. The reporting period for all the subsidiaries is March, 2022.
5. Part B of the annexure is not applicable as there is no associate companies/joint venture of the Company as on 31<sup>st</sup> March, 2022.

**Date: 01/09/2022**

**Place: Jaipur**

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

**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, as amended, a Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2022 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, and the Shareholders' / Investors Grievance Committee. The Board of Directors consist of total of 6 Directors of which 3 are independent Directors (which constitutes 50% of the Board of Directors). The details of the Board of Directors, Audit Committee, the CSR Committee, Nomination and Remuneration Committee, and the Shareholders' / Investors Grievance Committee of our Company are given below:

#### **Board of Directors**

The Board of Directors is essentially a panel of persons who are elected to represent shareholders and responsible for the strategic supervision, overseeing performance and governance of the Company on behalf of the Stakeholders. The Board follows bylaws for independent judgement and plays a major role in monitoring the Company's affairs. The Board also ensures the Company's adherence to the standards of corporate governance and transparency in corporate working. The Board of Directors consists of eminent individuals having expertise and experience in various fields which enables it to ensure highest standards of Corporate Governance.

Our Company's Board consists of Six Board of Directors in person by having optimum combination of Executive and Non-Executive Directors with one woman Director while fifty per cent of the Board of Directors comprises of Independent Directors. The Chairperson of the Board is an Executive Director.

**The following table sets forth details regarding the Board of Directors as on March 31<sup>ST</sup>, 2022**

#### **i) Composition and Category of Directors:**

<b>S. No.</b>	<b>Name of Director</b>	<b>Designation / Category of Directors</b>
1.	Mr. Akshay Kumar Gurnani	Managing Director, Executive Director / Promoter

2.	Mr. Narain Das Gurnani	Whole – Time Director Executive Director
3.	Mrs. Jyoti Gurnani	Woman Director Non-Executive - Non Independent Director
4.	Dr. Kanwarjeet Singh	Non-Executive Independent Director
5.	Mr. Hari Krishan Motwani	Non-Executive Independent Director
6.	Mr. Govind Ram Thawani	Non-Executive Independent Director

**Number of other Board of Directors or Committees in which a Director is a member or chairperson as on 31st March, 2022:**

S. No.	Name of Director	Directorships in other Board 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	19	-	-
2.	Mr. Narain Das Gurnani	05	03	-
3.	Mrs. Jyoti Gurnani	-	-	-
4.	Dr. Kanwarjeet Singh	-	01	-
5.	Mr. Hari Krishan Motwani	-	04	-
6.	Mr. Govind Ram Thawani	01	04	04

**Names of the listed entities where the person is a Director and the category of Directorship as on 31<sup>st</sup> March, 2022:**

S. 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,
2.	Mr. Narain Das Gurnani	Veto Switchgears and Cables Limited	Executive Whole – Time Director
3.	Mrs. Jyoti Gurnani	Veto Switchgears and Cables Limited	Woman Director
4.	Dr. Kanwarjeet Singh	Veto Switchgears and Cables Limited	Non-Executive Independent Director
5.	Mr. 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

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

S. No.	Name of the Director	Attendance in Board Meetings									AGM on 29th Sept. 2021
		17th June 2021	30th June 2021	30th July 2021	04th September 2021	25th September 2021	12th November 2021	01st January 2022	11th February 2022	29th March 2022	
1.	Akshay Kumar Gurnani	✓	✓	✓	✓	✓	✓	✓	A*	✓	✓
2.	Narain Das Gurnani	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3.	Jyoti Gurnani	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4.	Kanwarjeet Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5.	Govind Ram Thawani	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6.	Hari Krishan Motwani	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

**A\*-Absent in the Meeting**

**(iii) Frequency and Dates of Meetings of the Board of Directors held:**

During the financial year 2021-22, 09 (Nine) Board Meetings were held. The dates on which these Meetings were held are given in the Table provided in above.

**(iv) Disclosure of relationships between Directors inter-se:**

**None of the Directors are related to each other except the following:**

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

**(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:**

Pursuant to the provisions of Regulation 25(7) of the Listing Regulations, all Independent Directors are required to be familiarized by the Company regarding nature of the industry in which the Company operates, business model of the Company and their roles, rights, responsibilities etc. in the Company from time to time. The Company makes consistent efforts to acquaint the Independent Directors with the overall business framework 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 to perform Board functions and roles 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) 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. Overall operational management of the company.
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.	Mrs. 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.	Mr. 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.

**(viii) 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 2022-23, 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.

**(ix) Detailed reasons for the resignation of the Independent Director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided:**

None of the Independent director resigned before the expiry of their tenure.

**(x) Meeting of Independent Directors:**

Abiding the highest norms of Corporate Governance, separate Meetings of the Independent Directors of the Company are held every year in terms of the Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, whereat, inter alia, the following prescribed items are discussed:

- a) review the performance of non-independent directors and the board of directors as a whole;
- b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
- c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

In respect of the financial year 2021-22, the Independent Directors met separately on **February 11<sup>th</sup>, 2022**. All the Independent Directors were present at this Meeting without the presence of any Non-Independent Director or representatives of management.

**(xi) 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.

**(xii) 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.

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.

**(xiii) Subsidiary:**

The Company has 4 (Four) Subsidiary Companies out of which one is incorporated outside India and 3 are incorporated in India.

Please refer to the Directors' Report for further details regarding Subsidiary Companies attached **Annexure I**.

The Audit Committee of the Company reviews the financial statements, in particular, the investments made by the unlisted subsidiary company.

The Minutes of the Board Meetings of the unlisted subsidiary companies are placed at the Board Meeting(s) of the Company held at the end of every quarter for approval of financial results.

The Management periodically brings to the attention of the Board of Directors, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies.

**(xiv) Related Party Transactions:**

The Board of Directors has approved a Policy on “Related Party Transactions” and the Policy is available on the website of the Company. Further, a statement on all related party transactions is presented before the Audit Committee on a quarterly basis for its review.

**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 and Part C of Schedule II 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, name of members and chairperson:**

The Audit Committee comprises of 3 (Three) Members. All members of audit committee shall be financially literate. The Company Secretary shall act as the secretary to the audit committee. The audit committee at its discretion shall invite the finance director or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee.

The Audit Committee comprises of the following members:

Sr. No.	Name	Category	Designation
1	Mr. Govind Ram Thawani	Non-Executive Independent	Chairman
2	Mr. Hari Krishan Motwani	Non-Executive Independent	Member
3	Mr. Narain Das Gurnani	Executive Director	Member

**ii. Terms of reference / scope of the Audit Committee :**

Under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the audit committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

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

1. oversight of the listed entity’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
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 and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) 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 transactions;
  - (g) modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. discussion with 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;
17. 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;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

23. reviewing other areas that may be brought under the purview of role of Audit Committee as specified in SEBI Regulations and the Companies Act, from time to time.

**B. In addition to the above, The audit committee shall mandatorily review the following information:**

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions, submitted by management,
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

**iii. Meetings and Attendance during the year:**

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

Sr. No.	Name of the Director	Attendance in Audit Committee Meetings					
		17.06.2021	30.06.2021	30.07.2021	04.09.2021	12.11.2021	11.02.2022
1	Mr. Govind Ram Thawani	✓	✓	✓	✓	✓	✓
2	Mr. Narain Das Gurnani	✓	✓	✓	✓	✓	✓
3	Mr. Hari Krishan Motwani	✓	✓	✓	✓	✓	✓

The Chairman of the Audit Committee was present at the last AGM (14th Annual General Meeting held on Sept. 29, 2021).

**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 Part D of Schedule II of LODR and also 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:

Sr. No.	Name	Category	Designation
1	Mr. Govind Ram Thawani	Non-Executive Independent	Chairman
2	Dr. Kanwarjeet Singh	Non-Executive Independent	Member
3	Mr. Hari Krishan Motwani	Non-Executive Independent	Member

**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. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;  
(1A) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a). use the services of an external agencies, if required;
  - b). consider candidates from a wide range of backgrounds, having due regard to diversity;
  - c). and consider the time commitments of the candidates.
2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. devising a policy on diversity of board of directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. recommend to the board, all remuneration, in whatever form, payable to senior management;

The policy is framed by the Nomination and Remuneration Committee and approved by the Board. The terms and conditions of appointment are disclosed in the website of the Company at [www.vetoswitchgears.com](http://www.vetoswitchgears.com)

### iii. Meetings and Attendance during the year:

One Meetings of the Nomination and Remuneration Committee was 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
		04.09.2021
1.	Mr. Govind Ram Thawani – Chairman	✓
2.	Dr. Kanwarjeet Singh	✓
3.	Mr. Hari Krishan Motwani	✓

### 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 criteria for evaluation of performance 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 evaluate the performance of the Board on annual basis of its principal Committees such as 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 and Based on the evaluation process completed, the Board considers that the principal Committees have performed effectively throughout the year.

The Committees has established the processes for evaluation of performance of Independent Director and the Board. The Board conducts a self- evaluation process atleast once a year. 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's self-evaluation of its 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's 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(s) 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, as they consider necessary to the Board for approval. Accordingly, a separate exercise carries out to evaluate the performance of individual Directors including the Chairman of the Board. The performance evaluation of Independent Directors is also carried out by the entire Board. The performance evaluation of the Chairman and Non-Independent Directors is also carried out by the Independent Directors.

**c) Stakeholders Relationship / 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 Specified as in Part D of the Schedule II. are stated below:

**i. Composition:**

The Composition of Stakeholders Relationship/ Grievance Redressal Committee comprises of the following members:

Sr. No.	Name	Category	Designation
1	Mr. Govind Ram Thawani	Non-Executive Independent	Chairman
2	Mr. Narain Das Gurnani	Executive Director	Member
3	Mr. Hari Krishan Motwani	Non-Executive Independent	Member

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. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**iii. Name and designation of compliance officer :**

Mrs. Varsha Rancee choudhary, Company Secretary cum Compliance Officer of the Company.

**iv. Detail of shareholder’s complaints:**

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

**v. Meetings and attendance during the year:**

During the financial year 2021-22, the Stakeholders Relationship/ Grievance Redressal Committee met once on 04<sup>th</sup> September, 2021 which was attended by all the Members of the Committee.

**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:

**Composition of CSR Committee:**

Sr. No.	Name of the Director	Category of the Director	Designation
1	Mr. Govind Ram Thawani	Non-Executive Independent Director	Chairman
2	Mr. Hari Krishan Motwani	Non-Executive Independent Director	Member
3	Mr. Narain Das Gurnani	Executive Director	Member

**VETO’S FRAMEWORK ON CSR POLICY**

Veto Switchgears and cables limited hereinafter referred as “VETO” or “Company” is engaged in various social welfare activities as per the thrust area defined hereunder. In order to adhere Corporate Social Responsibility (CSR) Policy pursuant to the provisions of the Companies Act, 2013 and the Rules made there under VETO is required to formulate a Corporate Social Responsibility (CSR) Policy and to provide impetus to social activities and to roll our social initiative efficacious, it is vital to draw our Corporate Social Initiatives into a precise Policy document.

**TITLE, SCOPE & APPLICABILITY**

This policy shall be called “**VETO CSR Policy**” as envisaged under Section 135 of the Companies Act, 2013 and the Rules framed thereunder.

The underlining theme of our CSR philosophy is to create equality in society with our initiatives. “To the people, By the people, For the People is the core of **VETO’s CSR Policy**”. Our goal is to ensure that our economic growth is socially and environmentally sustainable. CSR initiatives are focused to enable the society to grow their livelihood by adapting science led innovations. Our socio-economic initiatives are focused towards underprivileged communities around local areas of operations, so that the weaker and marginalized sections of the society have a sustainable higher income and better standard of living.

Notwithstanding anything to the contrary in this CSR Policy but subject to applicable law, if the Company fails to meet out thresholds set out under Section 135(1) of the Act for three consecutive financial years, it shall not be required to:

- (i) Constitute the CSR Committee; and
- (ii) Comply with the provisions of this CSR Policy till such time as it again meets the criteria as specified in Section 135(1) of the Act.

### **CSR VISION**

1. To support responsible and sustainable initiatives, while taking care of the concern for people, plant and profit;
2. To support Philanthropic activities to meet out the challenges that are facing by society today and helping them in preparing for the future.
3. To build a sustainable society through improving the quality of life, protect the plant through affirmative actions and establish integrated and inclusive growth of people and environment;
4. To Ensure efficient use of energy and environment friendly technologies;
5. By enriching lives to create a healthier and happier world.

### **CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE AND ITS FUNCTIONS**

- a) The Committee shall consist of minimum 3 Directors where one of whom shall be an Independent Director.
- b) The CSR Committee shall hold atleast one meeting in a Financial Year which shall be attended by minimum of two members of the Committee. The meetings shall be held at the registered office or at any other place as may be agreed by the members of the Committee.
- c) The Chairman of the CSR Committee shall be appointed by the Board or Committee itself, Chairman of the Company may also appointed as a Chairman for CSR Committee; The Chairman of CSR Committee should present at Annual General Meeting of the Company.
- d) The number of members of the CSR Committee; their powers and functions may be specified, varied, altered or modified from time to time by the Board, subject to the provisions of the applicable law.
- e) No member of the CSR Committee shall be personally liable for any decision or action taken in good faith with respect to the CSR Policy.
- f) The Board’s report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

### **THE CSR COMMITTEE SHALL:-**

- a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in terms of Schedule VII of the Companies Act, 2013 or any amendment thereof.
- b) Recommend the amount of expenditure to be incurred on CSR activities and
- c) Monitor the CSR policy from time to time.
- d) Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-

- i. the list of CSR projects or programs that are approved by the Board to be undertaken in areas or subjects specified in Schedule VII of the Act;
- ii. the manner of execution of such projects or programs;
- iii. the modalities of utilization of funds and implementation schedules for the projects or programs;
- iv. monitoring and reporting mechanism for the projects or programs; and
- v. details of need and impact assessment, if any, for the projects undertaken by the company.

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

## CSR SPENDING & ALLOCATION

- a) For achieving its CSR objectives through implementation of meaningful & sustainable CSR programs, the Board of Directors of VETO shall ensure that the Company spends at least 2% of its average net profits made during the three immediately preceding financial years, in pursuance of its CSR Policy.
- b) The board shall ensure that the administrative overheads shall not exceed five percent of its total CSR expenditure of the company for the financial year.
- c) If the company fails to spend such amount, the Board shall, in its report, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months from the expiry of the financial year.
- d) Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135 of the Act such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 of the Act up to immediate succeeding three financial years subject to the conditions that –
  - i. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any;
  - ii. the Board of the company shall pass a resolution to that effect.
- e) Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
- f) Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in **Schedule VII**, within a period of six months of the expiry of the financial year.
- g) The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –
  - (i) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; **or**
  - (ii) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; **or**
  - (iii) a public authority:

- h) The unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act, until a fund is specified in Schedule VII for the purposes of subsection (5) and (6) of section 135 of the Act.

## **MODE OF IMPLEMENTATION**

**The Board of Directors of the Company may decide to undertake CSR activities approved by the CSR Committee, through any of the following:**

- (a) directly by the Company; or
- (b) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- (c) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- (d) any entity established under an Act of Parliament or a State legislature; or
- (e) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

A company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with the CSR rules.

The Board of a company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

## **CSR ACTIVITIES**

The Company shall undertake CSR activities for development of the society and the environment, preferably in the vicinity of the areas where the facilities of the company are located.

### **Thrust areas of VETO for undertaking CSR activities or initiatives or Programs:-**

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care Center and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- (v) Rural development projects
- (vi) Development of area declared as “slum area” by the government or competent authority

**The Company may also contribute to the following funds as part of CSR activities or any other fund as may be notified in this regard, from time to time:-**

- (i) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- (ii) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (iii) Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- (iv) Disaster management, including relief, rehabilitation and reconstruction activities
- (v) Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- (vi) Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (vii) Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government;
- (x) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

The above areas as enshrined in Schedule VII to the Act and included in this Policy aim to provide macro areas in which CSR projects can be undertaken by the VETO.

#### **INADMISSIBLE ACTIVITIES:**

- i. Activities undertaken in pursuance of normal course of business of the company.
- ii. Any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- iii. Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- iv. Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- v. Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- vi. Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

#### **MONITORING PROCESS**

CSR committee will be responsible for the monitoring of various CSR Projects, Programs or Activities undertaken by VETO directly or indirectly. The Committee shall ensure that CSR Projects, Programs or Activities:

- a) Are undertaken as provided in the CSR policy.
- b) Are implemented as approved by the Board.
- c) The budget allocated is utilized as per the approved plans.
- d) The objectives are achieved in consonance with this policy.

Notwithstanding anything to the contrary, the Board shall not be obliged to comply with the recommendations of the CSR Committee.

## CSR REPORTING

(1) The Board's Report of a company shall include an annual report on where containing particulars specified in Annexure IV as per applicable CSR Rules.

(2) The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website i.e. [www.vetoswitchgears.com](http://www.vetoswitchgears.com), for public access.

(3) (a) In case the company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

(b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

(c) A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

### Meetings and Attendance during the year:

One Meetings of the Corporate Social Responsibility Committee was 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
		04.09.2021
1.	Mr. Govind Ram Thawani – Chairman	✓
2.	Mr. Hari Krishan Motwani	✓
3.	Mr. Narain Das Gurnani	✓

### 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](http://www.vetoswitchgears.com) in the ‘Policies & Related documents’ section in ‘Corporate Governance’.

#### (c) Disclosures with respect to Remuneration:

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

S. No.	Name of the Director	Remuneration (in Rs.)	Director's Sitting Fees (in Rs.)
1.	Mr. Akshay Kumar Gurnani	24,00,000	-
2.	Mr. Narain Das Gurnani	12,00,000	-
3.	Mrs. Jyoti Gurnani	6,00,000	-
4.	Mr. Govind Ram Thawani	-	50,000
5.	Dr. Kanwarjeet Singh	-	30,000



6.	Mr. Hari Krishan Motwani		50,000
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**(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.

**(iii) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable**

During the financial year 2021-22, not allotted any share in stock option Scheme.

**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 29 <sup>th</sup> , 2021	Through Video Conferencing (VC) or Other Audio Visual Means (OA VM)	03:00 P.M.	01	NA	NA
2.	September 29 <sup>th</sup> , 2020	Through Video Conferencing (VC) or Other Audio Visual Means (OA VM)	01:30 P.M.	00	NA	NA
3.	September 28 <sup>th</sup> , 2019	Mumbai	12:00 P.M.	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.

**(c) Person who conducted the postal ballot exercise:**

Not Applicable

**(d) Special Resolution proposed to be conducted through postal ballot:**

No Resolution requiring Postal Ballot as required by the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, has been placed for Shareholder's approval at this Annual General Meeting.

**6. 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 English and Mumbai Lakshadeep Regional Newspaper- Marathi.

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

**(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](http://www.vetoswitchgears.com) in the 'news and other' section.

## ) 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, 5<sup>th</sup> Floor Plot No. B-9, Landmark Building, New Link Road, Andheri (West), Mumbai, Maharashtra -400058

### (ii) Annual General Meeting

Date	Day	Time	Venue
28/09/2022	Wednesday	03:00 P.M.	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)

In terms of the circular issued by Ministry of Corporate Affairs, as a Green Initiative and subsequent amendment to the Listing Regulations, soft copy of the Notice and the Annual Report for the financial year 2022 have been circulated to the respective e-mail IDs registered and available in Company's records.

### (iii) Financial Year: 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022

### (iv) Book Closure

The Book Closure date will be September 22<sup>nd</sup>, 2022 to September 28<sup>th</sup>, 2022 (both days inclusive) for the purpose of Annual General Meeting.

### (v) Dividend

The Board of Directors of your Company has also recommended a Final Dividend of Rs. 1/- per equity share of Rs. 10/- each i.e. @ 10% for the financial year 2021-22. Date of payment of dividend would be within 30 days from the date of AGM.

### (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", 5<sup>th</sup> Floor, Plot No. C-1,

G Block, Bandra Kurla Complex, Bandra (E),  
Mumbai- 400 051

- **BSE Limited,**  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai- 400 001

The annual listing fee for the financial year 2021-22 has been paid by the Company to both the stock exchanges within the stipulated time.

**Stock code for Equity Shares:**

BSE Scrip Code	539331
NSE Trading Symbol	VETO
ISIN Number for NSDL & CDSL	INE918N01018

**(vii) 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.

**(viii) 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 2021-22 are as under:

Month	Price at BSE			Price at NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
April, 2021	150.00	115.35	2,61,464	152.00	116.25	10,25,174
May, 2021	133.55	117.35	1,50,464	133.00	118.50	6,38,461
June, 2021	154.40	118.95	2,99,140	154.00	119.05	19,69,019
July, 2021	171.85	124.60	16,98,987	172.00	124.85	1,64,94,413
August, 2021	138.60	85.45	12,21,736	138.85	85.65	57,00,993
September, 2021	111.80	98.75	3,72,300	111.80	99.45	20,11,651
October, 2021	136.30	106.85	5,31,711	127.85	107.00	35,22,935
November, 2021	119.90	103.45	1,48,756	119.20	103.25	11,29,231
December, 2021	115.90	92.15	1,50,534	115.75	96.65	14,68,226
January, 2022	125.05	101.80	8,08,035	125.30	101.50	56,46,076
February, 2022	116.60	78.55	2,10,405	116.80	78.30	20,14,499
March, 2022	102.05	82.85	2,45,825	102.25	85.15	16,63,593

*(Source: NSE and BSE website)*

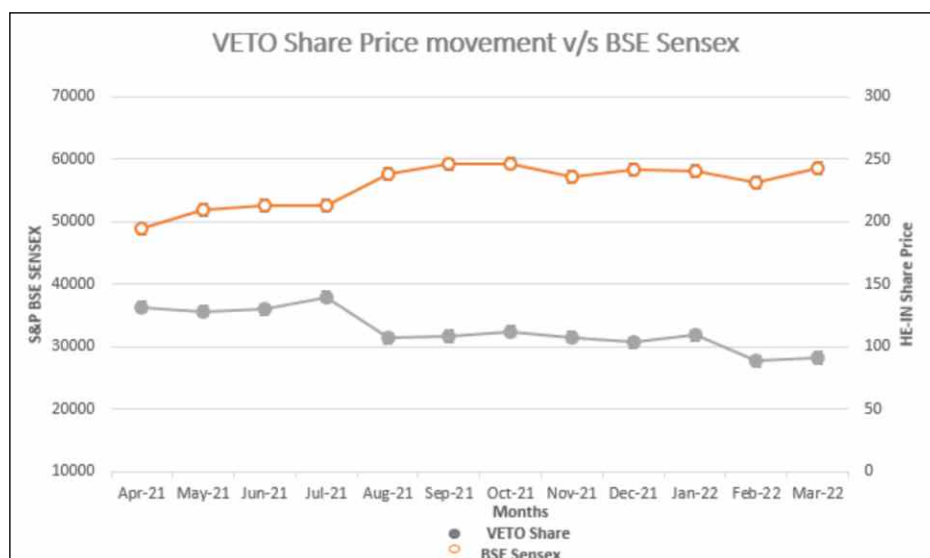
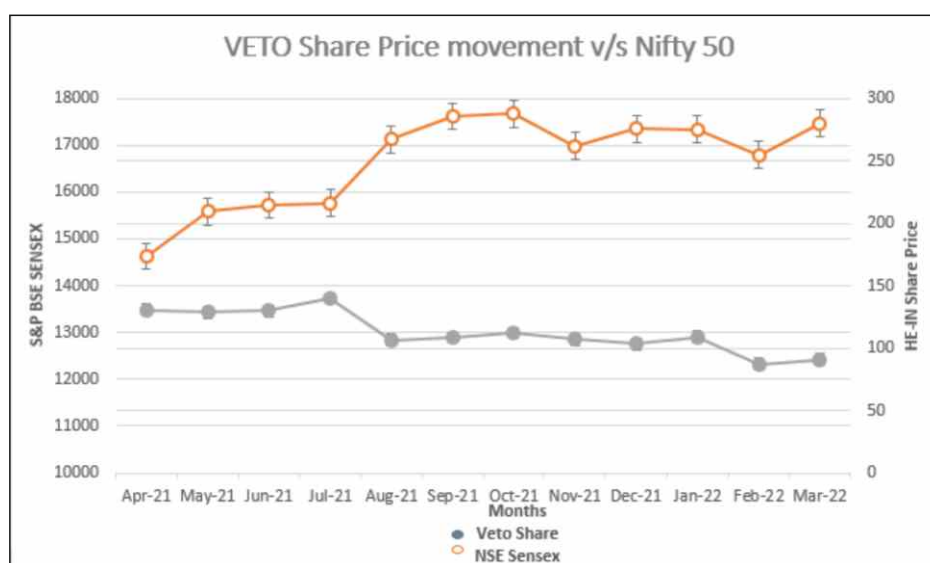
**(ix) Performance of the Company's Share price at the end of every month:**

Month	BSE closing	NSE Closing
April, 2021	131.50	130.55
May, 2021	128.30	128.45
June, 2021	130.00	129.90
July, 2021	139.75	139.80

August, 2021	107.10	106.70
September, 2021	108.35	108.40
October, 2021	112.25	112.20
November, 2021	107.35	107.15
December, 2021	103.35	103.25
January, 2022	109.15	109.10
February, 2022	88.70	87.25
March, 2022	91.05	91.00

(Source: NSE and BSE website)

performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc;



**(x) In case the securities are suspended from trading, reason thereof:**  
The securities of the Company have not been suspended from trading.

**(xi) Registrar and Share Transfer Agent:**

**Bigshare Services Private Limited**

Office No S6-2, 6th floor,

Pinnacle Business Park,

Next to Ahura Centre, Mahakali Caves Road,

Andheri (East) Mumbai – 400093, Maharashtra, India.

Board No: 022-62638200 | Direct No.: 022-62638295 | Cell No.: 7045454390

Website: www.bigshareonline.com

Email: info@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 Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the share transfer system of the Company is audited end of the financial year 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.

**(xiii) DISTRIBUTION OF SHAREHOLDING (IN SHARES) AS ON DATE 31/03/2022:**

Shareholding Of Nominal		Number Of Shareholders	Percentage Of Shareholders	Number of Share Held	Percentage Of Share Holding
1	500	17916	88.4304	2183938	11.4253
501	1000	1235	6.0958	998618	5.2243
1001	2000	556	2.7443	844794	4.4195
2001	3000	215	1.0612	547903	2.8664
3001	4000	114	0.5627	399957	2.0924
4001	5000	74	0.3653	348930	1.8254
5001	10000	77	0.3801	591312	3.0935
10001	9999999999	73	0.3603	13199503	69.0533
<b>Total</b>		<b>20260</b>	<b>100.0000</b>	<b>19114955</b>	<b>100.0000</b>

**(xiv) Distribution of Shareholding and Shareholding Pattern as on March 31, 2022**

**CATEGORY WISE SUMMARY**

CATEGORY	Total Shareholders	% of Shareholders	Total Shares	%
CLEARING MEMBER	45	0.2258	88469	0.462
CORPORATE BODIES	98	0.4918	497888	2.604
CORPORATE BODIES (PROMOTER CO)	1	0.0050	7130704	37.304
FOREIGN (PROMOTERS)	1	0.0050	733333	3.836
FOREIGN PORTFOLIO INVESTOR	2	0.0100	253089	1.324
NON RESIDENT INDIANS	232	1.1644	886606	4.638
PROMOTERS	9	0.0451	2790236	14.597

PUBLIC	19114	95.9345	6401984	33.4921
HUF	422	2.1180	332646	1.74
<b>TOTAL</b>	<b>19924</b>	<b>100.00</b>	<b>19114955</b>	<b>100.00</b>

**(xv) List of 1.00 % & Above Share Holders**

Category No. / Client ID	Folio Folio No. / Client ID	Shareholder's Name	Shares	Percentage
CORPORATE BODIES (PROMOTER CO)	1201770100771220	VETO ELECTROPOWERS (INDIA) PRIVATE LIMITED	7130704	37.30
PROMOTERS GROUP	1201770100799924	PUSHPA DEVI GURNANI	1276744	6.6793
PROMOTERS GROUP	1206420006236385	AKSHAY KUMAR GURNANI	778722	4.0739
FOREIGN PROMOTERS GROUP	1201770100800979	HARISH KUMAR GURNANI	733333	3.8364
NON RESIDENT INDIANS (REPAT)- PUBLIC	1201770100801860	HARISH D NARWANI	567500	2.9689
PROMOTERS GROUP	1203460000465190	KANISHK KISHORE GURNANI	411985	2.1553
PROMOTERS GROUP	1203460000465251	ROHIT GURNANI	232985	1.2189
FOREIGN PORTFOLIO INVESTOR	IN30134820011233	ELARA INDIA OPPORTUNITIES FUND LIMITED	253000	1.3236
<b>Total</b>			<b>11384973</b>	<b>59.5563</b>

**(xvi) Category of Shareholders**

S. No.	Category of Shareholder	Total Holders	No. of shares	% of shareholding
1.	<b>Promoter and Promoter Group</b>			
	Individuals	10	3523569	18.434
	Bodies Corporate	1	7130704	37.304
2.	<b>Public</b>	19913	8460682	44.262
	<b>Total</b>	<b>19924</b>	<b>19114955</b>	<b>100</b>

**(xviii) 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 31<sup>st</sup> March, 2022 is as under:

Mode	No. of Shares	% (Percentage)
Shares in Demat mode with NSDL	3318364	17.36
Shares in Demat mode with CDSL	15796586	82.64
Shares in Physical mode	5	0.00
<b>Total</b>	<b>19114955</b>	<b>100</b>

**(xix) Outstanding GDRs/ ADRs/ Warrant or any Convertible Instruments, Conversion date and likely impact on Equity.**

During the Year ended March 31, 2022 there were no outstanding GDRs/ ADRs/ Warrant or any Convertible Instruments.

**(xx) Commodity price risk or foreign exchange risk and hedging activities:**

Raw material is import negligible while company is exporting wires and Cables through its subsidiary “Veto Electricals Private Limited, and some part of accessories exporting through its Mumbai Plant.

Company is not carrying foreign exchange risk for the export and does not do any hedging activities.

**(xxi) Plant locations:**

Sr. No.	Unit/ Plant	Products
1.	Haridwar Plant (Own )	Manufacturing Wires, Cables & Switchgears
2.	Vasai, Mumbai Plant (Own)	Manufacturing Electrical Accessories
3.	Mahindra SEZ, Ajmer Road-Jaipur Plant (Own subsidiary Veto Electricals Private Limited )	Wires & Cables Export quality

**(xxi) Address for correspondence:**

- **Website: [www.vetoswitchgears.com](http://www.vetoswitchgears.com)**
- **Any query on Annual Report or Investors’ Grievance Redressal:**  
E-mail: [cs@vetoswitchgears.com](mailto: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.;**  
Office No S6-2, 6th floor,  
Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East) Mumbai – 400093, Maharashtra, India.  
Board No: 022-62638200 | Direct No.: 022-62638295 | Cell No.: 7045454390  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)  
Email: [info@bigshareonline.com](mailto:info@bigshareonline.com)

**(xxiii) List of credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:**

The Company has obtained the following Credit Ratings from ICRA:-  
Long-term rating ICRA BBB+ (Triple B plus)  
Short-term rating ICRA A2 (A Two)

The details on credit ratings are provided in the Directors Report and are also available on the website of the

Company in the Investor Relations section and can be accessed at

<https://www.vetoswitchgears.com>

During the year ended 31st March, 2022, there was no change in the above ratings by ICRA

**(xxiv) Other Disclosures:**

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

During the financial year 2021-22, 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>

**(g) Disclosure of commodity price risks and commodity hedging activities:**

The company does not do any hedging activities.

**(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):**

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year

**(i) Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority:**

Attached in this report Annexure IV.



**(j) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:**

The Board accepted the recommendations of its Committees, wherever made, during the year.

**(k) Fees Paid to 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, 2022, is `Rs. 5,08,125/-.

**(ix) Payment of Depository Fees**

The Company has paid Annual Custodian fees in respect of financial year 2021-2022 to NSDL and CDSL on receipt of the invoice.

**(x) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company is committed to providing and promoting a safe and healthy work environment for all its employees.

- (a) Number of complaints filed during the financial year – 0
- (b) Number of complaints disposed of during the financial year – 0
- (c) Number of complaints pending as on end of the financial year – 0

**(xi) Disclosure of the Extent to which the Discretionary Requirements as specified in Part E of Schedule II have Been Adopted:**

- (a) The Board:** The Company does not maintain an office for the Non- Executive Chairman.
- (b) Shareholder Rights:** The Company's quarterly and half-yearly results are furnished to the Stock Exchange(s), also published in the newspapers and also displayed on the website of the Company and therefore results are not sent to household of each of the shareholders.
- (c) Modified opinion(s) in audit report:** The auditors have issued an unmodified Audit Report for financial statements for the year ended March 31, 2022.
- (d) Separate posts of Chairman and CEO/Managing Director:** Presently, Mr. Akshay Kumar Gurnani is the Chairman and Managing Director of the Company. He is also the CEO of the Company.
- (e) Reporting of Internal Auditor:** The Company appointed Mr. Kapil Motiramani as the Internal Auditors for conducting the internal audit for the financial year 2021-22, representatives whereof Internal Auditor reports directly to the Audit Committee.

**(xvii) 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.

**Declaration signed by the Chief Executive Officer stating that the Members of Board of Directors and Senior Management Personnel have affirmed Compliance with the Code of Conduct of Board of Directors and Senior Management:**

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/ Chief Executive Officer if forming part of the Corporate Governance Report in **Annexure X**.

**Compliance Certificate from either the auditors or Practicing Company Secretaries regarding compliance of conditions of Corporate Governance:**

The Certificate from the Practicing Company Secretaries of the Company regarding compliance of conditions of Corporate Governance forms an integral part of the Annual Report in **Annexure VIII**.

**Disclosures with Respect to Demat Suspense Account/ Unclaimed Suspense Account:**

(a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the Year – **Nil**

(b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year – **Nil**

(c) Number of shareholders to whom shares were transferred from suspense account during the year – **NA**

(d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of year – **Nil**

(e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

**Date: 01/09/2022**

**Place: Jaipur**

**for and on behalf of the Board of Directors**

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

**Narain Das Gurnani**  
**Whole-Time Director & CFO**  
**DIN: 01970599**

## Annexure IV

### Annual Report on Corporate Social Responsibilities (CSR) activities for the financial year 2021-2022

[Pursuant to Section 135 of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

#### 1. A brief outline of the Company's CSR Policy of the Company:

As a socially responsible corporate, the Company considers CSR as an integral part of its operations

Refer: Annexure III Corporate Governance Report

The Company's policy on CSR including overview of projects or programs proposed to be undertaken is put up on the website of the Company at the link: [www.vetoswitchgears.com](http://www.vetoswitchgears.com)

#### 2. Composition of the CSR Committee:

As at 31st March, 2022, the Corporate Social Responsibility Committee comprised of 3 (Three) Members of the Board, 2 (two) of which were Independent Directors and 1 (One) were Executive. The Chairman of the Committee is an Independent Director.

S. No	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Govind Ram Thawani	Independent Director, Chairman	1	1
2.	Mr. Hari Krishan Motwani	Independent Director, Member	1	1
3.	Mr. Narain Das Gurnani	Executive Director, Member	1	1

#### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<https://vetoswitchgears.com/investor-zone/category/corporate-governance/policies-and-related-documents/>

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

S. No	Financial Year	Amount available for set-off from preceding financial years	Amount required to be setoff for the financial year, if any
1.	2021-22	616.31	616.31
	<b>Total</b>	616.31	616.31

**6. Average net profit of the Company as per Section 135(5). (for immediately preceding three Financial Years):** Rs. 17,20,91,019.33/-

**7. (a)** Two percent of Average Net Profit of the Company as per Section 135 (5): Rs. 34,41,820.39/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the Financial Year, if any: Rs.616.31/-

(d) Total CSR obligation for the Financial Year (7a + 7b - 7c): Rs. 34,41,204.08/-

**8. (a) CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (In Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount Transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
<b>5443657.2</b>	<b>Nil</b>	<b>NA</b>	<b>NA</b>	<b>Nil</b>	<b>NA</b>

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

1	2	3	4	5	6	7	8	9	10	11
S. No	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the project	Project Duration	Amount allocated for the project (In Rs.)	Amount spent in the current financial year (In Rs.)	Amount transferred to unspent CSR Account for the project as per Section 135(6) (In Rs.)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency
<b>1.</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
	<b>Total</b>									

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

[1]	[2]	[3]	[4]	[5]		[6]	[7]	[8]	
Sl No	Name of the project	Project Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing Agency	
				State	District			Name	CSR Regn No., if already Registered
1.	Promoting	(i)	Yes	Rajasthan	Jaipur	330000.00	No	Shri	CSR00007282

	health care including preventive health care and sanitation							Gopal Krishna Sewa Samiti	
2.	Covid Care facility at Hospital (Supply of Oxygen Concentrator Machine etc.)	(xii)	Yes	Rajasthan	Jaipur	1276807.20	Yes		
3	Medical Relief in Covid Duration	(xii)	Yes	Rajasthan	Jaipur	2200000.00	Yes		
4.	Setting up old Age Homes	(iii)	Yes	Rajasthan	Jaipur	1000000.00	Yes		
5.	Eradicating hunger, poverty and malnutrition	(i)	Yes	Rajasthan	Jaipur	500000.00	Yes		
6.	Supporting education: Providing school Uniform, Books to children	(ii)	Yes	Rajasthan	Jaipur	10200.00	Yes		
7.	Supporting education: Providing Financial assistance to needy students	(ii)	Yes	Rajasthan	Jaipur	110250.00	Yes		
8.	Women Help	(iii)	Yes	Rajasthan	Jaipur	16400.00	Yes		
	<b>Total</b>					<b>5443657.20</b>			

**(d) Amount Spent in Administrative Overheads: Nil**

**(e) Amount Spent on Impact Assessment, if applicable: Not Applicable**

**(f) Amount Spent for the Financial Year (8a + 8b + 8c): 5443657.2**

**(g) Excess amount for set off, if any**

S. No	Particular	Amount (In Rs.)
(I)	Two percent of average net profit of the company as per section 135(5)	34,41,820.39
(ii)	Total amount spent for the Financial Year (5443657.2+616.31)	54,44,273.51
(iii)	Excess amount spent for the financial year [(ii)-(i)]	20,02,453.12
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	20,02,453.12

**9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (In Rs.)	Amount Spent in the reporting Financial Year (In Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial Years (In Rs.)
				Name of the Fund	Amount (In Rs.)	Date of Transfer	
1.	2020-21	NA	NA	NA	NA	NA	NA
2.	2019-20	NA	NA	NA	NA	NA	NA
3.	2018-19	NA	NA	NA	NA	NA	NA
	<b>Total</b>	-	-	-	-	-	-

**b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1) Sl. No.	(2) Project ID	(3) Name of the project	(4) Financial year in which the project was commenced	(5) Project duration	(6) Total amount Allocated for the project (In Rs.)	(7) Amount spent on the project in the reporting Financial Year (In Rs.)	(8) Cumulative amount spent at the end of reporting Financial Year (In Rs.)	(9) Status Of the project- Completed/ Ongoing
1.	NA	NA	NA	NA	NA	NA	NA	NA
2.	NA	NA	NA	NA	NA	NA	NA	NA
3.	NA	NA	NA	NA	NA	NA	NA	NA
	<b>Total</b>	-	-	-	-	-	-	-

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details)**(a) Date of creation or acquisition of the capital asset(s): **None**(b) Amount of CSR spent for creation or acquisition of capital asset: **Nil**(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **N.A**(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **N.A.****11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**

The Company has duly spent its CSR obligation.

**Date: 01/09/2022****Place: Jaipur**

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

**Govind Ram Thawani**  
**(Chairman, CSR Committee)**  
**DIN: 06367093**

**ANNEXURE V**

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended on March 31<sup>st</sup>, 2022**

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

**I. REGISTRATION AND OTHER DETAILS:**

i)	<b>CIN</b>	L31401MH2007PLC171844
ii)	<b>Registration Date</b>	20/06/2007
iii)	<b>Name of the Company</b>	Veto Switchgears and Cables Limited
iv)	<b>Category Sub-Category of the Company</b>	Company Limited by Shares Indian Non- Government Company
v)	<b>Address of the Registered Office and contact details</b>	506, 5 <sup>th</sup> Floor, Plot No. B-9, Landmark Building, New Link Road, Andheri (West), Mumbai-400058 cs@vetoswitchgears.com Telephone No.: 0141-6667775
vi)	<b>Whether listed company Yes / No</b>	Yes
vii)	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Bigshare Services Pvt. Ltd. Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093 Tel.: +91 22-6263 8200; Fax: +91 22 62638299 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	39.04%
2	Lighting & Fittings	2740	38.22%
3	Electrical Accessories & Others	2710	22.74%

**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.	<b>Veto Electricals Private Limited</b> Add.: 4th Floor, Plot No. 10, Days Hotel, Airport Plaza Scheme, Behind Hotel Radisson Blu, Durgapura, Tonk Road, Jaipur -302018	U31300RJ2008PTC026189	Subsidiary	100%	Section 2 (87)
2.	<b>Veto LED Lightings Private Limited</b> Add: 506, 5 <sup>th</sup> Floor, Plot No. B-9, Landmark Building, New Link Road, Andheri (West), Mumbai-400058	U31100MH2019PTC332744	Subsidiary	100%	Section 2 (87)
3.	<b>Veto Overseas Private F.Z.E</b> Add: SM- Office- C1- 520B Ajman Free zone Ajman (UAE)	Not Applicable	Subsidiary	100%	Section 2 (87)
4.	<b>Vankon Modular Private Limited</b> Add: S.No.72 & 74, Gala No. 4 & 5,Gr. Flr, Plot No. 22,Meghdoot Signature, Vasai Road - East Thanethane-401208 (MH) India	U31900MH2015PTC264579	Subsidiary	95.50	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: 01/04/2021				No. of Shares held at the end of the year : 31/03/2022				% Change during the year
		Demat	Physical	Total Shares	% of Total Share	Demat	Physical	Total Shares	% of Total Share	
<b>(A) Shareholding of Promoter and Promoter Group</b>										
<b>INDIAN (A)(1)</b>										
(a)	INDIVIDUAL / HUF	2790236	0	2790236	14.60	2790236	0	2790236	14.60	0.00
(b)	CENTRAL / STATE GOVERNMENT(S)	0	0	0	0.00	0	0	0	0	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	0.00
(e)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0	0.00
	<b>SUB TOTAL (A)(1) :</b>	<b>9920940</b>	<b>0</b>	<b>9920940</b>	<b>51.90</b>	<b>9920940</b>	<b>0</b>	<b>9920940</b>	<b>51.90</b>	<b>0.00</b>
<b>FOREIGN (A)(2)</b>										
(a)	NRI- INDIVIDUAL	733333	0	733333	3.84	733333	0	733333	3.84	0.00
(b)	OTHER INDIVIDUAL	0	0	0	0	0	0	0	0	0
(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
	<b>SUB TOTAL (A)(2) :</b>	<b>733333</b>	<b>0</b>	<b>733333</b>	<b>3.84</b>	<b>733333</b>	<b>0</b>	<b>733333</b>	<b>3.84</b>	<b>0.00</b>
<b>Total Shareholding of Promoter and Promoter</b>										
	<b>(A)=(A)(1) + (A)(2)</b>	<b>10654273</b>	<b>0</b>	<b>10654273</b>	<b>55.74</b>	<b>10654273</b>	<b>0</b>	<b>10654273</b>	<b>55.74</b>	<b>0.00</b>
<b>(B) Public shareholding</b>										
<b>Institutions</b>										
(a)	MUTUAL FUNDS / UTI	0	0	0	0.00	0	0	0	0	0.00
(b)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0	0.01
(c)	CENTRAL / STATE GOVERNMENT(S)	0	0	0	0.00	0	0	0	0	0.00
(d)	VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0	0.00
(e)	INSURANCE COMPANIES	0	0	0	0.00	0	0	0	0	0.00
(f)	FII'S	0	0	0	0.00	0	0	0	0	0.00
(g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0	0.00
(h)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0	0.00
	FOREIGN PORTFOLIO INVESTOR	987063	0	987063	5.16	253089	0	253089	1.32	(3.84)
	<b>SUB TOTAL (B)(1) :</b>	<b>987063</b>	<b>0</b>	<b>987063</b>	<b>5.16</b>	<b>253089</b>	<b>0</b>	<b>253089</b>	<b>1.32</b>	<b>(3.84)</b>
<b>Non-institutions</b>										
(a)	BODIES CORPORATE(Indian )	865968	0	865968	4.53	497888	0	497888	2.60	(1.93)
	BODIES CORPORATE (Overseas )	0	0	0	0	0	0	0	0	0
(b)	INDIVIDUAL									
(i)	(CAPITAL UPTO TO Rs. 1 Lakh)	2776604	5	2776609	14.53	5269267	5	5269272	27.57	13.04
(ii)	(CAPITAL GREATER THAN Rs. 1 Lakh)	2471888	0	2471888	12.93	1132712	0	1132712	5.93	(7.01)
(c)	ANY OTHERS (Specify)									
(i)	H.U.F	323385	0	323385	1.69	332646	0	332646	1.74	0.05



(ii)	TRUSTS	0	0	0	0.00	0	0	0	0	0.00
(iii)	CLEARING MEMBER	308566	0	308566	1.61	88469	0	88469	0.46	(1.15)
(v)	NON RESIDENT INDIANS (REPAT)	699703	0	699703	3.66	886606	0	886606	4.63	0.98
(vi)	NON RESIDENT INDIANS (NON REPAT)	0	0	0	0	0	0	0	0	0
(vii)	NBFCS REGISTERED WITH RBI	27500	0	27500	0.14	0	0	0	0	(0.14)
	<b>SUB TOTAL (B)(2) :</b>	<b>7473614</b>	<b>5</b>	<b>7473619</b>	<b>39.10</b>	<b>8207588</b>	<b>5</b>	<b>8207593</b>	<b>42.94</b>	<b>3.84</b>
	<b>Total Public Shareholding</b>									
	<b>(B)=(B)(1) + (B)(2)</b>	<b>8460677</b>	<b>5</b>	<b>8460682</b>	<b>44.26</b>	<b>8460677</b>	<b>5</b>	<b>8460682</b>	<b>44.26</b>	<b>(0.00)</b>
	<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>									
(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
	<b>SUB TOTAL (C)(1) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>(C)=(C)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Grand Total (A) + (B) + (C)</b>	<b>19114950</b>	<b>5</b>	<b>19114955</b>	<b>100.00</b>	<b>19114950</b>	<b>5</b>	<b>19114955</b>	<b>100.00</b>	<b>(0.00)</b>
	<b>NOTES :</b>									
	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
		Shareholding at the beginning of the Year			Shareholding at the end of the Year			
1	PUSHPA DEVI GURNANI	1276744	6.68	0.0000	1276744	6.68	0.0000	0.00
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	232985	1.22	0.0000	232985	1.22	0.0000	0.00
5	KANISHAKA KISHORE GURNANI	236985	1.24	0.0000	411985	2.16	0.0000	0.92
6	KISHORE KUMAR GURNANI	55000	0.29	0.0000	55000	0.29	0.0000	0.00
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
10	PRIYANKA KISHORE GURNANI	175000	0.92	0.0000	0.0000	0.0000	0.0000	-0.92

11	SITADEVI GURNANI	15000	0.08	0.0000	15000	0.08	0.0000	0.00
<b>TOTAL</b>		<b>10654273</b>	<b>55.74</b>	<b>0.0000</b>	<b>10654273</b>	<b>55.74</b>	<b>0.0000</b>	<b>0.00</b>

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

Particulars	Shareholding at the beginning of the year (as on 1st April 2021)		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>PUSHPA DEVI GURNANI</b>				
At the beginning of the year	1276744	6.68		
Date wise Increase/Decrease in Promoter Shareholding during the year	<b>NO CHANGE</b>			
At the end of the year i.e. 31 <sup>st</sup> March 2022	<b>1276744</b>	<b>6.68</b>		
<b>MUKESH GURNANI</b>				
At the beginning of the year	6600	0.03		
Date wise Increase/Decrease in Promoter Shareholding during the year	<b>NO CHANGE</b>			
At the end of the year i.e. 31 <sup>st</sup> March 2022	<b>6600</b>	<b>0.03</b>		
<b>NARAIN DAS GURNANI</b>				
At the beginning of the year	13200	0.07		
Date wise Increase/Decrease in Promoter Shareholding during the year	<b>NO CHANGE</b>			
At the end of the year i.e. 31 <sup>st</sup> March 2022	<b>13200</b>	<b>0.07</b>		
<b>ROHIT KISHORE GURNANI</b>				
At the beginning of the year	232985	1.22		
Date wise Increase/Decrease in Promoter Shareholding during the year	<b>NO CHANGE</b>			
At the end of the year i.e. 31 <sup>st</sup> March 2022	<b>232985</b>	<b>1.22</b>		
<b>KANISHAKA KISHORE GURNANI</b>				
At the beginning of the year	236985	1.24		
Date wise Increase/Decrease in Promoter Shareholding during the year	<b>CHANGE</b>			
Market Buy of 175000 shares on 31th March 2022	175000	0.92	411985	2.16
At the end of the year i.e. 31 <sup>st</sup> March 2022	<b>411985</b>	<b>2.16</b>		
<b>KISHORE KUMAR GURNANI</b>				
At the beginning of the year	55000	0.29		
Date wise Increase/Decrease in Promoter Shareholding during the year	<b>NO CHANGE</b>			
At the end of the year i.e. 31 <sup>st</sup> March 2022	<b>55000</b>	<b>0.29</b>		
<b>PRIYANKA KISHORE GURNANI</b>				
At the beginning of the year	175000	0.92		
Date wise Increase/Decrease in Promoter Shareholding during the year	<b>CHANGE</b>			
Market Sell of 175000 shares on 31/03/2022	175000	0.92	0.00	0.00

At the end of the year i.e. 31 <sup>st</sup> March 2022	<b>0.00</b>	<b>0.00</b>		
<b>SITADEVI GURNANI</b>				
At the beginning of the year	15000	0.08		
Date wise Increase/Decrease in Promoter Shareholding during the year	<b>NO CHANGE</b>			
At the end of the year i.e. 31 <sup>st</sup> March 2022	<b>15000</b>	<b>0.08</b>		
<b>HARISH KUMAR GURNANI</b>				
At the beginning of the year	733333	3.84		
Date wise Increase/Decrease in Promoter Shareholding during the year	<b>NO CHANGE</b>			
At the end of the year i.e. 31 <sup>st</sup> March 2022	<b>733333</b>	<b>3.84</b>		
<b>AKSHAY KUMAR GURNANI</b>				
At the beginning of the year	778722	4.07		
Date wise Increase/Decrease in Promoter Shareholding during the year :	<b>NO CHANGE</b>			
At the end of the year i.e. 31 <sup>st</sup> March 2022	<b>778722</b>	<b>4.07</b>		
<b>VETO ELECTROPOWERS (INDIA) PRIVATE LIMITED</b>				
At the beginning of the year	7130704	37.30		
Date wise Increase/Decrease in Promoter Shareholding during the year :	<b>NO CHANGE</b>			
At the end of the year i.e. 31 <sup>st</sup> March 2022	<b>7130704</b>	<b>37.30</b>		

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

<b>TOP 10 NON PROMOTER' S MOVEMENT</b>					
SL.NO	Name	Shareholding at the Beginning		Cumulative Share during end	
		Shares	% Of Total Share of the Company	Shares	% of Total Share of the Company
<b>1.</b>	<b>MAVEN INDIA FUND</b>				
	At the Beginning of the Year 01-April-2021	734063	3.84	734063	3.84
	23-Apr-2021	-40000	3.63	694063	3.63
	09-Jul-2021	-150000	2.85	544063	2.85
	16-Jul-2021	-180000	1.90	364063	1.90
	23-Jul-2021	-20000	1.80	344063	1.80
	06-Aug-2021	-100000	1.28	244063	1.28
	13-Aug-2021	-39000	1.07	205063	1.07
	20-Aug-2021	-22477	0.96	182586	0.96
	05-Nov-2021	-182586	0.00	0	0.00
	31-Mar-2022	0	0.00	0	0.00
<b>2.</b>	<b>ASHISH BHARATKUMAR SHAH</b>				
	At the Beginning of the Year 01-April-2021	574388	3.00	574388	3.00
	09-Apr-2021	20452	3.11	594840	3.11
	30-Apr-2021	19838	3.22	614678	3.22
	07-May-2021	7142	3.25	621820	3.25
	21-May-2021	4196	3.28	626016	3.28
	28-May-2021	-2599	3.26	623417	3.26

	11-Jun-2021	-26508	3.12	596909	3.12
	18-Jun-2021	22046	3.24	618955	3.24
	25-Jun-2021	-59712	2.93	559243	2.93
	30-Jun-2021	-10000	2.87	549243	2.87
	09-Jul-2021	-173794	1.96	375449	1.96
	16-Jul-2021	-328597	0.25	46852	0.25
	23-Jul-2021	2706	0.26	49558	0.26
	30-Jul-2021	-6058	0.23	43500	0.23
	06-Aug-2021	-9501	0.18	33999	0.18
	13-Aug-2021	16283	0.26	50282	0.26
	20-Aug-2021	31196	0.43	81478	0.43
	27-Aug-2021	-81478	0.00	0	0.00
	17-Sep-2021	890	0.00	890	0.00
	29-Sep-2021	-860	0.00	30	0.00
	08-Oct-2021	-30	0.00	0	0.00
	15-Oct-2021	47171	0.25	47171	0.25
	22-Oct-2021	-47171	0.00	0	0.00
	05-Nov-2021	14296	0.07	14296	0.07
	12-Nov-2021	20107	0.18	34403	0.18
	19-Nov-2021	-34000	0.00	403	0.00
	26-Nov-2021	-403	0.00	0	0.00
	03-Dec-2021	4421	0.02	4421	0.02
	17-Dec-2021	-4421	0.00	0	0.00
	31-Mar-2022	0	0.00	0	0.00
<b>3.</b>	<b>HARISH D NARWANI</b>				
	At the Beginning of the Year				
	01-Apr-2021	297500	1.56	297500	1.56
	30-Apr-2021	270000	2.97	567500	2.97
	31-Mar-2022	0	2.97	567500	2.97
<b>4.</b>	<b>ELARA INDIA OPPORTUNITIES FUND LIMITED</b>				
	At the Beginning of the Year				
	01-Apr-2021	253000	1.32	253000	1.32
	31-Mar-2022	253000	1.32	253000	1.32
<b>5.</b>	<b>HEM FINLEASE PVT LTD</b>				
	At the Beginning of the Year				
	01-Apr-2021	200000	1.05	200000	1.05
	09-Apr-2021	-198616	0.01	1384	0.01
	16-Apr-2021	2754	0.02	4138	0.02
	23-Apr-2021	150	0.02	4288	0.02
	30-Apr-2021	-4188	0.00	100	0.00
	07-May-2021	50	0.00	150	0.00
	14-May-2021	3258	0.02	3408	0.02
	21-May-2021	-3008	0.00	400	0.00
	28-May-2021	-200	0.00	200	0.00
	04-Jun-2021	650	0.00	850	0.00
	11-Jun-2021	2225	0.02	3075	0.02
	18-Jun-2021	-2533	0.00	542	0.00
	25-Jun-2021	771	0.01	1313	0.01
	30-Jun-2021	-314	0.01	999	0.01
	02-Jul-2021	14261	0.08	15260	0.08
	09-Jul-2021	-6178	0.05	9082	0.05
	16-Jul-2021	-1792	0.04	7290	0.04
	23-Jul-2021	-6149	0.01	1141	0.01
	30-Jul-2021	-141	0.01	1000	0.01
	06-Aug-2021	-1000	0.00	0	0.00
	20-Aug-2021	1293	0.01	1293	0.01

	27-Aug-2021	-1209	0.00	84	0.00
	03-Sep-2021	4916	0.03	5000	0.03
	10-Sep-2021	-5000	0.00	0	0.00
	22-Sep-2021	118	0.00	118	0.00
	24-Sep-2021	-16	0.00	102	0.00
	29-Sep-2021	-102	0.00	0	0.00
	15-Oct-2021	250	0.00	250	0.00
	22-Oct-2021	-150	0.00	100	0.00
	29-Oct-2021	-100	0.00	0	0.00
	12-Nov-2021	5000	0.03	5000	0.03
	19-Nov-2021	-5000	0.00	0	0.00
	14-Jan-2022	12379	0.06	12379	0.06
	21-Jan-2022	-12379	0.00	0	0.00
	28-Jan-2022	580	0.00	580	0.00
	04-Feb-2022	-580	0.00	0	0.00
	18-Feb-2022	1700	0.01	1700	0.01
	25-Feb-2022	-1700	0.00	0	0.00
	31-Mar-2022	3	0.00	3	0.00
	31-Mar-2022	0	0.00	3	0.00
<b>6.</b>	<b>TUSHAR RAMESHCHANDRA MEHTA</b>				
	At the Beginning of the Year				
	01-Apr-2021	167293	0.88	167293	0.88
	21-May-2021	25000	1.01	192293	1.01
	09-Jul-2021	-192293	0.00	0	0.00
	20-Aug-2021	58000	0.30	58000	0.30
	15-Oct-2021	85000	0.75	143000	0.75
	22-Oct-2021	-22471	0.63	120529	0.63
	12-Nov-2021	70603	1.00	191132	1.00
	24-Dec-2021	-95000	0.50	96132	0.50
	07-Jan-2022	-96132	0.00	0	0.00
	21-Jan-2022	12715	0.07	12715	0.07
	04-Feb-2022	-12715	0.00	0	0.00
	31-Mar-2022	0	0.00	0	0.00
<b>7.</b>	<b>HEMANT HIRALAL SHAH</b>				
	At the Beginning of the Year				
	01-Apr-2021	151471	0.79	151471	0.79
	09-Apr-2021	150000	1.58	301471	1.58
	09-Jul-2021	-50000	1.32	251471	1.32
	16-Jul-2021	-251471	0.00	0	0.00
	31-Mar-2022	0	0.00	0	0.00
<b>8.</b>	<b>NIRAJ RAJNIKANT SHAH</b>				
	At the Beginning of the Year				
	01-Apr-2021	150000	0.78	150000	0.78
	11-Jun-2021	-82598	0.35	67402	0.35
	18-Jun-2021	-46810	0.11	20592	0.11
	25-Jun-2021	-15592	0.03	5000	0.03
	30-Jun-2021	-1044	0.02	3956	0.02
	16-Jul-2021	-3956	0.00	0	0.00
	11-Feb-2022	10000	0.05	10000	0.05
	31-Mar-2022	0	0.05	10000	0.05
<b>9.</b>	<b>McJAIN INFO SERVICES PRIVATE LIMITED</b>				
	At the Beginning of the Year				
	01-Apr-2021	150000	0.78	150000	0.78
	05-Nov-2021	-25000	0.65	125000	0.65
	12-Nov-2021	-20420	0.55	104580	0.55
	19-Nov-2021	-10115	0.49	94465	0.49

	10-Dec-2021	-9465	0.44	85000	0.44
	17-Dec-2021	-52157	0.17	32843	0.17
	24-Dec-2021	-32843	0.00	0	0.00
	31-Mar-2022	0	0.00	0	0.00
<b>10.</b>	<b>COMFORT SECURITIES LIMITED</b>				
	At the Beginning of the Year 01-Apr-2021	136900	0.72	136900	0.72
	09-Apr-2021	500	0.72	137400	0.72
	16-Apr-2021	-500	0.72	136900	0.72
	23-Apr-2021	20000	0.82	156900	0.82
	30-Apr-2021	-156900	0.00	0	0.00
	31-Mar-2022	0	0.00	0	0.00

**(v) Shareholding of Directors and Key Managerial Personnel****1. AKSHAY 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	01/04/2021	778722	4.07			
	Date wise Increase in Share holding during the year reasons for increase: Market Buy	-	-	-			
	At the End of the year	31/03/2022	778722	4.07			

**2. JYOTI 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	01/04/2021	0	0			
	Date wise Increase in Share holding during the year reasons for increase: Market Sell/Buy/Buy						
	At the End of the year	31/03/2022	0	0			

**3. NARAIN DAS 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	01/04/2021	13200	0.07			
	Date wise Increase in Share holding during the year reasons for increase: Market Buy	-	-	-	-	-	-
	At the End of the year	31/03/2022	13200	0.07			

**4. KANWAR JEET SINGH**

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	01/04/2021	0	0.0			

	Date wise Decrease in Share holding during the year reasons for decrease: Market Sell	-	-	-	-	-	-
	At the End of the year	31/03/2022	0	0.00			

#### 4. HARI KRISHAN MOTWANI

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	01/04/2021	0	0.0			
	Date wise Decrease in Shareholding during the year reasons for decrease: Market Sell	-	-	-	-	-	-
	At the End of the year	31/03/2022	0	0.00			

#### 4. GOVIND RAM THAWAN I

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	01/04/2021	0	0.0			
	Date wise Decrease in Shareholding during the year reasons for decrease: Market Sell	-	-	-	-	-	-
	At the End of the year	31/03/2022	0	0.00			

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment (In Laacs)

Particular	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3400.07	-	-	3400.07
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3400.07</b>	-	-	<b>3400.07</b>
<b>Change in Indebtedness during the financial year</b>		-	-	-
.Addition	303.35			303.35
.Reduction	-			-
<b>Net Change</b>	<b>303.35</b>			<b>303.35</b>
<b>Indebtedness at the end of the financial Year</b>				
i) Principal Amount	3703.42			3703.42
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
<b>Total ( i+ ii+ iii)</b>	<b>3703.42</b>			<b>3703.42</b>

## 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	24,00,000	12,00,000	6,00,000	42,00,000
	(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
	<b>Total (A)</b>	<b>24,00,000</b>	<b>12,00,000</b>	<b>6,00,000</b>	<b>42,00,000</b>
	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:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Kanwar Jeet Singh	Govind Ram Thawani	Hari Krishan Motwani	
1.	Independent Directors · Fee for attending board committee meetings (Per Meeting Rs.2500/-) · Commission · Others, please specify	30000	50000	50000	130000
	Total (1)				
2.	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	30000	50000	50000	130000
	Total (2)	0	0	0	0
	Total (B)=(1+2)	<b>30000</b>	<b>50000</b>	<b>50000</b>	<b>130000</b>
	<b>Total Managerial Remuneration</b>				<b>130000</b>



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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Mrs. Varsha Rane Choudhary (Appointment w.e.f. 29.06.2020 )	CFO	Total
1.	Gross salary	-			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3,24,000	-	3,24,000
(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	-	-	-	-
	<b>Total</b>	-	3,24,000	-	3,24,000

**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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Date : 01/09/2022

Place : Jaipur

for and on behalf of the Board of Directors

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

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

**Annexure-VI**

**Form No. MR-3**

**Secretarial Audit Report**

[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]

**For the Financial Year 2021-22**

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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period ended on **31.03.2022**, 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:

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 **31.03.2022** 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, 2018;
  - 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, 2018;
  - h) The Securities and Exchange Board of India (Employee stock option scheme and employee stock purchases scheme) guidelines, 1999.
- vi. The provisions of the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited; and
- vii. 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 14th Annual General Meeting held on 29th September, 2021;
- 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. 26.05.2022** 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: 14.07.2022**

**Nisha Agarwal**  
**Practicing Company Secretary**  
**FCS: 8345 ~ C. P. No.: 8584**  
**UDIN:F008345D000621309**  
**Peer Review No.: 1276/2021**

**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)	04.09.2021	Yes
2	MGT-14	filing of resolution (sec. 179)	17.06.2021	Yes
3	MGT-14	filing of resolutions	29.09.2021	Yes
4	DPT-3	Return of Deposits (Rule 16 of Companies Acceptance of deposit rules)	31.03.2021	Yes
5	CRA-2	Appointment of Cost Auditor (148)	29.06.2021	Yes
6	AOC-4 (XBRL)	Filing of Balance sheet (137)	31.03.2021	Yes
7	MGT-7	Annual Return (92)	29.09.2021	Yes
8	CRA-4	Filing of Cost Audit Report with Central Government (sec 148(6))	31.03.2021	Yes
9	MGT-15	Pursuant to section 121(1) of the Companies Act, 2013 and Rule 31(2) of Companies (Management and Administration) Rules, 2014	29.09.2021	Yes
10	CHG-1	For registration of creation / modification of Charge (Sec. 77, 78, 79 & 384)	05.07.2021	Yes
11	CHG-1	For registration of creation / modification of Charge (Sec. 77, 78, 79 & 384)	28.07.2021	Yes
12	CHG-1	For registration of creation / modification of Charge (Sec. 77, 78, 79 & 384)	07.12.2021	Yes
13	CHG-1	For registration of creation / modification of Charge (Sec. 77, 78, 79 & 384)	30.03.2022	Yes
14	MR-1	Return of appointment of Managerial person (Section 196 r/w. 197 & Sch. V)	04.09.2021	Yes
15	MR-1	Return of appointment of Managerial person (Section 196 r/w. 197 & Sch. V)	04.09.2021	Yes
16	CSR-2	[Pursuant to sub-rule (1B) of Rule 12 of Companies (Accounts) Rules, 2014] Report on Corporate Social Responsibility	31.03.2021	Yes

**ANNEXURE: 2**

Sr. No.	Date of Meeting	Strength of Board	No. Of Directors present
1	17.06.2021	6	6
2	30.06.2021	6	6
3	30.07.2021	6	6
4	04.09.2021	6	6
5	25.09.2021	6	6
6	12.11.2021	6	6
7	01.01.2022	6	6
8	11.02.2022	6	5
9	29.03.2022	6	6

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

**Audit Committee Meeting:**

Sr. No.	Date of Meeting	Strength of Board	No. Of Directors present
1	17.06.2021	3	3
2	30.06.2021	3	3
3	30.07.2021	3	3
4	04.09.2021	3	3
5	12.11.2021	3	3
6	11.02.2022	3	3

**Nomination and Remuneration Committee:**

Sr. No.	Date of Meeting	Strength of the Committee	Members Present
1	04.09.2021	3	3

**Shareholder Meeting:**

Sr. No.	Date of Meeting	Director present	Members present
1	29.09.2021	6	40 members through VC

**Shareholder's / Investor's Grievance and Share Transfer Committee:**

Sr. No.	Date of Meeting	Director present	Members present
1	04.09.2021	3	3

**CSR Committee:**

Sr. No.	Date of Meeting	Director present	Members present
1	04.09.2021	3	3

**ANNEXURE: 3****List of Board of Directors and KMP:**

<b>Sr. No.</b>	<b>Name of Director/ KMP</b>	<b>Designation</b>	<b>Date of change if any</b>
1	Mr. Akshay Kumar Gurnani	Managing Director cum CEO	Re-appointed as Managing Director of the Company for a period of 5 years w.e.f. 26.08.2022 till 25.08.2027, after the expiry of his previous term
2	Mr. Narain Das Gurnani	Whole Time Director cum CFO	Re-appointed as Whole time Director of the Company for a period of 5 years w.e.f. 28.09.2021 till 27.09.2026, after the expiry of his previous term
3	Ms. Jyoti Gurnani	Director	--
4	Mr. Govind Ram Thawani	Independent Director	--
5	Mr. Kanwar Jeet Singh	Independent Director	
6	Mr. Hari Kishan Motwani	Independent Director	---
7	Mrs. Varsha Ranee Choudhary	Company Secretary cum Compliance Officer	--

**List of Board Committees as on 31.03.2022:**

<b>Audit Committee</b>	<b>Corporate Social Responsibility Committee</b>
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
<b>Nomination, Remuneration &amp; Compensation Committee</b>	<b>Stakeholders Relationship Committee</b>
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		2020-21
		Interim Dividend	Final Dividend	Interim Dividend	Final 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	29.09.2021
2	Amount remaining unpaid till the due date of payment	Nil	Nil	Nil	Nil	Nil
3	Amount paid after the due date	Nil	Nil	Nil	Nil	Nil
4	<b>Unclaimed Dividend outstanding as on 31.03.2019</b>	<b>81657.00</b>	<b>118713.00</b>	<b>194471.00</b>	<b>125060.00</b>	<b>118597.00</b>
5	No. of shareholders to whom the dividend is remaining to be paid	241	133	279	139	262
6	Amount transferred to IEPF	Nil	Nil	Nil	Nil	Nil
7	Amount due to be transferred to IEPF but not transferred	Nil	Nil	Nil	Nil	Nil

**Annexure-VII**

**NISHA AGARWAL**  
Company Secretary



118, Shila Vihar, Gokulpura,  
Jhotwara, Jaipur-302012,  
Rajasthan  
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**Secretarial Audit Report  
Form No. MR-3**

[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]

For the Financial Year 2021 -22

To,  
The Members  
**VANKON MODULAR PRIVATE LIMITED**  
S.No. 72 & 74, Gala No. 4 & 5, Gr. Flr, Plot No. 22  
Meghdoot Signature, Vasai Road–East,  
Thane, Mh-401208, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VANKON MODULAR PRIVATE LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my 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, I hereby report that in my opinion, the Company has, during the audit period ended on **31.03.2022**, 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 **VANKON MODULAR PRIVATE LIMITED** (“**The Company**”) for the financial year ended on **31.03.2022** 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; **NA**
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **NA**
  - 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, 2018; **NA**
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **NA**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **NA**
- f. 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; **NA**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and : **NA**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **NA**
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **NA**

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 holding Company (**M/s. Veto Switchgears And Cables Limited**) of 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, to the extent applicable.

**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: **Not Applicable**
- 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 6<sup>th</sup> Annual General Meeting held on 1<sup>st</sup> November, 2021;
- 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 : **the company has not declared any dividend during the year under review**

- o. transfer of certain amounts as required under the Act to the Investor Education and Protection Fund. **Not applicable.**
- 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. **Not Applicable**
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 by its Holding Company 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. Priavrat Sharma & Co. dtd. 25.05.2022 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**

**Secretary**

**Date: 24.08.2022**

**Nisha Agarwal**  
**Practicing Company**  
**FCS: 8345 ~ C. P. No.: 8584**  
**UDIN: F008345D000842851**  
**Peer Review No.: 1276/2021**

**ANNEXURE -1****List of Forms filed during the year under Review:**

<b>Sr. No.</b>	<b>Form</b>	<b>Purpose and Relevant Section</b>	<b>Date of Event</b>	<b>Whether filed in time (Yes / No)</b>
1	Form CHG-4	Satisfaction of Charge	28.06.2021	Yes
2	Form CHG-4	Satisfaction of Charge	28.06.2021	No
3	Form CHG-4	Satisfaction of Charge	03.04.2021	Yes
4	Form CHG-1	For registration of creation / modification of Charge (Sec. 77, 78, 79 & 384)	26.02.2021	No
5	Form CHG-1	For registration of creation / modification of Charge (Sec. 77, 78, 79 & 384)	28.07.2021	Yes
6	Form Dir-12	Appointment / change in Directors	20.07.2021	Yes
7	MGT-14	filing of resolution (sec. 179)	17.06.2021	Company has not filed the form
8	DPT-3	Return of Deposits (Rule 16 of Companies Acceptance of deposit rules)	31.03.2021	Yes
9	AOC-4 (XBRL)	Filing of Balance sheet (137)	31.03.2021	Yes
10	MGT-7	Annual Return (92)	29.09.2021	Yes

**ANNEXURE: 2**
List of Meetings Held by the Board of Directors of Company:

<b>Sr. No.</b>	<b>Date of Meeting</b>	<b>Strength of Board</b>	<b>No. Of Directors present</b>
1	23.06.2021	4	4
2	05.07.2021	4	4
3	14.07.2021	4	4
4	27.07.2021	5	5
5	26.08.2021	5	5
6	17.09.2021	5	5
7	09.10.2021	5	5
8	03.12.2021	5	5
9	08.12.2021	5	5
10	09.02.2022	5	4
11	30.03.2022	5	5

Audit Committee Meeting: The Audit Committee of the Holding Company i.e. M/s. Veto Switchgears and Cables Limited is the Audit Committee for the Company and all the matters required to be approved by the Audit Committee of the Company has been duly taken up in the Audit Committee of the Holding Company.

Nomination and Remuneration Committee: The Company is not to required to constitute the Nomination and Remuneration Committee and hence this clause is not applicable.

Shareholder Meeting:

<b>Sr. No.</b>	<b>Date of Meeting</b>	<b>Director and other invitees present</b>	<b>Members present</b>
1	01.11.2021	6	3



**ANNEXURE: 3****List of Board of Directors and KMP:**

<b>Sr. No.</b>	<b>Name of Director/ KMP</b>	<b>Designation</b>	<b>Date of change if any</b>
1	Mr. Bhagwan Das Gokalani	Director	Appointed w.e.f. 20.11.2020
2	Mr. Akshay Kumar Gurnani	Director	Appointed w.e.f. 05.03.2021
3	Mr. Gopal Lalchand Kriplani	Director	Appointed w.e.f. 18.05.2015
4	Mr. Rohit Gurnani	Director	Appointed w.e.f. 20.11.2020
5	Mr. Tushar Dhalwani	Director	Appointed w.e.f. 20.07.2021

**Annexure-VIII****CERTIFICATE ON CORPORATE GOVERNANCE**

**To,  
The Members,  
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, 2022 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.

**Place: Jaipur  
Date: 14.07.2022**

**Nisha Agarwal  
Company Secretary in Practice  
M.No. FCS: 8345, C.P. No. 8584  
UDIN:F008345D000621232  
Peer Review No. 1276/2021**

## Annexure-IX

**CERTIFICATE OF NON- DISQUALIFICATION OF DIRECTOR'S**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

This Certificate is being issued to the Members of **Veto Switchgears and Cables Limited**, bearing Corporate Identity Number (CIN) - L31401MH2007PLC171844, having its registered office address at 506, 5th Floor, Plot No. B-9 Landmark Building, New Link Road, Andheri (west) Mumbai MH 400058 (“the Company”) in terms of Regulation 34(3) read with Schedule V para C Clause 10(i) of the Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and 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:

S. No.	Name of Director	DIN	Designation	Date of Appointment
1	AKSHAY KUMAR GURNANI	06888193	Managing Director cum CEO	27/08/2014
2	NARAIN DAS GURNANI	01970599	Whole time Director cum CFO	24/05/2016
3	GOVIND RAM THAWANI	06367093	Director	22/08/2012
4	JYOTI GURNANI	06953899	Director	27/08/2014
5	KANWAR JEET SINGH	07813714	Director	06/05/2017
6	HARI KRISHAN MOTWANI	08570545	Director	28/09/2019

Place: Jaipur

Date: 14.07.2022

Nisha Agarwal  
Company Secretary in Practice  
M.No. FCS: 8345, C.P. No. 8584  
UDIN: F008345D000619450  
Peer Review No.: 1276/2021

**Affirmation by Chairman**

**Declaration pursuant to  
SEBI (Listing Obligations and Disclosure  
Requirements) Regulations, 2015**

**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, Chief Executive Officer of the Company do hereby confirm and declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the company for the financial year ended 31st March, 2022.

**Place: Jaipur  
Date: 01/09/2022**

**Akshay Kumar Gurnani  
DIN: 06888193  
Chief Executive Officer**

**CEO'S/ CFO'S 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 31<sup>st</sup> March 2022 and that to the best of our knowledge and belief, certify that:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2021-2022 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed, to the Auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee, wherever applicable,
1. significant changes in internal control over financial reporting during the year;
  2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Jaipur  
Date: 01/09/2022

**Akshay Kumar Gurnani**  
(Managing Director & CEO)  
DIN: 06888193  
PAN : AYOPG9890J

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

**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, 2022, 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, 2022, 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.

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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.

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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



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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 did not audit the financial statements of Veto Electricals Private Limited, Veto Led Lighting Private Limited, Veto Overseas Private FZE and Vankon Modular Private Limited included in the consolidated annual financial results, whose financial results/ financial information reflect Group's share of total assets of Rs. 12,689.83 lakhs as at 31 March 2022, Group's share of total revenue of Rs. 9,635.53 lakhs, total net profit / (loss) of Rs. 522.66 lakhs, total comprehensive income of Rs. 588.54 lakhs for the year ended on that date and Group's share of net cash outflows of Rs. 230.17 lakhs 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, 2022 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, 2022 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**.

## C A S & C O

CHARTERED ACCOUNTANTS

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.

iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act.

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.

**C A S & C O**  
**CHARTERED ACCOUNTANTS**

3. With respect to the matters specified in paragraphs 3(xx i) and 4 of the Companies (Auditor’s Report) Order, 2020 (the “Order”/ “CARO”) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor’s report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For C A S & Co**

Chartered Accountants

**Firm’s Registration No. 111075W**

**Ajad Mehata**

Partner

**Mem. No. 139040**

UDIN : 22139040AJRKFH5553

Place: Mumbai

Date: May 26, 2022

## **C A S & C O**

**CHARTERED ACCOUNTANTS**

**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 2022.**

**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, 2022, 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.

**C A S & C O**  
CHARTERED ACCOUNTANTS

**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, 2022, 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 3 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 Registration No. 111075W****Ajad Mehata**

Partner

**Mem. No. 139040**

UDIN : 22139040AJRKFH5553

Place: Mumbai

Date: May 26, 2022

Veto Switchgears and Cables Limited  
Consolidated Balance Sheet as at 31st March, 2022

(Rs. In Lakhs)

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3A	2,740.31	2,881.68
Capital work in progress	3B	259.86	212.49
Other Intangible assets	3C	-	-
Investment Property	3D	1,366.39	1,393.73
Right of Use Assets	3E	144.88	123.26
Goodwill on Consolidation	3C	0.11	0.11
<b>Financial Asset</b>			
Investments	4	0.76	0.76
Other financial assets	5	288.02	242.82
Deferred tax asset (net)	6	290.81	239.37
<b>Total Non-Current Assets</b>		<b>5,091.13</b>	<b>5,094.23</b>
<b>Current Assets</b>			
Inventories	7	12,222.04	11,207.79
<b>Financial Asset</b>			
Trade receivables	8	11,893.36	9,061.82
Cash and cash equivalents	9	945.04	1,258.86
Other Current Asset	10	710.24	727.88
<b>Total Current Assets</b>		<b>25,770.68</b>	<b>22,256.34</b>
<b>TOTAL ASSETS</b>		<b>30,861.81</b>	<b>27,350.57</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Equity Share capital	11	1,911.50	1,911.50
Other Equity		19,351.80	17,467.80
<b>Equity attributable to Owners of the Company</b>		<b>21,263.29</b>	<b>19,379.29</b>
Non-Controlling interests		68.46	51.24
<b>Total Equity</b>		<b>21,331.76</b>	<b>19,430.53</b>
<b>Non-current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	12	357.00	39.03
Other financial liabilities	13	625.48	572.19
Provisions	14	180.71	159.85
<b>Total Non-current Liabilities</b>		<b>1,163.19</b>	<b>771.07</b>
<b>Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	15	4,213.04	3,462.56
Trade payables	16	3,430.65	3,203.02
Other financial liabilities	17	253.10	178.96
Other current liabilities	18	187.52	187.18
Provisions	14	16.78	18.47
Income tax liabilities (net)	19	265.77	98.77
<b>Total Current Liabilities</b>		<b>8,366.86</b>	<b>7,148.96</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>30,861.81</b>	<b>27,350.57</b>

Notes 1 to 43 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

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

**Ajad Mehata**  
Partner  
Membership No. : 139040

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

**Narain Das Gurnani**  
Whole Time Director & CFO  
DIN : 01970599

Place: Mumbai  
Date : May, 26, 2022

Place: Jaipur  
Date : May, 26, 2022

**Varsha Ranee Choudhary**  
Company Secretary

**Veto Switchgears and Cables Limited**  
**Consolidated Statement of Profit and Loss for the year ended 31st March, 2022**

(Rs. In Lakhs)

Particulars	Notes	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>INCOME</b>			
Revenue from operation	20	26,783.20	18,123.07
Other income	21	314.46	148.93
<b>Total Revenue</b>		<b>27,097.66</b>	<b>18,272.00</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	11,256.24	7,521.25
Purchases of stock-in-trade	23	8,783.61	5,770.00
Changes in inventories of finished goods and stock in trade	24	(714.81)	(519.14)
Employee benefits expense	25	1,647.89	1,246.89
Finance costs	26	395.05	186.28
Depreciation and amortisation expense	27	333.40	199.82
Other expenses	28	2,416.66	1,741.89
		<b>24,118.03</b>	<b>16,146.99</b>
<b>Profit before tax and Share of Profit of an Associate</b>		<b>2,979.63</b>	<b>2,125.01</b>
Share of Profit of an Associate		-	13.85
<b>Profit before tax</b>		<b>2,979.63</b>	<b>2,138.86</b>
<b>Tax expense/ (credit)</b>			
- Current tax		964.94	606.77
- Tax for earlier years		49.76	52.64
- Deferred tax liability / (asset)		(54.04)	(4.11)
		<b>960.66</b>	<b>655.30</b>
<b>Profit for the year (A)</b>		<b>2,018.96</b>	<b>1,483.56</b>
<b>Other comprehensive income (OCI)</b>			
Items not to be reclassified subsequently to profit or loss :			
<sup>1</sup> Re-measurement gains / (Loss) on defined benefits plans		10.13	19.14
Income tax effect on above		(2.60)	(4.90)
Items that will be reclassified to Profit or Loss			
Exchange Difference in translating the financial statement of foreign operations		65.88	(5.72)
<b>Other comprehensive income for the year, net of tax (B)</b>		<b>73.42</b>	<b>8.52</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>2,092.38</b>	<b>1,492.08</b>
<b>Net Profit attributable to</b>			
Owners of equity		2,001.73	1,479.45
Non Controlling Interest		17.23	4.11
<b>Total Comprehensive Income attributable to</b>			
Owners of Equity		2,075.15	1,487.97
Non Controlling Interest		17.23	4.11
<b>Earnings per equity share</b>			
(Nominal value of share Rs.10 (PY Rs.10))	29		
- Basic		<b>10.56</b>	<b>7.76</b>
- Diluted		<b>10.56</b>	<b>7.76</b>

**Notes 1 to 43 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

**Ajad Mehata**

Partner

Membership No. : 139040

Place: Mumbai

Date : May, 26, 2022

**For and on behalf of the Board**

Veto Switchgears and Cables Limited

**Akshay Kumar Gurnani**

Managing Director & CEO

DIN : 06888193

Place: Jaipur

Date : May, 26, 2022

**Narain Das Gurnani**

Whole Time Director & CFO

DIN : 01970599

**Varsha Rane Choudhary**

Company Secretary

**Veto Switchgears and Cables Limited**  
**Consolidated Cash Flow Statement For the year ended 31st March 2022**

(Rs. In Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>A. Cash flow from operating activities</b>		
Net profit before taxation	2,979.63	2,125.01
<u>Adjustments for:</u>		
Depreciation and amortisation expense	333.40	199.82
Profit on sale of fixed assets	(10.33)	(1.93)
Finance costs	395.05	186.28
Interest income	(3.09)	(2.23)
Rent received	(89.72)	(85.80)
Remeasurement of defined benefit plans as per actuarial valuation	10.13	19.14
Provision for expected credit loss on trade receivables	101.91	35.82
Sundry balances written off	31.64	
<b>Operating profit before working capital changes (A)</b>	<b>3,748.62</b>	<b>2,476.10</b>
<b>Adjustments for changes in working capital:</b>		
Decrease / (increase) in trade receivables	(2,933.46)	(1,272.87)
Decrease / (increase) in inventories	(1,014.25)	(444.58)
Decrease / (increase) in other financial assets	(76.83)	165.17
Decrease / (increase) in other assets	17.64	15.01
(Decrease) / Increase in provisions	19.16	(0.69)
(Decrease) / Increase in trade and other payables	227.63	231.92
(Decrease) / Increase in other financial liabilities	15.76	86.69
(Decrease) / Increase in other current liabilities	0.34	70.48
<b>Cash generated from / (used in) operations</b>	<b>4.62</b>	<b>1,327.23</b>
Direct taxes paid	(847.70)	(621.39)
<b>Net cash flow from operating activities (A)</b>	<b>(843.08)</b>	<b>705.84</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including capital work in progress) and Investment		
Property	(127.06)	(320.77)
Sale of property, plant and equipments	15.39	5.20
Acquisition of Subsidiary	-	(506.75)
Rent received	89.72	85.80
Interest received	3.09	2.23
<b>Net cash flow from / (used in) investment activities (B)</b>	<b>(18.86)</b>	<b>(734.30)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from long-term borrowings (net)	317.98	(84.65)
Proceeds from short-term borrowings (net)	750.48	(77.22)
Dividend paid	(191.15)	
Interest paid	(395.05)	(180.70)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>482.26</b>	<b>(342.56)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(379.69)</b>	<b>(371.03)</b>
Foreign Currency Translation Reserve	65.88	(5.72)
Cash and cash equivalents at the beginning of the year	1,258.86	1,510.28
On acquisition of subsidiary	-	125.32
<b>Cash and cash equivalents at the end of the year</b>	<b>945.05</b>	<b>1,258.86</b>



**Veto Switchgears and Cables Limited**  
**Consolidated Cash Flow Statement For the year ended 31st March 2022**

(Rs. In Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Components of cash and cash equivalents considered only for the purpose of cash flow statement</b>		
Cash on hand	22.35	18.56
Balances with bank on current account	922.69	1,240.30
	<b>945.05</b>	<b>1,258.86</b>

**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 43 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

**Ajad Mehata**

Partner

Membership No. : 139040

Place: Mumbai

Date : May, 26, 2022

**Akshay Kumar Gurnani**

Managing Director & CEO

DIN : 06888193

Place: Jaipur

Date : May, 26, 2022

**Narain Das Gurnani**

Whole Time Director & CFO

DIN : 01970599

**Varsha Rane Choudhary**

Company Secretary

**Veto Switchgears and Cables Limited**  
**Consolidated Statement of Changes in Equity for the year ended 31 March 2022**

**A) Equity share capital**

Particulars	Number	(Rs. In Lakhs)
Equity shares of Rs. 10 each issued, subscribed and paid		
<b>As at 31 March 2020</b>	<b>1,91,14,955</b>	<b>1,911.50</b>
Issue of equity shares	-	-
<b>As at 31 March 2021</b>	<b>1,91,14,955</b>	<b>1,911.50</b>
Issue of equity shares	-	-
<b>As at 31 March 2022</b>	<b>1,91,14,955</b>	<b>1,911.50</b>

## Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Retained balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance at the end of the current reporting period
1,911.50	-	1,911.50	-	1,911.50

## Previous reporting period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Retained balance at the beginning of the previous reporting period	Changes in Equity share capital during the previous year	Balance at the end of the previous reporting period
1,911.50	-	1,911.50	-	1,911.50

**Veto Switchgears and Cables Limited**  
**Consolidated Statement of Changes in Equity for the year ended 31 March 2022**

**B) Other equity**

(Rs. In Lakhs)

Particulars	Reserves and surplus						Other comprehensive income		Total equity attributable to equity holders
	Securities premium reserve	Statutory Reserve	Retained earnings	Capital Reserve	Capital Reserve on Consolidation	Foreign Currency Translation Reserve	Re-measurement gains / (losses) on defined benefits plans		
<b>As at 31 March 2020</b>	<b>2,424.33</b>	<b>88.28</b>	<b>11,038.39</b>	<b>1,912.50</b>		<b>379.81</b>	<b>21.74</b>	<b>15,865.04</b>	
Total comprehensive income for the year	-	-	1,479.45	-	114.79	(5.72)	14.23	1,602.75	
Transfer to Statutory Reserves	-	0.51	(0.51)	-		-	-	0.00	
<b>As at 31 March 2021</b>	<b>2,424.33</b>	<b>88.80</b>	<b>12,517.32</b>	<b>1,912.50</b>	<b>114.79</b>	<b>374.09</b>	<b>35.97</b>	<b>17,467.80</b>	
Total comprehensive income for the year	-	-	2,001.74	-		65.88	7.54	2,075.15	
Dividend Paid	-	-	(191.15)	-		-	-	(191.15)	
Transfer to Statutory Reserves	-	0.73	(0.73)	-		-	-	(0.00)	
<b>As at 31 March 2022</b>	<b>2,424.33</b>	<b>89.53</b>	<b>14,327.18</b>	<b>1,912.50</b>	<b>114.79</b>	<b>439.96</b>	<b>43.50</b>	<b>19,351.80</b>	

**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 prevalent law for establishments in Ajman Free Zone, Ajman, U.A.E.

**Veto Switchgears and Cables Limited**  
**Consolidated Statement of Changes in Equity for the year ended 31 March 2022**

**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).

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

**Ajad Mehata**

Partner

Membership No. : 139040

**Akshay Kumar Gurnani**

Managing Director & CEO

DIN : 06888193

**Narain Das Gurnani**

Whole Time Director & CFO

DIN : 01970599

Place: Mumbai

Date : May, 26, 2022

Place: Jaipur

Date : May, 26, 2022

**Varsha Rane Choudhary**

Company Secretary

**Veto Switchgears And Cables Limited****Notes to consolidated financial statements as at and for the year ended 31 March 2022****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 statement by 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****Notes to consolidated financial statements as at and for the year ended 31 March 2022****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 only 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****Notes to consolidated financial statements as at and for the year ended 31 March 2022****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****Notes to consolidated financial statements as at and for the year ended 31 March 2022****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 payable 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****Notes to consolidated financial statements as at and for the year ended 31 March 2022****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****Notes to consolidated financial statements as at and for the year ended 31 March 2022****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****Notes to consolidated financial statements as at and for the year ended 31 March 2022****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 asset 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****Notes to consolidated financial statements as at and for the year ended 31 March 2022**

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****Notes to consolidated financial statements as at and for the year ended 31 March 2022****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.

**Recent accounting pronouncements**

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration : On March 28, 2018, the ministry of Corporate Affairs (the MCA) notified the Companies (Indian Accounting Standards Amendment Rules 2018 containing Appendix B to Ind AS 21 Foreign currency transactions and advance consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in foreign currency.

The amendment will come into force from April 1, 2018. The company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115, Revenue from Contract with Customers : On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cashflows arising from the entity's contract with customers.

The effective date for adoption of Ind AS 115 is financial period beginning on or after April 1, 2018.

Veto Switchgears And Cables Limited  
Notes to consolidated financial statements as at and for the year ended 31 March 2022

Note : 3 Property, plant and equipment

A Tangible assets

Particulars	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 2020	353.98	1,099.08	178.46	578.93	-	1,158.63	35.38	200.39	26.74	304.68	3,936.27
Additions	-	-	-	-	-	18.40	1.92	259.69	2.18	12.77	294.96
Disposals	-	-	-	-	-	-	-	-	-	8.77	8.77
Addition on acquisition of subsidiary	-	-	-	69.50	-	38.63	36.69	74.18	8.66	85.88	313.55
Balance as at 31 March 2021	353.98	1,099.08	178.46	648.43	-	1,215.66	73.99	534.26	37.59	394.56	4,536.01
Additions	-	-	-	-	-	13.65	10.23	11.90	4.95	38.96	79.69
Disposals	-	-	-	-	-	-	0.19	7.71	0.07	78.80	86.78
Balance as at 31 March 2022	353.98	1,099.08	178.46	648.43	-	1,229.31	84.02	538.44	42.47	354.72	4,528.92
Accumulated depreciation											
Balance as at 31 March 2020	-	-	10.73	296.92	-	791.68	31.56	105.16	24.53	254.13	1,514.70
Depreciation charge	-	-	8.17	21.53	-	58.20	2.10	25.89	1.86	16.39	134.14
Addition on acquisition of subsidiary	-	-	-	0.65	-	6.42	5.33	14.64	2.47	13.21	42.72
Deletions / Adjustments	-	-	-	24.98	-	6.74	-	-	-	5.50	37.22
Balance as at 31 March 2021	-	-	18.90	294.11	-	849.56	38.99	145.69	28.86	278.23	1,654.33
Depreciation charge	-	-	7.77	25.55	-	53.28	5.05	92.25	3.82	28.29	216.00
Deletions / Adjustments	-	-	-	-	-	-	0.25	7.58	0.07	73.82	81.72
Balance as at 31 March 2022	-	-	26.67	319.66	-	902.83	43.78	230.36	32.61	232.70	1,788.61
Net carrying value											
Balance as at 31 March 2020	353.98	1,099.08	167.73	282.01	-	366.95	3.82	95.24	2.21	50.55	2,421.57
Balance as at 31 March 2021	353.98	1,099.08	159.56	354.32	-	366.10	35.00	388.57	8.73	116.33	2,881.68
Balance as at 31 March 2022	353.98	1,099.08	151.79	328.77	-	326.48	40.24	308.08	9.86	122.02	2,740.31

## Veto Switchgears And Cables Limited

Notes to consolidated financial statements as at and for the year ended 31 March 2022

<b>B Capital work in progress</b>		<b>(Rs. In Lakhs)</b>
<b>Particulars</b>	<b>Total</b>	
<b>Gross carrying value (at deemed cost)</b>		
<b>Balance as at 31 March 2020</b>	<b>303.65</b>	
Additions	167.39	
Transfer to Fixed Assets	258.56	
<b>Balance as at 31 March 2021</b>	<b>212.49</b>	
Additions	47.37	
Transfer to Fixed Assets		
<b>Balance as at 31st March 2022</b>	<b>259.86</b>	

<b>C Intangible Assets</b>		<b>(Rs. In Lakhs)</b>			
<b>Particulars</b>	<b>Goodwill</b>			<b>Other Intangible Asset</b>	
	<b>Goodwill (on consolidation)</b>	<b>Goodwill (acquired separately)</b>	<b>Total</b>	<b>Trade Mark</b>	<b>Total</b>
<b>Gross carrying value (at deemed cost)</b>					
<b>Balance as at 31 March 2020</b>	<b>0.11</b>	<b>5.40</b>	<b>5.51</b>	<b>1.12</b>	<b>1.12</b>
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>0.11</b>	<b>5.40</b>	<b>5.51</b>	<b>1.12</b>	<b>1.12</b>
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>0.11</b>	<b>5.40</b>	<b>5.51</b>	<b>1.12</b>	<b>1.12</b>
<b>Accumulated amortisation</b>					
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>5.40</b>	<b>5.40</b>	<b>1.12</b>	<b>1.12</b>
Amortisation charge	-	-	-	-	-
Impairment	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>5.40</b>	<b>5.40</b>	<b>1.12</b>	<b>1.12</b>
Amortisation charge	-	-	-	-	-
Reversal on disposal of assets	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>5.40</b>	<b>5.40</b>	<b>1.12</b>	<b>1.12</b>
<b>Net carrying value</b>					
<b>Balance as at 31 March 2020</b>	<b>0.11</b>	<b>-</b>	<b>0.11</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31 March 2021</b>	<b>0.11</b>	<b>-</b>	<b>0.11</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31 March 2022</b>	<b>0.11</b>	<b>-</b>	<b>0.11</b>	<b>-</b>	<b>-</b>

**Veto Switchgears And Cables Limited**

**Notes to consolidated financial statements as at and for the year ended 31 March 2022**

**D Investment Property**

**(Rs. In Lakhs)**

<b>Particulars</b>	<b>Leasehold Land</b>	<b>Building</b>	<b>Total</b>
<b>Gross carrying value (at deemed cost)</b>			
<b>Balance as at 31 March 2020</b>	832.24	627.99	<b>1,460.24</b>
Capitalised from Capital Work in Progress	-	-	-
<b>Balance as at 31 March 2021</b>	<b>832.24</b>	<b>627.99</b>	<b>1,460.24</b>
Capitalised from Capital Work in Progress	-	-	-
<b>Balance as at 31 March 2022</b>	<b>832.24</b>	<b>627.99</b>	<b>1,460.24</b>
<b>Accumulated depreciation</b>			
<b>Balance as at 31 March 2020</b>	-	37.76	<b>37.76</b>
Depreciation charge		28.74	<b>28.74</b>
<b>Balance as at 31 March 2021</b>	-	<b>66.50</b>	<b>66.50</b>
Depreciation charge		27.34	<b>27.34</b>
<b>Balance as at 31 March 2022</b>	-	<b>93.85</b>	<b>93.85</b>
<b>Net carrying value</b>			
<b>Balance as at 31 March 2020</b>	832.24	590.24	<b>1,422.48</b>
<b>Balance as at 31 March 2021</b>	832.24	561.49	<b>1,393.73</b>
<b>Balance as at 31 March 2022</b>	832.24	534.15	<b>1,366.39</b>



## Veto Switchgears And Cables Limited

## Notes to consolidated financial statements as at and for the year ended 31 March 2022

E) Right of Use Assets		(Rs. In Lakhs)	
Particulars	Office Premises	Leasehold Improvements	Total
<b>Gross carrying value (at deemed cost)</b>			
Balance as at 31 March 2020	178.79	99.55	278.34
Additions	-	-	-
Reclassified on adoption of IND AS 116	-	-	-
<b>Balance as at 31 March 2021</b>	<b>178.79</b>	<b>99.55</b>	<b>278.34</b>
Additions	111.67		111.67
Disposals / Adjustments	6.27		6.27
<b>Balance as at 31 March 2022</b>	<b>284.20</b>	<b>99.55</b>	<b>383.75</b>
<b>Accumulated Amortization</b>			
Balance as at 31 March 2020	60.16	57.99	118.15
Amortisation charge for the year	26.33	10.61	36.94
<b>Balance as at 31 March 2021</b>	<b>86.49</b>	<b>68.60</b>	<b>155.09</b>
Amortisation charge for the year	79.44	10.61	90.05
Deletions / Adjustments	6.27		6.27
<b>Balance as at 31 March 2022</b>	<b>159.66</b>	<b>79.21</b>	<b>238.87</b>
<b>Reclassified on adoption of IND AS 116</b>			
Balance as at 31 March 2020	118.63	41.56	160.20
Balance as at 31 March 2021	92.31	30.95	123.26
Balance as at 31 March 2022	124.54	20.34	144.88

Veto Switchgears and Cables Limited

Notes to consolidated financial statements as at and for the year ended 31 March 2022

(Rs. In Lakhs)

**Note 4 : Investments**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non current Investments</b>		
<b>Investment in Equity Instruments</b>		
Trade, Unquoted (At cost, unless stated otherwise)		
<b>Others</b>		
Veto Lightings Private Limited (5,100 Equity Shares of Rs.10 each fully paid up)	0.51	0.51
Saraswat Bank (2,500 Equity Shares of Rs.10 each fully paid up)	0.25	0.25
<b>Total non-current investments</b>	<b>0.76</b>	<b>0.76</b>

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Aggregate of non-current investments:</b>		
Book value of investments	0.76	0.76
Investments carried at fair value through profit and loss	0.76	0.76

**Note 5 : Other financial assets**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non-current</b>		
Security Deposits	120.24	105.08
VAT Receivables	77.98	76.21
Margin Money Deposit With Original Maturity of more than 3 months and remaining maturity of less than 12 months	45.00	13.51
Margin money deposits with remaining maturities of More than 12 months	44.81	48.03
<b>Total Other non-current financial assets</b>	<b>288.02</b>	<b>242.82</b>

**Note 6 : Deferred tax asset (net)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Deferred Income Tax Assets</b>		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	163.21	139.42
Employee Benefits	11.76	10.23
Other Provisions	115.83	89.72
<b>Total Deferred Tax Asset (Net)</b>	<b>290.81</b>	<b>239.37</b>

**Note 7 : Inventories**

(valued at lower of cost or net realisable value)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Finished goods	2,337.83	2,097.98
Stock in trade	8,006.56	7,495.93
Raw materials	1,773.40	1,500.47
Packing materials	104.26	113.41
<b>Total Inventories</b>	<b>12,222.04</b>	<b>11,207.79</b>

**Note 8 : Trade receivables**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, Considered Good	12,345.38	9,411.93
Less :- Provision for Expected Credit Loss	452.02	350.11
<b>Total trade receivables</b>	<b>11,893.36</b>	<b>9,061.82</b>

## Veto Switchgears and Cables Limited

## Summary of significant accounting policies and other explanatory information for the Year ended 31st March 2022

## Note 8A : Trade receivables

## i) Trade Receivables as at 31.03.2022

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
<b>a) Undisputed trade receivables</b>						
- considered good	10,229	978	-	-	-	11,207.73
- which have significant increase in credit risk	-	-	597	271	-	868.19
- credit impaired	-	-	-	-	269	269.46
<b>b) Disputed trade receivables</b>						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
	10,229.25	978.48	596.80	271.39	269.46	12,345.38

## ii) Trade Receivables as at 31.03.2021

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
<b>a) Undisputed trade receivables</b>						
- considered good	8,363	531	-	-	-	8,893.21
- which have significant increase in credit risk	-	-	231	205	5	441
- credit impaired	-	-	-	-	78	78
<b>b) Disputed trade receivables</b>						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
	8,363	531	231	205	82.16	9,411.93

**Veto Switchgears and Cables Limited**  
**Notes to consolidated financial statements as at and for the year ended 31 March 2022**

**Note 11 : Equity Share capital**

(Rs. In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
	<b>Authorised</b> 2,50,00,000 (PY 2,50,00,000) Equity shares of Rs.10/- each	2,500.00
<b>Total authorised share capital</b>	<b>2,500.00</b>	<b>2,500.00</b>
<b>Issued, Subscribed and Fully Paid Up</b> 1,91,14,955 (PY 1,91,14,955) Equity shares of Rs. 10/- each fully paid up	1,911.50	1,911.50
<b>Total issued, subscribed and paid-up equity share capital</b>	<b>1,911.50</b>	<b>1,911.50</b>

**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, 2022		As at 31st March, 2021	
	No. of Shares	(Rs. In Lakhs)	No. of Shares	(Rs. In Lakhs)
<b>Equity Shares</b>				
At the beginning of the year	1,91,14,955	1,911.50	1,91,14,955	1,911.50
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,91,14,955</b>	<b>1,911.50</b>	<b>1,91,14,955</b>	<b>1,911.50</b>

**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, 2022		As at 31st March, 2021	
	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	6.68%	12,76,744

**d. Shares held by promoters at the end of the 31st march 2022**

Promoter's Name	As at 31.03.2022		As at 31.03.2021		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Veto Electropowers (India) Private Limited	71,30,704	37.3	71,30,704	37.3	-
Pushpa Devi Gurnani	12,76,744	6.68	12,76,744	6.68	-
Akshay Kumar Gurnani	7,78,722	4.07	7,78,722	4.07	-
Harish Kumar Gurnani	7,33,333	3.84	7,33,333	3.84	-
Kanishk Kishore Gurnani	4,11,985	2.16	4,11,985	2.16	-
Rohit Gurnani	2,32,985	1.22	2,32,985	1.22	-
Kishore Kumar Gurnani	55,000	0.29	55,000	0.29	-
Sitadevi Gurnani	15,000	0.08	15,000	0.08	-
Narain Das Gurnani	13,200	0.07	13,200	0.07	-
Mukesh Gurnani	6,600	0.03	6,600	0.03	-

**e) Issue of Share Under ESOP**

During FY 2018-2019, the Company has allotted 7,87,855 shares under Employees Stock Option Plan (ESOP) of the Company.

**f) 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

## Notes to consolidated financial statements as at and for the year ended 31 March 2022

(Rs. In Lakhs)

## Note 9 : Cash and cash equivalents

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with banks:		
-In current accounts	922.69	1,240.30
Cash in hand	22.35	18.56
<b>Total cash and cash equivalents</b>	<b>945.04</b>	<b>1,258.86</b>

## Note 10 : Other Current Asset

(Unsecured Considered Good)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance to Suppliers	276.20	363.11
Staff Advances	15.80	18.54
Prepaid Expenses	17.26	6.30
Balance with Government Authorities	385.19	330.88
Pre operative expense	6.49	8.66
Other Advances	9.30	0.39
<b>Total other current assets</b>	<b>710.24</b>	<b>727.88</b>

## Note 12 : Borrowings

## Non current

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Secured</b>		
Working Capital Term Loan (under ECLGS)	312.39	-
	<b>312.39</b>	<b>-</b>
Hire purchase loans from banks	59.81	48.46
Less: Current maturities of long term debt	15.20	9.43
	<b>44.61</b>	<b>39.03</b>
<b>Total non-current borrowings</b>	<b>357.00</b>	<b>39.03</b>

## Additional information pursuant to long term borrowings :

A) Working Capital Term loan (total sanction limit of Rs. 1000.00 lakhs) from Indian Overseas Bank under Emergency Credit Line Guarantee Scheme, 100% guaranteed by National Credit Guarantee Trustee Company and secured by second charge with the existing credit facilities in terms of cash flows and security carries Interest of base rate + 1% p.a. The said loan is repayable in 36 monthly installment of Rs. 27.78 lakhs with an initial holiday period of 24 months from the date of first disbursement. Interest to be served as and when debited including holiday period.

b) Hire Purchase Loans 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 13 : Other financial liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non Current</b>		
Lease Liability	61.53	36.65
Trade deposits	563.95	535.54
	<b>625.48</b>	<b>572.19</b>

**Veto Switchgears and Cables Limited**
**Notes to consolidated financial statements as at and for the year ended 31 March 2022**
**(Rs. In Lakhs)**
**Note 14 : Provisions**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non Current</b>		
Provision for Replacement	151.58	138.41
Provision for Gratuity	29.12	21.44
	<b>180.71</b>	<b>159.85</b>
<b>Current</b>		
Provision for Gratuity	16.78	18.47
	<b>16.78</b>	<b>18.47</b>

**Note 15 : Borrowings**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Secured</b>		
Working Capital Loan from Bank	4,045.91	3,378.40
Unsecured Loans	151.93	74.72
Current maturities of loan term debt	15.20	9.43
<b>Total borrowings</b>	<b>4,213.04</b>	<b>3,462.56</b>

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

Working Capital loan of Rs. 3351.41 lakhs (PY 3378.40 lakhs) from Indian overseas 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).

Working Capital loan of Rs. 694.51 lakhs (PY Nil) from Kotak mahindra bank carries Interest rate of Repo rate + 4.25% Quarterly. The loan is secured by way of 1st charge on entire current assets of the Company and collateral security of 1st charge and exclusive equitable mortgage charge on residential land & building at South Portion of Plot No. C-57 (erstwhile P.No. 28-G), Saket Colony (erstwhile Fateh Teeba Industrial Area), Adarsh Nagar, Jaipur, owned by Mr. Babu Lal Gurnani. and First and exclusive equitable mortgage charge on residential land & building at North portion of Plot No - C-57 (erstwhile P.No. 28-G), Saket Colony (erstwhile Fateh Teeba Industrial Area), Adarsh Nagar, Jaipur, owned by Mukesh Gurnani.

The quarterly returns filed by the company to Indian Overseas Bank and Kotak mahindra bank were in agreement with the books of accounts

**Note 16 : Trade payables**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Due to Micro, Small & Medium Enterprises	1,162.41	1,363.16
Due to Others	2,268.24	1,839.86
<b>Total trade payables</b>	<b>3,430.65</b>	<b>3,203.02</b>

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 2022.

## Veto Switchgears and Cables Limited

Notes to consolidated financial statements as at and for the year ended 31 March 2022

(Rs. In Lakhs)

The disclosure pursuant to the said Act is as under:

Particulars	As at 31st March, 2022	As at 31st March, 2021
The principal amount remaining unpaid to any supplier as at the end of accounting year;	1,162.41	1,363.16
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 for the Year ended 31st March 2022

Note 16A : Trade payables

Trade Payables as at 31.03.2022

(Rs. In Lakhs)

Particulars	Outstanding for the following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>a) Undisputed trade payables</b>					
(i) MSME	1,162.41	-	-	-	1,162.41
(ii) Others	1,820.65	226.49	37.80	183.30	2,268.24
<b>b) Disputed trade payables</b>					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
	<b>2,983</b>	<b>226</b>	<b>38</b>	<b>183.30</b>	<b>3,430.65</b>

Trade Payables as at 31.03.2021

Particulars	Outstanding for the following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>a) Undisputed trade payables</b>					
(i) MSME	1,363.16	-	-	-	1,363.16
(ii) Others	1,568.76	79.58	109.97	81.56	1,839.86
<b>b) Disputed trade payables</b>					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
	<b>2,931.91</b>	<b>79.58</b>	<b>109.97</b>	<b>81.56</b>	<b>3,203.02</b>



## Veto Switchgears and Cables Limited

## Notes to consolidated financial statements as at and for the year ended 31 March 2022

(Rs. In Lakhs)

## Note 17 : Other financial liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Current</b>		
Lease Liability	61.74	25.69
Salary & Wages Payable	129.18	86.06
Duties & taxes payable	55.79	62.01
Unpaid Dividend (refer Note below)	6.38	5.20
<b>Total other financial liabilities</b>	<b>253.10</b>	<b>178.96</b>

Note: The unpaid dividend includes Rs 2.00 lakhs, Rs.3.20 lakhs and Rs. 1.18 lakhs in relation to interim and/ or final dividends declared by the company for FY 2015-16, 2016-17 and 2020-21 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 18 : Other current liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance from debtors	111.38	65.96
Provision for Expenses	3.34	57.74
Deferred Revenue	72.79	63.47
<b>Total other current liabilities</b>	<b>187.52</b>	<b>187.18</b>

## Note 19 : Income tax liabilities (net)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for taxation (Net of advance tax & TDS)	265.77	98.77
	<b>265.77</b>	<b>98.77</b>

## (a) Income Tax Expense

Particulars	2021-22	2020-21
<b>Current tax expense (A)</b>		
Current year	964.94	606.77
Short/(Excess) provision of earlier years	49.76	52.64
	1,014.70	659.41
<b>Deferred tax expense (B)</b>		
Origination and reversal of temporary differences	(54.04)	(4.11)
<b>Tax expense recognised in the income statement (A+B)</b>	<b>960.66</b>	<b>655.30</b>

## (b) Amounts recognised in other comprehensive income

Particulars	2021-22			2020-21		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans	10.13	(2.60)	7.54	19.14	(4.90)	14.23
	10.13	(2.60)	7.54	19.14	(4.90)	14.23

**Veto Switchgears and Cables Limited**
**Notes to consolidated financial statements as at and for the year ended 31 March 2022**
**(Rs. In Lakhs)**
**(c) Reconciliation of effective tax rate**

Particulars	2021-22	2020-21
Profit before tax	2,979.63	2,125.01
Tax using the Company's domestic tax rate (25.17%)	749.91	534.82
<b>Tax effect of :</b>		
Tax effect on non-deductible expenses	160.99	68.84
Tax of earlier year	49.76	52.64
	960.66	655.30
<b>Tax expense as per Statement of Profit &amp; Loss</b>	960.66	655.30
Effective tax rate	32.241%	30.837%

**Note 20 : Revenue from operation**

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Revenue from operations</b>		
Sale of Products *	26,751.73	18,078.25
<b>Other Operating Revenue</b>		
Scrap Sale	3.45	20.75
Gain on Foreign Exchange Fluctuations (Net)	28.01	24.07
<b>Total Revenue from Operations</b>	<b>26,783.20</b>	<b>18,123.07</b>

**\* Details of Products Sold**

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Finished Goods</b>		
Accessories & Others	8,810.81	4,115.07
Wire & Cables	8,185.74	6,103.38
	<b>16,996.55</b>	<b>10,218.45</b>
<b>Traded Goods</b>		
Accessories & Others	444.22	465.80
Wire & Cables	1,489.77	843.42
Lighting & Fittings	7,852.66	6,595.39
	<b>9,786.65</b>	<b>7,904.61</b>
	<b>26,783.20</b>	<b>18,123.07</b>

**Note 21 : Other income**

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Interest Income</b>		
- on margin money deposits	3.09	2.23
- on others	0.45	0.46
- on unwinding of financial assets carried at amortised cost	6.55	5.42
Profit on sale of fixed assets	10.33	1.93
Rent received on Investment Property	89.72	85.80
Miscellaneous Income	204.33	53.09
<b>Total Other Income</b>	<b>314.46</b>	<b>148.93</b>

## Veto Switchgears and Cables Limited

## Notes to consolidated financial statements as at and for the year ended 31 March 2022

(Rs. In Lakhs)

**Note 22 : Cost of materials consumed**

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening stock	1,500.47	1,176.04
Add : On Acquisition of Subsidiary	-	391.01
Add : Purchases	11,529.17	7,454.66
Less : Closing stocks	1,773.40	1,500.47
<b>Total Cost of Materials consumed</b>	<b>11,256.24</b>	<b>7,521.25</b>

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

**Details of Material Consumed**

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Copper	5,162.50	4,268.88
Alluminium	71.96	110.83
PVC Compound	821.52	330.54
Others	5,473.19	2,744.41
	<b>11,529.17</b>	<b>7,454.67</b>

**Details of Inventory**

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Copper	649.29	309.83
Alluminium	12.84	77.44
PVC Compound	127.34	144.45
Others	983.92	968.75
	<b>1,773.40</b>	<b>1,500.47</b>

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

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Purchase of stock in trade	8,783.61	5,770.00
<b>Total Purchase of stock in trade</b>	<b>8,783.61</b>	<b>5,770.00</b>

**Veto Switchgears and Cables Limited**
**Notes to consolidated financial statements as at and for the year ended 31 March 2022**
**(Rs. In Lakhs)**
**Note 24 : Changes in inventories of finished goods and stock in trade**

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Finished goods</b>		
Opening stock		
- Accessories & Others	1,349.55	990.35
- Wires & Cables	748.43	639.91
	2,097.98	1,630.26
On Acquisition of Subsidiary	-	163.54
Closing stock		
- Accessories & Others	1,619.88	1,349.55
- Wires & Cables	717.94	748.43
	2,337.83	2,097.98
<b>Changes in inventories of finished goods (A)</b>	<b>(239.84)</b>	<b>(304.18)</b>
<b>Stock in trade</b>		
Opening stock		
- Accessories & Others	3,125.15	1,940.92
- Wires & Cables	942.65	987.99
- Lighting & Fittings	3,428.13	3,154.75
	7,495.94	6,083.66
On Acquisition of Subsidiary		1,197.32
Closing stock		
- Accessories & Others	3,321.02	3,125.15
- Wires & Cables	797.31	942.65
- Lighting & Fittings	3,852.58	3,428.13
	7,970.90	7,495.94
<b>Total Changes in inventories of stock in trade (B)</b>	<b>(474.97)</b>	<b>(214.95)</b>
<b>Total (A+B)</b>	<b>(714.81)</b>	<b>(519.14)</b>

**Note 25 : Employee benefits expense**

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Salary, wages and other allowances	1,401.98	1,085.43
Directors Remuneration	123.25	64.00
Provision for Gratuity	20.48	22.26
Contribution to provident fund and other funds	67.67	47.69
Staff welfare expenses	34.50	27.51
<b>Total employee benefits expense</b>	<b>1,647.89</b>	<b>1,246.89</b>

**Note 26 : Finance costs**

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Interest expense to:</b>		
Banks	306.49	111.62
Others	33.08	26.24
Leasing Arrangements as per IND AS 116	10.38	5.58
Other Borrowing Cost	45.10	42.84
<b>Total finance costs</b>	<b>395.05</b>	<b>186.28</b>

## Veto Switchgears and Cables Limited

## Notes to consolidated financial statements as at and for the year ended 31 March 2022

(Rs. In Lakhs)

## Note 27 : Depreciation and amortisation expense

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation on tangible assets	216.00	134.14
Amortisation on Right of Use assets	90.05	36.94
Depreciation on Investment Property	27.34	28.74
<b>Total finance costs</b>	<b>333.40</b>	<b>199.82</b>

## Note 28 : Other expenses

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Manufacturing expenses</b>		
Consumption of :		
- Consumable & stores	1.93	3.52
- Power & fuel	58.45	56.56
Job Charges	18.94	35.43
Repairs & Maintenance :		
- Plant & machinery	21.77	13.48
- Factory building	3.79	0.19
Freight & transportation	7.04	20.20
Other factory expenses	25.11	25.53
	<b>137.02</b>	<b>154.92</b>
<b>Administration, Selling and Distribution expenses</b>		
Rent (Refer note no. 35)	79.57	52.64
Insurance	19.92	20.02
Rates & taxes	8.86	3.24
Repairs & maintenance	62.17	48.86
Legal and professional fees	68.68	61.14
Auditor's remuneration *	8.02	8.02
Travelling & conveyance	304.24	175.86
Communication costs	13.50	7.19
Printing & stationery	27.90	5.36
Water & electricity charges	29.72	52.54
Commission	286.74	172.74
Packing material consumed	312.07	350.50
Advertising & sales promotion	352.48	281.19
Transportation, freight & handling charges	432.67	274.05
Provision for expected credit loss	101.91	35.82
Expenditure on CSR activities	55.44	19.83
Sundry balances written off	31.64	-
Miscellaneous expenses	84.12	17.96
<b>Total other expenses</b>	<b>2,416.66</b>	<b>1,741.89</b>

## \* Payment to Auditor includes

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Audit fees	8.02	8.02
	<b>8.02</b>	<b>8.02</b>

**Veto Switchgears and Cables Limited**
**Notes to consolidated financial statements as at and for the year ended 31 March 2022**

(Rs. In Lakhs)

**Note 29 : 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, 2022	Year ended 31st March, 2021
<b>Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders</b>	( ₹ )	2,018.96	1,483.56
Weighted average number of equity shares for calculating Basic EPS	(No.)	1,91,14,955	1,91,14,955
Weighted Average Potential Equity Shares	(No.)	-	-
Total Weighted Average number of Equity Shares used for calculating Diluted EPS	(No.)	1,91,14,955	1,91,14,955
Basic EPS	( ₹ )	10.56	7.76
Diluted EPS	( ₹ )	10.56	7.76

**Note 30 : Contingent liabilities disclosures as required under Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets" are given below:**

(Rs. In Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>I) Guarantees</b>		
Bank Guarantee	3.47	15.97
	<b>3.47</b>	<b>15.97</b>

**Veto Switchgears and Cables Limited**  
**Notes to consolidated financial statements as at and for the year ended 31 March 2022**

(Rs. In Lakhs)

**Note 31 : 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 2022	Year ended 31st March 2021
<b>a) Changes in defined benefit obligations</b>		
<b>Present value of obligation as at the beginning of the year</b>		
Defined Benefit Obligation ("PBO") at the beginning of the year	87.53	86.61
Past service cost	-	
Service cost	18.47	16.24
Interest cost	5.47	5.41
Actuarial loss / (gain)	(10.04)	(19.25)
Benefits paid	(3.19)	(1.48)
<b>Present value of obligation as at the end of the year</b>	<b>98.25</b>	<b>87.53</b>
<b>b) Changes in Fair Value of Plan Assets</b>		
<b>Opening value of plan assets</b>	47.62	44.31
Interest Income	3.46	3.17
Return on plan assets excluding amounts included in interest income	0.10	(0.12)
Contributions by employer	1.17	0.25
Benefits paid	-	
<b>Closing value of plan assets</b>	<b>52.34</b>	<b>47.62</b>
<b>c) The amounts recognised in the Balance Sheet are as follows:</b>		
Present value of obligation as at the end of the year	98.25	87.53
Fair Value of plan assets as at the end of the year	52.34	47.62
<b>Net (assets) / liability recognised in balance sheet</b>	<b>45.90</b>	<b>39.91</b>
<b>d) Expenses recognised in the Statement of Profit and Loss</b>		
Service cost	18.47	16.24
Past service cost	-	
Net Interest Cost	2.01	2.24
<b>Total</b>	<b>20.48</b>	<b>18.48</b>
<b>e) Remeasurement (gains)/ losses recognised in OCI</b>		
Actuarial changes arising from changes in financial assumptions	(2.70)	
Actuarial changes arising from changes in demographic assumptions	-	
Due to experience adjustments	(7.34)	(19.25)
Return on plan assets excluding amount included in interest income	(0.10)	0.12
<b>Total</b>	<b>(10.13)</b>	<b>(19.14)</b>

**Veto Switchgears and Cables Limited**  
**Notes to consolidated financial statements as at and for the year ended 31 March 2022**

(Rs. In Lakhs)

**Note 31 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'**

Particulars	31st March 2022	31st March 2021
<b>f) Actuarial assumptions</b>		
Discount rate	6.90% p.a.	6.55% 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:**

(Rs. In Lakhs)

Particulars	31st March 2022	31st March 2021
i. Discount rate	0.5 % increase	
	95	84
ii. Salary escalation rate	-3.70%	-3.83%
	0.5 % increase	
iii. Attrition rate	102	91
	3.81%	4.00%
i. Discount rate	10% increase	
	98	87
ii. Salary escalation rate	-0.52%	0.83%
	0.5 % decrease	
iii. Attrition rate	102	91
	3.96%	4.12%
i. Discount rate	0.5 % decrease	
	95	84
ii. Salary escalation rate	-3.67%	-3.76%
	10% decrease	
iii. Attrition rate	99	88
	0.52%	0.86%



**Veto Switchgears and Cables Limited**  
**Notes to consolidated financial statements as at and for the year ended 31 March 2022**

(Rs. In Lakhs)

**Note 31 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'**

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 2022	31st March 2021
<b>h) Maturity analysis of defined benefit obligation</b>		
1st Following Year	9.66	7.99
2nd Following Year	8.74	7.54
3 rd Following Year	9.59	7.75
4th Following Year	8.32	8.29
5th Following Year	16.41	7.02
Sum of Year 6 to 10 Year	38.06	41.67
<b>Total expected payments</b>	<b>90.77</b>	<b>80.26</b>

**B Defined contribution plans**

Particulars	31st March 2022	31st March 2021
<b>a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:</b>		
(i) Contribution to provident fund	36.91	36.31
(ii) Contribution to ESIC	8.76	8.02
	<b>45.67</b>	<b>44.33</b>

Particulars	31st March 2022	31st March 2021
<b>b) Current/ non-current classification</b>		
<b>Gratuity</b>		
Current	16.78	18.47
Non-current	29.12	21.44
	<b>45.90</b>	<b>39.91</b>

**Veto Switchgears and Cables Limited**  
**Notes to consolidated financial statements as at and for the year ended 31 March 2022**

**Note 32 : 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.

**(a) Summary of segment Information as at and for the year ended 31st March, 2022 and 31st March, 2021 is as follows:**

(Rs. In Lakhs)		
Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>A. Segment Revenue</b>		
Wire & Cables	8,899.63	6,946.81
Lighting & Fittings	13,689.78	6,595.39
Accessories & Others	4,184.00	4,580.87
<b>Total Revenue</b>	<b>26,773.41</b>	<b>18,123.07</b>
<b>B. Segment Results</b>		
Wire & Cables	1,766.98	921.72
Lighting & Fittings	3,459.06	1,998.42
Accessories & Others	1,547.71	1,659.95
	<b>6,773.75</b>	<b>4,580.09</b>
Less : Unallocable Expenses	3,380.14	2,204.06
Less : Depreciation	333.40	199.82
<b>Operating Profit</b>	<b>3,060.21</b>	<b>2,176.21</b>
Less : Finance Cost	395.05	186.28
Add : Other Income	314.46	148.93
<b>Profit Before Tax &amp; Exceptional</b>	<b>2,979.63</b>	<b>2,138.86</b>
Less : Exceptional Expenses	-	-
<b>Profit Before Tax</b>	<b>2,979.63</b>	<b>2,138.86</b>
Less : Tax expense (Net)	960.66	655.30
<b>Profit After Tax</b>	<b>2,018.96</b>	<b>1,483.55</b>
Particulars	As At 31st March, 2022	As At 31st March, 2021
<b>C. Segments Assets</b>		
Wire & Cables	2,261.83	2,215.44
Lighting & Fittings	9,466.44	6,914.55
Accessories & Others	5,569.71	3,984.41
Unallocated	13,563.83	14,235.77
<b>Total</b>	<b>30,861.81</b>	<b>27,350.17</b>
<b>D. Segments Liabilities</b>		
Wire & Cables	167.00	263.78
Lighting & Fittings	2,821.25	2,255.06
Accessories & Others	330.05	495.26
Unallocated	6,211.75	4,905.93
<b>Total</b>	<b>9,530.05</b>	<b>7,920.03</b>

**Veto Switchgears and Cables Limited**  
**Notes to consolidated financial statements as at and for the year ended 31 March 2022**

**Note 33 : 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
<b>(i) Key Managerial Personnel</b>	
Akshay Gurnani	Managing Director & Chief Executive Officer
Naraindas Gurnani	Whole time Director & Chief Financial Officer
Jyoti Gurnani	Director
Varsha Rane Choudhary	Company Secretary Cum Compliance Officer (with effect from 29.06.2020)
Bhavna Giamalani	Company Secretary Cum Compliance Officer (Resignation on 29.06.2020)
<b>(B) Entity of which the company is an associate</b>	Veto Electropower (India) Private Limited
<b>(C) Subsidiary Companies</b>	Veto Electricals Private Limited Veto Led Lighting Private Limited Veto Overseas Private FZE Vankon Modular Private Limited
<b>(D) Entities in which KMP and/ or their relatives have significant influence</b>	Vimal Power Cables Private Limited Tulsi Palace Resort Private Limited Veto Polymers and Metals V1 Infradevelopers Private Limited Kripa Realmart Private Limited Anjali Packaging
<b>(E) Relative of Director</b>	Pushpa Devi Gurnani

**b. Transactions with Related Parties :**

Name of Party	Nature of Transaction	Year ended March 31, 2022	Year ended March 31, 2021
Akshay Gurnani	Remuneration	24.00	24.00
Naraindas Gurnani	Remuneration	12.00	12.00
Jyoti Gurnani	Remuneration	6.00	6.00
Bhavna Giamalani	Salary paid	-	0.18
Varsha Rane Choudhary	Salary paid	2.93	2.29
Pushpa Devi Gurnani	Salary paid	6.00	6.00
Veto Electro Power (India) Private Limited	Rent	1.70	1.44
Vimal Power Cables Private Limited	Purchases	3.31	3.00
Tulsi Palace Resorts Pvt. Ltd	Sales (Net)	0.91	0.91
Kripa Realmart Private Limited	Rent	6.60	6.60
V1 Infradevelopers Private Limited	Rent Expense	84.00	84.00
Anjali Packaging	Purchase of Packing Material	0.70	0.14

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

Name of Party	Receivable / Payable	As at March 31, 2022	As at March 31, 2021
Akshay Gurnani	Remuneration Payable	1.63	1.64
Naraindas Gurnani	Remuneration Payable	0.65	0.65
Jyoti Gurnani	Remuneration Payable	0.46	0.46
Varsha Rane Choudhary	Salary payable	0.38	0.20
Pushpa Devi Gurnani	Salary payable	0.46	0.46
Veto Electro Power (India) Private Limited	Advance to Creditor	6.26	4.83
V1 Infradevelopers Private Limited	Trade Receivable/Rent Receivable	198.48	122.25
Tulsi Palace Resort Pvt. Ltd. Jaipur	Trade Recievables	0.02	0.38
Vimal Power Cables Private Limited	Rent payable	12.30	1.05
Anjali Packaging	Trade payable	0.21	-

**Veto Switchgears and Cables Limited**

**Notes to consolidated financial statements as at and for the year ended 31 March 2022**

**Note 34 : 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:**

**(Rs. In Lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Unspent / (Excess) Amount at the beginning of the year	20.78	-
Gross amount required to be spent by the Company during the year	34.46	40.61
Amount spent during the year	55.44	19.83
Unspent / (Excess) Amount at the end of the year	(0.20)	20.78

## Veto Switchgears and Cables Limited

## Notes to consolidated financial statements as at and for the year ended 31 March 2022

## Note 35: Leases

(Rs. In Lakhs)

Following are the changes in the carrying value of right of use assets :

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Opening balance	123.26	160.20
Addition	111.67	-
Deletion	-	-
Depreciation	90.05	36.94
<b>Closing balance</b>	<b>144.88</b>	<b>123.26</b>

The following is the break-up of current and non-current lease liabilities :

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Current lease liabilities	61.74	25.69
Non-Current lease liabilities	61.53	36.65
	<b>123.28</b>	<b>62.35</b>

The following is the movement in lease liabilities:

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Opening balance	62.35	85.44
Addition	111.67	-
Finance cost accrued during the period	10.38	5.58
Deletion	-	-
Payment of lease liabilities	61.12	28.67
<b>Closing balance</b>	<b>123.28</b>	<b>62.35</b>

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis :

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
- Less than one year	65.40	58.18
- Later than one year but not later than five years	65.40	24.20
- Later than five years	-	-
	<b>130.80</b>	<b>82.38</b>

Rental expense recorded for short-term leases was Rs. 35.06 lakhs (PY Rs. 35.98 lakhs)

Veto Switchgears and Cables Limited

Notes to consolidated financial statements as at and for the year ended 31 March 2022

Note 36 : Fair Value Measurement

Financial instruments by category

Particulars	Refer note	As at 31-03-2022				As at 31-03-2021			
		Carring Amount	FVPL	FVOCI	Amortised Cost	Carring Amount	FVPL	FVOCI	Amortised Cost
<b>Financial Assets:</b>									
Investments									
Investments in equity shares	4	0.76	0.76	-		0.76	-	-	-
Others financial assets	5	288.02	-	-	288.02	242.82	-	-	242.82
Trade receivables	8	11,893.36	-	-	11,893.36	9,061.82	-	-	9,061.82
Cash and cash equivalents	9	945.04	-	-	945.04	1,258.86	-	-	1,258.86
<b>Total Financial Assets</b>		<b>13,127.18</b>	<b>0.76</b>	<b>-</b>	<b>13,126.42</b>	<b>10,564.26</b>	<b>0.76</b>	<b>-</b>	<b>10,563.50</b>
<b>Financial Liabilities:</b>									
Borrowings	12&15	4,570.04	-	-	4,570.04	3,501.59	-	-	3,501.59
Trade payables	16	3,430.65	-	-	3,430.65	3,203.02	-	-	3,203.02
Other financial liabilities	13&17	878.58	-	-	878.58	751.15	-	-	751.15
<b>Total Financial liabilities</b>		<b>8,879.28</b>	<b>-</b>	<b>-</b>	<b>8,879.28</b>	<b>7,455.76</b>	<b>-</b>	<b>-</b>	<b>7,455.76</b>

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 amount are reasonably approximation of fair value.

**Veto Switchgears and Cables Limited**  
**Notes to consolidated financial statements as at and for the year ended 31 March 2022**

**Note 37 : 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.

**Ageing of Accounts receivables :**

Particulars	As at 31-03-2022	As at 31-03-2021
Not Due	-	-
0 - 6 months	10,229.25	8,362.55
6 - 12 months	978.48	530.66
Beyond 12 months	1,137.65	518.72
<b>Total</b>	<b>12,345.38</b>	<b>9,411.93</b>

Veto Switchgears and Cables Limited  
Notes to consolidated financial statements as at and for the year ended 31 March 2022

Note 37 : Financial risk management objectives and policies

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 2022	31 March 2021
Balance at the beginning of the year	350.11	314.29
Addition/(Reversal during the year)	101.91	35.82
<b>Balance at the end of the year</b>	<b>452.02</b>	<b>350.11</b>

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

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, 2022	On Demand	Less than 1 year	1 to 5 years	Total
Borrowings	4,197.84	15.20	357.00	4,570.04
Other current financial liabilities	-	863.38	-	863.38
Trade payables	-	3,430.65	-	3,430.65
	<b>4,197.84</b>	<b>4,309.23</b>	<b>357.00</b>	<b>8,864.08</b>

As at March 31, 2021	On Demand	Less than 1 year	1 to 5 years	Total
Borrowings	3,453.13	9.43	39.03	3,501.59
Other current financial liabilities	-	741.72	-	741.72
Trade payables	-	3,203.02	-	3,203.02
	<b>3,453.13</b>	<b>3,954.17</b>	<b>39.03</b>	<b>7,446.33</b>

Veto Switchgears and Cables Limited  
Notes to consolidated financial statements as at and for the year ended 31 March 2022

Note 37 : Financial risk management objectives and policies

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.

Particulars	Amount in Foreign currency			
	31st March 2022 AED	31st March 2022 USD	31st March 2021 AED	31st March 2021 USD
<b>Financial Asset</b>				
Non Current Loans	-	-	-	-
Trade Receivables	18,34,283	-	34,38,322	-
<b>Exposure for assets (a)</b>	<b>18,34,283</b>	<b>-</b>	<b>34,38,322</b>	<b>-</b>
<b>Financial Liabilities</b>				
Trade Payables	-	-	-	-
<b>Exposure for liabilities (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net exposure (a-b)</b>	<b>18,34,283</b>	<b>-</b>	<b>34,38,322</b>	<b>-</b>



**Veto Switchgears and Cables Limited**  
**Notes to consolidated financial statements as at and for the year ended 31 March 2022**

**Note 37 : Financial risk management objectives and policies**

(Rs. In Lakhs)

Particulars	31st March 2022	31st March 2022	31st March 2021	31st March 2021
	AED	USD	AED	USD
<b>Financial Asset</b>				
Non Current Loans	-	-	-	-
Trade Receivables	379.33	-	690.58	-
<b>Exposure for assets (a)</b>	<b>379.33</b>	<b>-</b>	<b>690.58</b>	<b>-</b>
<b>Financial Liabilities</b>				
Trade Payables	-	-	-	-
<b>Exposure for liabilities (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net exposure (a-b)</b>	<b>379.33</b>	<b>-</b>	<b>690.58</b>	<b>-</b>

**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.

**Impact of movement on Profit or (loss) and Equity :**

(Rs. In Lakhs)

Effect in INR (before tax)	31st March, 2022		31st March, 2021	
	Profit or (loss) and Equity		Profit or (loss) and Equity	
	Strengthening	Weakening	Strengthening	Weakening
<b>1% movement</b>				
AED	3.79	(3.79)	6.91	(6.91)
USD	-	-	-	-
	<b>3.79</b>	<b>(3.79)</b>	<b>6.91</b>	<b>(6.91)</b>

**Veto Switchgears and Cables Limited**  
**Notes to consolidated financial statements as at and for the year ended 31 March 2022**

**Note 37 : Financial risk management objectives and policies**

**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	(Rs. In Lakhs)	
	As at 31-03-2022	As at 31-03-2021
Total Borrowings	4,570.04	3,501.59
	4,570.04	3,501.59

**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)	(Rs. In Lakhs)	
	Profit or loss	
	50 bp increase	50 bp decrease
<b>31st March 2022</b>		
Variable-rate loan instruments	(228.50)	228.50
<b>Cash flow sensitivity (net)</b>	(228.50)	228.50
<b>31st March 2021</b>		
Variable-rate loan instruments	(175.08)	175.08
<b>Cash flow sensitivity (net)</b>	(175.08)	175.08

**iii. Other price risk**

The Group is not exposed to the other price risk.

**Veto Switchgears and Cables Limited**  
**Notes to consolidated financial statements as at and for the year ended 31 March 2022**

**Note 38 : 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	(Rs. In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Loans and borrowings	4,570	3,502
<b>Net Debt</b>	<b>4,570</b>	<b>3,502</b>
Equity	21,332	19,431
<b>Total Capital</b>	<b>21,332</b>	<b>19,431</b>
<b>Capital and Net Debt</b>	<b>25,902</b>	<b>22,932</b>
<b>Gearing ratio (Net Debt/Capital and Net Debt)</b>	<b>17.64</b>	<b>15.27</b>

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**  
**Notes to consolidated financial statements as at and for the year ended 31 March 2022**

**Note 39 : Disclosure of additional information pertaining to the Parent Group and Subsidiaries:**

a) For the Year ended 31st March 2022

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
<b>Parent</b>								
Veto Switchgears And Cables Limited	18,846.94	88.35%	1,496.30	74.11%	7.54	10.28%	1,503.85	71.87%
<b>Subsidiaries</b>								
Veto Overseas Private FZE	2,267.53	10.63%	71.92	3.56%	65.88	89.72%	137.80	6.59%
Veto Electricals Private Limited	(412.68)	-1.93%	69.10	3.42%	-	-	69.10	3.30%
Veto Led Lighting Private Limited	(6.38)	-0.03%	(3.73)	-0.18%	-	-	(3.73)	-0.18%
Vankon Modular Private limited	567.87	2.66%	368.14	18.23%	-	-	368.14	17.59%
<b>Minority Interest in all subsidiaries</b>	68.46	0.32%	17.23	0.85%	-	-	17.23	0.82%
<b>TOTAL</b>	<b>21,331.76</b>	<b>100.00%</b>	<b>2,018.96</b>	<b>100.00%</b>	<b>73.42</b>	<b>100.00%</b>	<b>2,092.38</b>	<b>100.00%</b>

Note : The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2022

b) For the Year ended 31st March 2021

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
<b>Parent</b>								
Veto Switchgears And Cables Limited	11,154.28	57.41%	1,445.17	97.41%	14.23	167%	1,459.40	97.81%
<b>Subsidiaries</b>								
Veto Overseas Private FZE	4,155.14	21.38%	(83.41)	-5.62%	(5.72)	-67%	(89.13)	-5.97%
Veto Electricals Private Limited	1,027.51	5.29%	18.35	1.24%	-	-	18.35	1.23%
Veto Led Lighting Private Limited	1,124.26	5.79%	(2.48)	-0.17%	-	-	(2.48)	-0.17%
Vankon Modular Private limited	1,918.10	9.87%	101.82	6.86%	-	-	101.82	6.82%
<b>Minority Interest in all subsidiaries</b>	51.24	0.26%	4.11	0.28%	-	-	4.11	0.28%
<b>TOTAL</b>	<b>19,430.53</b>	<b>100.00%</b>	<b>1,483.56</b>	<b>100.00%</b>	<b>8.51</b>	<b>100.00%</b>	<b>1,492.07</b>	<b>100%</b>

Note : The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2021

**Veto Switchgears and Cables Limited****Notes to consolidated financial statements as at and for the year ended 31 March 2022****Note 40 : Additional regulatory information required by schedule III to the companies act, 2013**

- 1 The Group does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- 2 The Group has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- 3 The Group has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- 4 Utilisation of borrowed funds and share premium
  - I The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
    - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
  - II The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
    - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
    - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- 5 There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- 6 The Group has not traded or invested in crypto currency or virtual currency during the year.
- 7 The Group does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

**Note 41 :** The Income Tax Department had carried out search and seizure operation on 22.12.2021 on various premises of the Company, its promoters and their group entities. In this regard, the management believes that there will not be any financial impact on the Company.

**Note 42 :** For financial year 2022, the Board recommended a final dividend of Re.1/- (par value of Rs. 10/- each) per equity share. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company.

**Note 43 :** Figures of the previous year have been regrouped, reclassified and/or rearranged wherever necessary.

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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

**Ajad Mehata**

Partner

Membership No. : 139040

**Akshay Kumar Gurnani**

Managing Director &amp; CEO

DIN : 06888193

**Narain Das Gurnani**

Whole Time Director &amp; CFO

DIN : 01970599

Place: Mumbai

Date : May, 26, 2022

Place: Jaipur

Date : May, 26, 2022

**Varsha Rane Choudhary**

Company Secretary



## 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 2022, 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 2022, 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.

## C A S & C O

CHARTERED ACCOUNTANTS

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.

## C A S & C O

*CHARTERED ACCOUNTANTS*

- 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.

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

- 1 As required by the Companies (Auditor's Report) Order, 2020 ("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.

**C A S & C O**  
**CHARTERED ACCOUNTANTS**

(e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

iv (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act.

3. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

**For C A S & Co**

Chartered Accountants

**Firm’s Registration No. 111075W**

**Ajad Mehata**

Partner

**Mem. No. 139040**

UDIN : 22139040AJRKOJ4217

Place: Mumbai

Date: May 26, 2022





**Annexure “A” to the Independent Auditor’s Report of even date on the financial statements of Veto Switchgears and Cables Limited for the year ended 31st March 2022.**

As required by the Companies (Auditors Report) Order, 2020 and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) In respect of the Company’s Property, Plant and Equipment and Intangible Assets :
- a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- b. The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company the title deeds are held in the name of the company.
- d. The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories have been physically verified by the management during the year at reasonable intervals. No material discrepancies were noticed on physical verification of inventories by the management.
- (b) During the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from bank on the basis of security of current assets. The quarterly returns filed by the company with such bank were in agreement with the books of accounts.
- (iii) The Company has made investments in a Subsidiary Companies and granted unsecured loans to a Subsidiary Companies, in respect of which:
- (a) The Company has provided unsecured loans to its Subsidiary Companies amounting to Rs. 2344.31 lakhs and balance outstanding at the balance sheet date was Rs. 2749.98 lakhs. The Company has not provided any advances in the nature of loans or stood guarantee, or provided security to any other entity during the year.
- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company’s interest.

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(c) In respect of loans granted by the Company, no repayment schedule has been stipulated for repayment of principal and interest.

(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The company has granted unsecured loans repayable on demand to its Subsidiary Company amounting to Rs. 2344.31 lakhs and balance outstanding at the balance sheet date was Rs. 2749.98 lakhs which are 100% to the total loans granted.

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

(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 in accordance with the provisions of sections 73 to 76 or amounts which are deemed to be deposits of the Act and the rules framed there under. Hence, reporting under clause 3(v) of the Order is not applicable.

(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) Accordingly to the records of the Company, the undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess, Goods and Service Tax and other statutory dues wherever applicable have regularly been deposited with the appropriate authorities. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2022 for a period more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause(a) on account of any dispute with the relevant authorities.

(viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)

(ix) (a) Based on our audit procedure and as per the information and explanation given by the management, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us, the Company is not declared as willful defaulter by any bank or financial institution or other Lender.

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(c) According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us, funds raised on short term basis have not been utilised for long term purposes.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, the provisions of Clause 3(x)(a) of the Order are not applicable to the Company.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) According to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to the information and explanations given to us, the Company has not received any whistle blower Complaints during the year.

(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 explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required by applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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(xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) There are no unspent amounts towards Corporate Social Responsibility (CSR) Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

**For C A S & Co**

Chartered Accountants

**Firm's Registration No. 111075W**

**Ajad Mehata**

Partner

**Mem. No. 139040**

UDIN : 22139040AJRKOJ4217

Place: Mumbai

Date: May 26, 2022



**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 2022.**

**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, 2022 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

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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, 2022, 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 Registration No. 111075W**

### **Ajad Mehata**

Partner

**Mem. No. 139040**

UDIN: 22139040AJRKOJ4217

Place: Mumbai

Date: May 26, 2022

**Veto Switchgears and Cables Limited**  
**Balance Sheet as at 31st March, 2022**

(Rs. In Lakhs)

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3A	1,071.67	1,196.89
Other Intangible assets	3B	-	-
Investment Property	3C	1,366.39	1,393.73
Right of Use Asset	3D	113.95	103.79
<b>Financial Asset</b>			
Investments	4	3,935.95	3,935.95
Loans	5	2,749.98	1,791.55
Other financial assets	6	181.49	197.92
Deferred tax asset (net)	7	329.61	277.72
<b>Total Non-Current Assets</b>		<b>9,749.04</b>	<b>8,897.56</b>
<b>Current Assets</b>			
Inventories	8	6,967.55	6,511.34
<b>Financial Asset</b>			
Trade receivables	9	7,411.48	6,225.73
Cash and cash equivalents	10	227.53	311.17
Other Current Asset	11	501.80	503.16
<b>Total Current Assets</b>		<b>15,108.36</b>	<b>13,551.40</b>
<b>TOTAL ASSETS</b>		<b>24,857.40</b>	<b>22,448.97</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	12	1,911.50	1,911.50
Other equity		17,048.18	14,969.78
<b>Total Equity</b>		<b>18,959.68</b>	<b>16,881.27</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	13	336.81	12.23
Other financial liabilities	14	607.55	569.69
Provisions	15	29.12	21.44
<b>Total Non-current Liabilities</b>		<b>973.48</b>	<b>603.36</b>
<b>Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	3,366.61	3,387.84
Trade payables	17	974.77	1,268.90
Other financial liabilities	18	199.16	131.20
Other current liabilities	19	136.14	94.06
Provisions	15	16.78	18.47
Income Tax Liabilities (Net)	20	230.78	63.85
<b>Total Current Liabilities</b>		<b>4,924.24</b>	<b>4,964.33</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,857.40</b>	<b>22,448.97</b>

**Notes 1 to 47 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**  
Chartered Accountants  
Firm Registration No. 111075W

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

**Ajad Mehata**  
Partner  
Membership No. : 139040

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

**Narain Das Gurnani**  
Whole Time Director & CFO  
DIN : 01970599

Place: Mumbai  
Date : May, 26, 2022

Place: Jaipur  
Date : May, 26, 2022

**Varsha Rane Choudhary**  
Company Secretary

Veto Switchgears and Cables Limited  
Statement of Profit and Loss for the year ended 31st March ,2022

(Rs. In Lakhs)

Particulars	Notes	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>INCOME</b>			
Revenue from operation	21	17,365.84	15,265.62
Other income	22	1,031.26	271.19
<b>Total Income</b>		<b>18,397.09</b>	<b>15,536.81</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	6,917.04	6,212.31
Purchases of stock-in-trade	24	5,586.28	4,765.39
Changes in inventories of finished goods and stock in trade	25	(622.65)	(626.60)
Employee benefits expense	26	1,076.80	1,091.50
Finance costs	27	323.37	174.68
Depreciation and amortisation expense	28	257.91	185.60
Other expenses	29	1,782.34	1,499.46
<b>Total Expenses</b>		<b>15,321.09</b>	<b>13,302.34</b>
<b>Profit before tax (A-B)</b>		<b>3,076.00</b>	<b>2,234.47</b>
<b>Tax expenses :</b>			
- Current tax		829.12	583.60
- Deferred tax liability / (asset)		(54.49)	(12.45)
- Tax for earlier years		39.35	51.39
<b>Total Tax Expenses</b>		<b>813.99</b>	<b>622.54</b>
<b>Net Profit for the year</b>		<b>2,262.02</b>	<b>1,611.93</b>
<b>Other comprehensive income (OCI)</b>			
Items not to be reclassified subsequently to profit or loss :			
- Re-measurement gains / (Loss) on defined benefits plans		10.13	19.14
- Income tax effect on above		(2.60)	(4.90)
<b>Total Other comprehensive income (OCI)</b>		<b>7.54</b>	<b>14.24</b>
<b>Total comprehensive income for the year (E-F)</b>		<b>2,269.55</b>	<b>1,626.17</b>
<b>Earnings per equity share</b>	30		
(Nominal value of share Rs.10 each)			
- Basic		11.83	8.43
- Diluted		11.83	8.43
<b>Notes 1 to 47 form an integral part of the standalone financial statements</b>			
This is the statement of profit and loss referred to in our audit report of even date			
<b>For C A S &amp; Co</b> Chartered Accountants <b>Firm Registration No. 111075W</b>	<b>For and on behalf of the Board</b> Veto Switchgears and Cables Limited		
<b>Ajad Mehata</b> Partner Membership No. : 139040	<b>Akshay Kumar Gurnani</b> Managing Director & CEO DIN : 06888193	<b>Narain Das Gurnani</b> Whole Time Director & CFO DIN : 01970599	
Place: Mumbai Date : May, 26, 2022	Place: Jaipur Date : May, 26, 2022	<b>Varsha Rane Choudhary</b> Company Secretary	



**Veto Switchgears and Cables Limited**  
**Cash Flow Statement For the year ended 31st March, 2022**

(Rs. In Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>A. Cash flow from operating activities</b>		
Net profit before taxation	3,076.00	2,234.47
<u>Adjustments for:</u>		
Depreciation on fixed assets	257.91	179.64
Profit on sale of fixed assets	(10.33)	(1.93)
Finance costs	323.37	174.68
Interest income	(201.25)	(175.69)
Rent received	(89.72)	(85.80)
Remeasurement of defined benefit plans as per actuarial valuation	10.13	19.14
Sundry balances written off	29.47	-
Provision for expected credit loss on trade receivables	101.91	35.82
Dividend Received from Subsidiary company	(729.98)	-
<b>Operating profit before working capital changes</b>	<b>2,767.52</b>	<b>2,380.33</b>
<u>Adjustments for :</u>		
Decrease / (increase) in trade receivables	(1,287.66)	(1,369.78)
Decrease / (increase) in inventories	(456.21)	(572.26)
Decrease / (increase) in other financial assets	16.43	6.84
Decrease / (increase) in other assets	(28.11)	(94.76)
(Decrease) / Increase in provisions	5.99	(2.39)
(Decrease) / Increase in trade and other payables	(294.13)	349.02
(Decrease) / Increase in other financial liabilities	30.01	149.81
Increase / (Decrease) in other current liabilities	42.08	35.31
<b>Cash generated from / (used in) operations</b>	<b>795.91</b>	<b>882.11</b>
Direct taxes paid	(701.55)	(568.77)
<b>Net cash flow from operating activities</b>	<b>(A) 94.36</b>	<b>313.34</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including capital work in progress)	(44.74)	(55.04)
Sale of fixed assets	15.39	5.20
Loans & advances received back / (given)	(958.42)	(715.44)
Investment made / (Proceeds) from sale of equity instruments	-	(886.27)
Interest received	201.25	175.69
Rent received	89.72	85.80
Dividend received	729.98	-
<b>Net cash flow from / (used in) investment activities</b>	<b>(B) 33.16</b>	<b>(1,390.05)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds / (Repayment) of long-term borrowings (net)	324.58	(111.45)
Proceeds / (Repayment) of short-term borrowings (net)	(21.23)	997.82
Dividend Paid	191.15	-
Interest paid	(323.37)	(169.10)
<b>Net cash flow from / (used in) financing activities</b>	<b>(C) 171.13</b>	<b>717.27</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>A+B+C 298.65</b>	<b>(359.44)</b>
Cash and cash equivalents at the beginning of the year	311.17	670.61
<b>Cash and cash equivalents at the end of the year</b>	<b>609.83</b>	<b>311.17</b>

**Veto Switchgears and Cables Limited**  
**Cash Flow Statement For the year ended 31st March, 2022**

(Rs. In Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Components of cash and cash equivalents considered only for the purpose of cash flow statement</b>		
Cash on hand	7.47	5.47
Balances with bank on current account	220.06	305.70
	<b>227.53</b>	<b>311.17</b>

**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 47 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**

**For and on behalf of the Board**

Veto Switchgears and Cables Limited

**Ajad Mehata**

Partner

Membership No. : 139040

**Akshay Kumar Gurnani**

Managing Director & CEO

DIN : 06888193

**Narain Das Gurnani**

Whole Time Director &

DIN : 01970599

Place: Mumbai

Date : May, 26, 2022

Place: Jaipur

Date : May, 26, 2022

**Varsha Rane Choudhary**

Company Secretary

**Veto Switchgears and Cables Limited**  
**Statement of Changes in Equity for the year ended 31 March 2022**

**(A) Equity share capital**

Particulars	Number	(Rs. In Lakhs)
Equity shares of Rs. 10 each issued, subscribed and paid		
<b>As at 31 March 2020</b>	<b>1,91,14,955</b>	<b>1,911.50</b>
Issue of equity shares	-	-
<b>As at 31 March 2021</b>	<b>1,91,14,955</b>	<b>1,911.50</b>
Issue of equity shares	-	-
<b>As at 31 March 2022</b>	<b>1,91,14,955</b>	<b>1,911.50</b>

**Current reporting period****(Rs. In Lakhs)**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Retained balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance at the end of the current reporting period
1,911.50	-	1,911.50	-	1,911.50

**Previous reporting period**

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Retained balance at the beginning of the previous reporting period	Changes in Equity share capital during the previous year	Balance at the end of the previous reporting period
1,911.50	-	1,911.50	-	1,911.50

**B) Other equity****(Rs. In Lakhs)**

Particulars	Reserves and surplus			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	
<b>As at 31 March 2020</b>	<b>2,424.33</b>	<b>8,985.04</b>	<b>1,912.50</b>	<b>21.74</b>	<b>13,343.61</b>
Total comprehensive income for the year	-	1,611.93	-	14.24	1,626.17
<b>As at 31 March 2021</b>	<b>2,424.33</b>	<b>10,596.97</b>	<b>1,912.50</b>	<b>35.98</b>	<b>14,969.78</b>
Total comprehensive income for the year	-	2,262.02	-	7.54	2,269.55
Dividend Paid (Rs.1 per share)	-	(191.15)	-	-	(191.15)
<b>As at 31 March 2022</b>	<b>2,424.33</b>	<b>12,667.84</b>	<b>1,912.50</b>	<b>43.51</b>	<b>17,048.18</b>

**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.

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

**Ajad Mehata**

Partner

Membership No. : 139040

Place: Mumbai

Date : May, 26, 2022

**For and on behalf of the Board of Directors**

Veto Switchgears and Cables Limited

**Akshay Kumar Gurnani**

Managing Director &amp; CEO

DIN : 06888193

**Narain Das Gurnani**

Whole Time Director &amp; CFO

DIN : 01970599

**Varsha Rane Choudhary**

Company Secretary

**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**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 2022 were authorised for issue in accordance with resolution of the Board of Directors on May 26, 2022

**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**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**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**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**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**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**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**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**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 consists 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**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**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**  
**Notes to standalone financial statements for the year ended 31st March 2022**

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 consists 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.

Veto Switchgears and Cables Limited  
Notes to standalone financial statements for the year ended 31st March 2022

Note 3 : Property, Plant and Equipment

A) Tangible assets

Particulars	Leasehold Land	Factory Building	Office Building	Plant & Machinery	Office Equipments	Furniture & Fixtures	Computers	Vehicles	Total
<b>Gross carrying value (at deemed cost)</b>									
Balance as at 31st March 2020	353.98	386.81	178.46	1,010.96	35.38	200.03	26.74	304.13	2,496.48
Additions	-	-	-	14.19	1.92	259.69	2.18	12.77	290.75
Disposals	-	-	-	-	-	-	-	8.77	8.77
<b>Balance as at 31st March 2021</b>	<b>353.98</b>	<b>386.81</b>	<b>178.46</b>	<b>1,025.15</b>	<b>37.30</b>	<b>459.72</b>	<b>28.92</b>	<b>308.13</b>	<b>2,778.47</b>
Additions	-	-	-	0.50	3.28	-	2.01	38.96	44.74
Disposals	-	-	-	-	0.19	7.71	0.07	78.80	86.78
<b>Balance as at 31st March 2022</b>	<b>353.98</b>	<b>386.81</b>	<b>178.46</b>	<b>1,025.65</b>	<b>40.38</b>	<b>452.01</b>	<b>30.86</b>	<b>268.29</b>	<b>2,736.43</b>
<b>Accumulated depreciation</b>									
Balance as at 31st March 2020	-	279.91	10.73	767.22	31.56	105.08	24.53	254.09	1,473.12
Depreciation charge	-	14.57	8.17	48.38	1.69	24.54	1.63	14.98	113.96
Deletions / Adjustments	-	-	-	-	-	-	-	5.50	5.50
<b>Balance as at 31st March 2021</b>	<b>-</b>	<b>294.47</b>	<b>18.90</b>	<b>815.61</b>	<b>33.24</b>	<b>129.63</b>	<b>26.16</b>	<b>263.57</b>	<b>1,581.57</b>
Depreciation charge	-	12.51	7.77	40.47	1.56	83.83	1.67	17.11	164.91
Deletions / Adjustments	-	-	-	-	0.25	7.58	0.07	73.82	81.72
<b>Balance as at 31st March 2022</b>	<b>-</b>	<b>306.98</b>	<b>26.67</b>	<b>856.07</b>	<b>34.56</b>	<b>205.87</b>	<b>27.76</b>	<b>206.85</b>	<b>1,664.76</b>
<b>Net carrying value</b>									
Balance as at 31st March 2020	353.98	106.90	167.73	243.74	3.82	94.95	2.21	50.04	1,023.37
Balance as at 31st March 2021	353.98	92.34	159.56	209.54	4.05	330.09	2.76	44.56	1,196.89
Balance as at 31st March 2022	353.98	79.83	151.79	169.58	5.83	246.13	3.10	61.44	1,071.67

Veto Switchgears and Cables Limited  
Notes to standalone financial statements for the year ended 31st March 2022

B) Intangible assets

(Rs. In Lakhs)

Particulars	Trademark	Total
<b>Gross carrying value (at deemed cost)</b>		
Balance as at 01st April 2020	1.12	1.12
Additions	-	-
Balance as at 31st March 2021	1.12	1.12
Additions	-	-
Balance as at 31st March 2022	1.12	1.12
<b>Accumulated amortisation</b>		
Balance as at 01st April 2020	1.12	1.12
Amortisation charge	-	-
Balance as at 31st March 2021	1.12	1.12
Amortisation charge	-	-
Balance as at 31st March 2022	1.12	1.12
<b>Net carrying value</b>		
Balance as at 01st April 2020	-	-
Balance as at 31st March 2021	-	-
Balance as at 31st March 2022	-	-

Veto Switchgears and Cables Limited  
Notes to standalone financial statements for the year ended 31st March 2022

C) Investment Property (Rs. In Lakhs)

Particulars	Leasehold Land	Building	Total
<b>Gross carrying value (at deemed cost)</b>			
Balance as at 31st March 2020	832.24	627.99	1,460.24
Capitalised from Capital Work in Progress	-	-	-
Balance as at 31st March 2021	832.24	627.99	1,460.24
Capitalised from Capital Work in Progress	-	-	-
Balance as at 31st March 2022	832.24	627.99	1,460.24
<b>Accumulated depreciation</b>			
Balance as at 31st March 2020	-	37.76	37.76
Depreciation charge		28.74	28.74
Balance as at 31 March 2021	-	66.50	66.50
Depreciation charge		27.34	27.34
Balance as at 31 March 2022	-	93.85	93.85
<b>Net carrying value</b>			
Balance as at 31st March 2020	832.24	590.24	1,422.48
Balance as at 31st March 2021	832.24	561.49	1,393.73
Balance as at 31st March 2022	832.24	534.15	1,366.39

Veto Switchgears and Cables Limited  
Notes to standalone financial statements for the year ended 31st March 2022

D) Right of Use Assets (Rs. In Lakhs)

Particulars	Office Premises	Leasehold Improvements	Total
<b>Gross carrying value (at deemed cost)</b>			
Balance as at 31st March 2020	132.47	99.55	232.02
Additions	-	-	-
Balance as at 31st March 2021	132.47	99.55	232.02
Additions	75.81	-	75.81
Deletions	6.27	-	6.27
Balance as at 31st March 2022	202.01	99.55	301.56
<b>Accumulated Amortization</b>			
Balance as at 31st March 2020	27.34	57.99	85.33
Amortisation charge for the year	32.28	10.61	42.89
Balance as at 31 March 2021	59.63	68.60	128.22
Deletions / Adjustments	6.27	-	6.27
Amortisation charge for the year	55.05	10.61	65.66
Balance as at 31st March 2022	108.40	79.21	187.61
<b>Net carrying value</b>			
Balance as at 31st March 2020	105.12	41.56	146.69
Balance as at 31st March 2021	72.84	30.95	103.79
Balance as at 31st March 2022	93.61	20.34	113.95

**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**

(Rs. In Lakhs)

**Note 4 : Investments**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non Current Investments</b>		
<b>I. Investments valued at deemed cost</b>		
Investment in equity shares		
i) In domestic subsidiaries	2,686.27	2,686.27
ii) In foreign subsidiaries	1,249.17	1,249.17
iii) In other companies	0.51	0.51
<b>Total non-current investments</b>	<b>3,935.95</b>	<b>3,935.95</b>

**Note 4.1 Detailed list of non-current investments**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>I. Investments valued at cost, fully paid up, unquoted, unless otherwise stated</b>		
<b>a) Investments in equity shares:</b>		
<b>i) In subsidiaries</b>		
Veto Led Lighting Private Limited 9,00,000 ( PY 9,00,000 ) Equity Shares of Rs.10 each fully paid up	900.00	900.00
Veto Electricals Private Limited 9,00,000 ( PY 9,00,000 ) Equity Shares of Rs.10 each fully paid up	900.00	900.00
Vankon Moduler Private Limited 27,69,500 ( PY 27,69,500 ) Equity Shares of Rs.10 each fully paid up	886.27	886.27
<b>ii) In foreign subsidiaries</b>		
Veto Overseas Private FZE 64,75,000 ( PY 64,75,000 ) Equity Shares of 1 AED each fully paid up	1,249.17	1,249.17
<b>iii) In other companies</b>		
Veto Lightings Private Limited 5,100 ( PY 5,100 ) Equity Shares of Rs.10 each fully paid up	0.51	0.51
<b>Total non-current investments</b>	<b>3,935.95</b>	<b>3,935.95</b>

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Aggregate of non-current investments:</b>		
Book value of investments	3,935.95	3,935.95
Investments carried at deemed cost	3,935.44	3,935.44
Investments carried at fair value through profit and loss	0.51	0.51

**Note 5 : Loans**

(Unsecured, Considered Good)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non-current</b>		
<b>Considered good</b>		
Loans & Advances to related parties (Refer Note No. 35) - to subsidiary companies	2,749.98	1,791.55
<b>Total non-current loans</b>	<b>2,749.98</b>	<b>1,791.55</b>

**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**Note 6 : Other financial assets**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non-current</b>		
Security Deposits	86.50	92.18
VAT Receivables	50.18	57.70
Fixed deposits (held as margin money)	44.81	48.03
<b>Total Other Non - Current financial assets</b>	<b>181.49</b>	<b>197.92</b>

**Note 7 : Deferred tax asset (net)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Deferred income tax asset</b>		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	202.02	177.77
Employee Benefits	11.76	10.23
Other Provisions	115.83	89.72
<b>Total Deferred tax assets (net)</b>	<b>329.61</b>	<b>277.72</b>

**Note 8 : Inventories**

(valued at lower of cost or net realisable value)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Finished goods	2,043.32	1,927.17
Stock in trade	4,023.32	3,516.82
Raw materials	801.66	961.31
Packing materials	99.26	106.05
<b>Total Inventories</b>	<b>6,967.55</b>	<b>6,511.34</b>

**Note 9 : Trade receivables**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, Considered Good	7,863.50	6,575.84
Less : Provision for expected credit loss	452.02	350.11
<b>Total trade receivables</b>	<b>7,411.48</b>	<b>6,225.73</b>

Veto Switchgears and Cables Limited  
Notes to standalone financial statements for the year ended 31st March 2022

Note 9A : Trade receivables

i) Trade Receivables as at 31.03.2022

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
<b>a) Undisputed trade receivables</b>						
- considered good	6,401.98	732.84	-	-	-	7,134.82
- which have significant increase in credit risk	-	-	306.15	231.11	-	537.26
- credit impaired	-	-	-	-	191.42	191.42
<b>b) Disputed trade receivables</b>						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
	<b>6,401.98</b>	<b>732.84</b>	<b>306.15</b>	<b>231.11</b>	<b>191.42</b>	<b>7,863.50</b>

ii) Trade Receivables as at 31.03.2021

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
<b>a) Undisputed trade receivables</b>						
- considered good	5,717.56	475.41	-	-	-	6,192.97
- which have significant increase in credit risk	-	-	174.17	131.14	-	305.31
- credit impaired	-	-	-	-	77.57	77.57
<b>b) Disputed trade receivables</b>						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
	<b>5,717.56</b>	<b>475.41</b>	<b>174.17</b>	<b>131.14</b>	<b>77.57</b>	<b>6,575.84</b>



**Veto Switchgears and Cables Limited**  
Notes to standalone financial statements for the year ended 31st March 2022

**Note 12 : Equity Share capital**

(Rs. In Lakhs)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
<b>Authorised</b>		
2,50,00,000 (PY 2,50,00,000) Equity shares of Rs.10/- each	2,500.00	2,500.00
	<b>2,500.00</b>	<b>2,500.00</b>
<b>Issued, Subscribed and Fully Paid Up</b>		
1,91,14,955 (PY 1,91,14,955) Equity shares of Rs. 10/- each fully paid up	1,911.50	1,911.50
	<b>1,911.50</b>	<b>1,911.50</b>

**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, 2022		As at 31st March, 2021	
	No. of Shares	(Rs. In Lakhs)	No. of Shares	(Rs. In Lakhs)
<b>Equity Shares</b>				
At the beginning of the year	1,91,14,955	1,911.50	1,91,14,955	1,911.50
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,91,14,955</b>	<b>1,911.50</b>	<b>1,91,14,955</b>	<b>1,911.50</b>

**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, 2022		As at 31st March, 2021	
	% 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	6.68%	12,76,744

**d. Shares held by promoters at the end of the year**

Promoter's Name	As at 31.03.2022		As at 31.03.2021		% Change during the year*
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Veto Electropowers (India) Private Limited	71,30,704	37.30	71,30,704	37.30	-
Pushpa Devi Gurnani	12,76,744	6.68	12,76,744	6.68	-
Akshay Kumar Gurnani	7,78,722	4.07	7,78,722	4.07	-
Harish Kumar Gurnani	7,33,333	3.84	7,33,333	3.84	-
Kanishk Kishore Gurnani	4,11,985	2.16	4,11,985	2.16	-
Rohit Gurnani	2,32,985	1.22	2,32,985	1.22	-
Kishore Kumar Gurnani	55,000	0.29	55,000	0.29	-
Sitadevi Gurnani	15,000	0.08	15,000	0.08	-
Narain Das Gurnani	13,200	0.07	13,200	0.07	-
Mukesh Gurnani	6,600	0.03	6,600	0.03	-
	<b>1,06,54,273</b>	<b>55.74</b>	<b>1,06,54,273</b>	<b>55.74</b>	-

**e. 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.

**f. 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.1912.50 lakhs. 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. 1912.50 lakhs on issue of these warrants have been forfeited during the previous year and credited to the Capital Reserve.

**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**Note 10 : Cash and cash equivalents**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with banks:		
- In current accounts	220.06	305.70
Cash in hand	7.47	5.47
<b>Total cash and cash equivalents</b>	<b>227.53</b>	<b>311.17</b>

**Note 11 : Other Current Asset**

(Unsecured Considered Good)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance to Suppliers	159.71	221.08
Balance with Government Authorities	313.21	260.84
Staff Advances	15.80	18.09
Prepaid Expenses	13.08	3.15
	<b>501.80</b>	<b>503.16</b>

**Note 13 : Borrowings**
**Non current**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Secured</b>		
Working Capital Term Loan (under ECLGS)	312.39	-
	<b>312.39</b>	<b>-</b>
Hire purchase loans from banks	39.62	21.66
Less: Current maturities of long term debt	15.20	9.43
	<b>24.42</b>	<b>12.23</b>
<b>Total non-current borrowings</b>	<b>336.81</b>	<b>12.23</b>

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

A) Working Capital Term loan (total sanction limit of Rs. 1000.00 lakhs) from Indian Overseas Bank under Emergency Credit Line Guarantee Scheme, 100% guaranteed by National Credit Guarantee Trustee Company and secured by second charge with the existing credit facilities in terms of cash flows and security carries Interest of base rate + 1% p.a. The said loan is repayable in 36 monthly installment of Rs. 27.78 lakhs with an initial holiday period of 24 months from the date of first disbursement. Interest to be served as and when debited including holiday period.

b) Hire Purchase Loans 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 14 : Other financial liabilities**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non-Current</b>		
Lease Liability	43.60	35.06
Trade deposits	563.95	534.63
	<b>607.55</b>	<b>569.69</b>

**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**Note 15 : Provisions**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non-Current</b>		
Provision for gratuity	29.12	21.44
	<b>29.12</b>	<b>21.44</b>
<b>Current</b>		
Provision for gratuity	16.78	18.47
	<b>16.78</b>	<b>18.47</b>

**Note 16 : Borrowings**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>(Secured)</b>		
Working Capital Loan from Bank	3,351.41	3,378.40
Current maturities of long term debts	15.20	9.43
	<b>3,366.61</b>	<b>3,387.84</b>

Working Capital Loan 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).

The quarterly returns filed by the company to Indian Overseas Bank were in agreement with the books of accounts :

**Note 17 : Trade payables**

Particulars	As at 31st March, 2022	As at 31st March, 2021
- Total outstanding dues of Micro Enterprises and Small Enterprises.	665.36	1,002.82
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	309.41	266.08
<b>Total trade payables</b>	<b>974.77</b>	<b>1,268.90</b>

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 2022.

The disclosure pursuant to the said Act is as under:

Particulars	As at 31st March, 2022	As at 31st March, 2021
The principal amount remaining unpaid to any supplier as at the end of accounting year;	665.36	1,002.82
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  
Notes to standalone financial statements for the year ended 31st March 2022

Note 17A : Trade payables

Trade Payables as at 31.03.2022

(Rs. In Lakhs)

Particulars	Outstanding for the following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>a) Undisputed trade payables</b>					
(i) MSME	665.36	-	-	-	665.36
(ii) Others	248.88	9.56	10.36	40.61	309.41
<b>b) Disputed trade payables</b>					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
	<b>914.24</b>	<b>9.56</b>	<b>10.36</b>	<b>40.61</b>	<b>974.77</b>

Trade Payables as at 31.03.2021

Particulars	Outstanding for the following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>a) Undisputed trade payables</b>					
(i) MSME	1,002.82	-	-	-	1,002.82
(ii) Others	204.24	7.80	32.99	21.05	266.08
<b>b) Disputed trade payables</b>					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
	<b>1,207.06</b>	<b>7.80</b>	<b>32.99</b>	<b>21.05</b>	<b>1,268.90</b>

**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**Note 18 : Other financial liabilities**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Current</b>		
Lease Liability	47.45	25.69
Salary & Wages Payable	126.87	84.75
Duties & taxes payable	18.45	15.56
Unpaid Dividend (refer Note below)	6.38	5.20
<b>Total other financial liabilities</b>	<b>199.16</b>	<b>131.20</b>

**Note:**The unpaid dividend includes Rs 2.00 lakhs, Rs.3.20 lakhs and Rs. 1.18 lakhs in relation to interim and/ or final dividends declared by the company for FY 2015-16, 2016-17 and 2020-21 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 19 : Other current liabilities**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance from customers	87.87	50.98
Provision for Expenses	0.62	4.87
Deferred Revenue	47.65	38.21
	<b>136.14</b>	<b>94.06</b>

**Note 20 : Income Tax Liabilities (Net)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for tax (net of advance tax & TDS)	230.78	63.85
	<b>230.78</b>	<b>63.85</b>

**(a) Income Tax Expense**

Particulars	2021-22	2020-21
<b>Current tax expense (A)</b>		
Current year	829.12	583.60
Short/(Excess) provision of earlier years	39.35	51.39
	<b>868.47</b>	<b>634.99</b>
<b>Deferred tax expense (B)</b>		
Origination and reversal of temporary differences	(54.49)	(12.45)
	<b>(54.49)</b>	<b>(12.45)</b>
<b>Tax expense recognised in the income statement (A+B)</b>	<b>813.99</b>	<b>622.54</b>

**(b) Amounts recognised in other comprehensive income**

Particulars	2021-22			2020-21		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans	10.13	(2.60)	7.54	19.14	(4.90)	14.23
<b>Total</b>	<b>10.13</b>	<b>(2.60)</b>	<b>7.54</b>	<b>19.14</b>	<b>(4.90)</b>	<b>14.23</b>

**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**(c) Reconciliation of effective Tax Rate**

Particulars	2021-22	2020-21
Profit before tax	3,076.00	2,234.47
Tax using the Company's domestic tax rate (25.17%)	774.17	562.37
<b>Tax effect of :</b>		
Tax effect on non-deductible expenses	0.47	8.77
Tax of earlier years	39.35	51.39
	<b>813.99</b>	<b>622.54</b>
<b>Tax expense as per Statement of Profit &amp; Loss</b>	813.99	622.54
Effective tax rate	26.46%	27.86%

**Note 21 : Revenue from operation**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
<b>Revenue from operations</b>		
Sale of Products *	17,365.84	15,265.62
<b>Total Revenue from Operations</b>	<b>17,365.84</b>	<b>15,265.62</b>

**\* Details of Products Sold**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
<b>Finished Goods</b>		
Accessories & Others	3,768.83	4,115.07
Wire & Cables	6,507.67	5,000.34
	<b>10,276.50</b>	<b>9,115.41</b>
<b>Traded Goods</b>		
Accessories & Others	179.65	136.30
Wire & Cables	272.03	307.95
Lighting & Fittings	6,637.65	5,705.96
	<b>7,089.34</b>	<b>6,150.21</b>
	<b>17,365.84</b>	<b>15,265.62</b>

**Note 22 : Other income**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
<b>Interest Income</b>		
- on loans to wholly owned subsidiary	191.81	167.98
- on margin money deposits	3.09	2.23
- on others	0.45	0.07
- on unwinding of financial assets carried at amortised cost	5.90	5.42
Profit on sale of fixed assets	10.33	1.93
Dividend received from wholly owned foreign subsidiary	729.98	-
Rental income on Investment Property	89.72	85.80
Gain / (loss) on Foreign Exchange Fluctuations (Net)	(3.72)	-
Miscellaneous Income	3.70	7.77
<b>Total other income</b>	<b>1,031.26</b>	<b>271.19</b>

**Note 23 : Cost of materials consumed**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Opening stock	961.31	1,009.24
Add: Purchases	6,757.39	6,164.38
Less: Closing stocks	801.66	961.31
<b>Total Cost of Materials Consumed</b>	<b>6,917.04</b>	<b>6,212.31</b>

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

**Veto Switchgears and Cables Limited**  
Notes to standalone financial statements for the year ended 31st March 2022

**Details of Material Consumed**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Copper	4,137.04	3,609.61
Alluminium	71.96	81.19
PVC Compound	523.66	330.54
Others	2,184.38	2,190.97
	<b>6,917.04</b>	<b>6,212.31</b>

**Details of Inventory**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Copper	214.37	167.46
Alluminium	12.84	-
PVC Compound	45.63	70.44
Others	528.81	723.41
	<b>801.66</b>	<b>961.31</b>

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

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Purchase of stock in trade	5,586.28	4,765.39
<b>Total Purchases of stock-in-trade</b>	<b>5,586.28</b>	<b>4,765.39</b>

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

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
<b>Finished goods</b>		
Opening stock		
- Accessories & Others	1,178.74	990.35
- Wire & Cables	748.43	639.91
	1,927.17	1,630.26
Closing stock		
- Accessories & Others	1,325.37	1,178.74
- Wire & Cables	717.94	748.43
	2,043.32	1,927.17
<b>Changes in inventories of finished goods (A)</b>	<b>(116.15)</b>	<b>(296.91)</b>
<b>Stock in trade</b>		
Opening stock		
- Accessories & Others	201.27	132.81
- Wire & Cables	126.33	146.01
- Lighting & Fittings	3,189.21	2,908.32
	3,516.82	3,187.13
Closing stock		
- Accessories & Others	168.42	201.27
- Wire & Cables	157.13	126.33
- Lighting & Fittings	3,697.77	3,189.21
	4,023.32	3,516.82
<b>Changes in inventories of stock in trade (B)</b>	<b>(506.50)</b>	<b>(329.69)</b>
<b>Total Changes in inventories of finished goods and stock in trade (A+B)</b>	<b>(622.65)</b>	<b>(626.60)</b>

**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**Note 26 : Employee benefits expense**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Salary, wages and other allowances	951.15	960.69
Directors Remuneration	42.00	42.00
Gratuity Expense	20.48	18.49
Contribution to provident fund and other funds	45.67	44.33
Staff welfare expenses	17.50	26.00
<b>Total employee benefits expense</b>	<b>1,076.80</b>	<b>1,091.50</b>

**Note 27 : Finance costs**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
<b>Interest expense to:</b>		
Banks	269.16	106.19
Others	10.70	26.08
Lease liabilities as per IND AS 116	8.00	5.58
Other Borrowing Cost	35.52	36.84
<b>Total finance costs</b>	<b>323.37</b>	<b>174.68</b>

**Note 28 : Depreciation and amortisation expense**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Depreciation on tangible assets	164.91	113.96
Amortisation on Right of Use assets	65.66	42.89
Depreciation on Investment Property	27.34	28.74
<b>Total depreciation and amortisation expense</b>	<b>257.91</b>	<b>185.60</b>



**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**Note 29 : Other expenses**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
<b>Manufacturing expenses</b>		
<b>Consumption of :</b>		
- Consumable & stores	1.93	3.52
- Power & fuel	48.32	56.56
Job Charges	18.94	35.43
Repairs & Maintenance :	-	-
- Plant & machinery	20.04	12.46
- Factory building	3.79	0.19
Freight & transportation	7.04	20.20
Other factory expenses	21.47	21.58
	<b>121.52</b>	<b>149.95</b>
<b>Administration, Selling and Distribution expenses</b>		
Rent (Refer note no 39)	35.06	35.98
Insurance	16.12	19.21
Rates & taxes	8.57	3.24
Repairs & maintenance	-	-
- Others	59.35	48.05
Legal and professional fees	47.92	36.92
Auditor's remuneration *	4.85	4.85
Travelling & conveyance	219.42	148.56
Communication costs	6.82	6.42
Printing & stationery	9.86	3.31
Water & electricity charges	23.89	38.66
Commission	219.59	111.70
Packing material consumed	267.92	315.91
Advertising & sales promotion	238.76	265.72
Transportation, freight & handling charges	287.74	232.97
Expenditure on CSR activities	55.44	19.83
Provision for expected credit loss	101.91	35.82
Sundry balances written off	29.47	-
Miscellaneous expenses	28.13	22.34
<b>Total other expenses</b>	<b>1,782.34</b>	<b>1,499.46</b>

**\* Payment to Auditor includes**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Audit fees	4.85	4.85
	<b>4.85</b>	<b>4.85</b>

**Veto Switchgears and Cables Limited**
**Notes to standalone financial statements for the year ended 31st March 2022**
**Note 30 : 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**

Particulars		Year Ended 31st March, 2022	Year Ended 31st March, 2021
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	( ₹ )	2,262.02	1,611.93
Weighted average number of equity shares for calculating Basic EPS	(Nos.)	1,91,14,955	1,91,14,955
Weighted Average Potential Equity Shares	(Nos.)	-	-
Total Weighted Average number of Equity Shares used for calculating Diluted EPS	(Nos.)	1,91,14,955	1,91,14,955
Basic EPS	( ₹ )	11.83	8.43
Diluted EPS	( ₹ )	11.83	8.43

**Note 31 : Contingent liabilities disclosures as required under Indian Accounting Standard 37, "Provisions,Contingent Liabilities and (Rs. In Lakhs)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>I) Guarantees</b>		
Bank Guarantee	3.47	15.97
	<b>3.47</b>	<b>15.97</b>

**Note 32 : 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 2022	Portion of ownership interest as at 31 March 2021	Method used to account for the investment
Veto Electricals Private Limited	India	100%	100%	At Cost
Vankon Modular Private limited	India	95.50%	95.50%	At Cost
Veto Led Lighting Private Limited	India	100%	100%	At Cost
Veto Overseas Private FZE	Dubai	100%	100%	At Cost

**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**Note 33 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'**

(Rs. In Lakhs)

**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 2022	Year ended 31st March 2021
<b>a) Changes in defined benefit obligations</b>		
<b>Present value of obligation as at the beginning of the year</b>		
Defined Benefit Obligation ("PBO") at the beginning of the year	87.53	86.61
Past service cost	-	
Service cost	18.47	16.24
Interest cost	5.47	5.41
Actuarial loss / (gain)	(10.04)	(19.25)
Benefits paid	(3.19)	(1.48)
<b>Present value of obligation as at the end of the year</b>	<b>98.25</b>	<b>87.53</b>
<b>b) Changes in Plan Assets</b>		
<b>Opening value of plan assets</b>	47.62	44.31
Interest Income	3.46	3.17
Return on plan assets excluding amounts included in interest income	0.10	(0.12)
Contributions by employer	1.17	0.25
Benefits paid	-	-
<b>Closing value of plan assets</b>	<b>52.34</b>	<b>47.62</b>
<b>c) The amounts recognised in the Balance Sheet are as follows:</b>		
Present value of obligation as at the end of the year	98.25	87.53
Fair Value of plan assets as at the end of the year	52.34	47.62
<b>Net (assets) / liability recognised in balance sheet</b>	<b>45.90</b>	<b>39.91</b>
<b>d) Expenses recognised in the Statement of Profit and Loss</b>		
Service cost	18.47	16.24
Past service cost	-	
Net Interest Cost	2.01	2.24
<b>Total</b>	<b>20.48</b>	<b>18.48</b>
<b>e) Remeasurement (gains)/ losses recognised in OCI</b>		
Actuarial changes arising from changes in financial assumptions	(2.70)	-
Actuarial changes arising from changes in demographic assumptions	-	
Due to experience adjustments	(7.34)	(19.25)
Return on plan assets excluding amount included in interest income	(0.10)	0.12
<b>Total</b>	<b>(10.13)</b>	<b>(19.14)</b>

**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**
**Note 33 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'**

Particulars	31st March 2022	31st March 2021
<b>f) Actuarial assumptions</b>		
Discount rate	6.90% p.a.	6.55% 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 (2012-14) Table	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:**
**(Rs. In Lakhs)**

Particulars	31st March 2022	31st March 2021
	0.5 % increase	
i. Discount rate	94.61	84.18
	-3.70%	-3.83%
	0.5 % increase	
ii. Salary escalation rate	101.99	91.04
	3.81%	4.00%
	10% increase	
iii. Attrition rate	97.74	86.81
	-0.52%	0.83%
	0.5 % decrease	
i. Discount rate	102.14	91.14
	3.96%	4.12%
	0.5 % decrease	
ii. Salary escalation rate	94.64	84.24
	-3.67%	-3.76%
	10% decrease	
iii. Attrition rate	98.75	88.28
	0.52%	0.86%

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.

**(Rs. In Lakhs)**

Particulars	31st March 2022	31st March 2021
<b>h) Maturity analysis of defined benefit obligation</b>		
1st Following Year	9.66	7.99
2nd Following Year	8.74	7.54
3 rd Following Year	9.59	7.75
4th Following Year	8.32	8.29
5th Following Year	16.41	7.02
Sum of Year 6 to 10 Year	38.06	41.67
<b>Total expected payments</b>	<b>90.77</b>	<b>80.26</b>

**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**Note 33 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'**

**B Defined contribution plans**

<b>Particulars</b>	<b>31st March 2022</b>	<b>31st March 2021</b>
<b>a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:</b>		
(i) Contribution to provident fund	36.91	36.31
(ii) Contribution to ESIC	8.76	8.02
	<b>45.67</b>	<b>44.33</b>
<b>Particulars</b>	<b>31st March 2022</b>	<b>31st March 2021</b>
<b>b) Current/ non-current classification</b>		
<b>Gratuity</b>		
Current	16.78	18.47
Non-current	29.12	21.44
	<b>45.90</b>	<b>39.91</b>

**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**Note 34 : 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, 2022 and 31st March, 2021 is as follows:**

Particulars	(Rs. In Lakhs)	
	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Segment Revenue</b>		
Wire & Cables	6,779.70	5,308.29
Lighting & Fittings	6,637.65	5,705.96
Accessories & Others	3,948.48	4,251.37
<b>Total Revenue</b>	<b>17,365.84</b>	<b>15,265.62</b>
<b>Segment Results</b>		
Wire & Cables	1,352.51	759.70
Lighting & Fittings	1,936.60	1,714.56
Accessories & Others	1,504.87	1,669.40
	<b>4,793.99</b>	<b>4,143.66</b>
Less : Unallocable Expenses	2,167.96	1,826.06
Less : Depreciation	257.91	179.64
<b>Operating Profit</b>	<b>2,368.12</b>	<b>2,137.96</b>
Less : Finance Cost	323.37	174.68
Add : Other Income	1,031.26	271.19
<b>Profit Before Tax</b>	<b>3,076.00</b>	<b>2,234.47</b>
Less : Tax expense (Net)	813.99	622.54
<b>Profit After Tax</b>	<b>2,262.02</b>	<b>1,611.93</b>

Particulars	As at	
	31st March, 2022	31st March, 2021
<b>Segments Assets</b>		
Wire & Cables	1,047.92	1,112.66
Lighting & Fittings	3,697.77	3,189.21
Accessories & Others	2,122.60	2,103.42
Unallocated	17,989.10	16,043.67
<b>Total Capital Employed</b>	<b>24,857.40</b>	<b>22,448.97</b>
<b>D. Segments Liabilities</b>		
Wire & Cables	108.23	4.30
Lighting & Fittings	466.75	580.43
Accessories & Others	330.05	495.26
Unallocated	4,992.68	4,487.70
	<b>5,897.72</b>	<b>5,567.69</b>

Veto Switchgears and Cables Limited  
Notes to standalone financial statements for the year ended 31st March 2022

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
<b>(i) Key Managerial Personnel</b> Akshay Gurnani Naraindas Gurnani Jyoti Gurnani Varsha Rane Choudhary Bhavna Giamalani	Managing Director & Chief Executive Officer Whole time Director & Chief Financial Officer Director Company Secretary Cum Compliance Officer (from 29.06.2020) Company Secretary Cum Compliance Officer (till 29.06.2020)
<b>(ii) Entity of which the company is an associate</b>	Veto Electropower (India) Private Limited
<b>(iii) Subsidiary Companies</b>	Veto Electricals Private Limited Veto Led Lighting Private Limited Veto Overseas Private FZE Vankon Modular Private Limited
<b>(iv) Enterprises owned or significantly influenced by KMP and / or their relatives</b>	Vimal Power Cables Private Limited Tulsi Palace Resort Private Limited V1 Infradevelopers Private Limited Kripa Realmart Private Limited Anjali Packaging
<b>(v) Relative of Director</b>	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 :

(Rs. In Lakhs)

	Nature of Transaction	Year ended March 31, 2022	Year ended March 31, 2021
Akshay Gurnani	Remuneration	24.00	24.00
Naraindas Gurnani	Remuneration	12.00	12.00
Jyoti Gurnani	Remuneration	6.00	6.00
Bhavna Giamalani	Salary paid	-	0.18
Varsha Rane Choudhary	Salary paid	2.93	2.29
Pushpa Devi Gurnani	Salary paid	6.00	6.00
Veto Electricals Private Limited	Interest Income	88.04	99.59
	Loan Granted	1,243.00	700.16
	TDS on Interest income	8.80	7.47
	Loan Received Back	726.00	1,895.00
	Rent Income	-	0.96
Veto Led Lighting Private Limited	Interest Income	33.58	48.24
	TDS on Interest income	3.36	3.62
	Loan Granted	60.43	49.48
	Loan Received Back	-	890.00
Veto Overseas Private FZE	Interest Income	1.93	4.20
	Loan Received Back	48.18	-
Vankon Modular Private Ltd	Investment made	-	886.27
	Loan Granted	1,040.88	1,684.64
	Loan Received Back	784.53	868.33
	TDS on Interest income	6.10	1.10
	Interest Income	67.54	14.63
Veto Electropower (India) Private Limited	Rent Expense	1.70	1.44
Vimal Power Cables Private Limited	Rent Expense	3.31	3.00
Kripa Realmart Private Limited	Rent Expense	6.60	6.60
V1 Infradevelopers Private Limited	Rent Income	84.00	84.00
Tulsi Palace Resorts Pvt. Ltd	Sales (Net)	0.91	0.91
Anjali Packaging	Purchase of Packing Material	0.70	0.14

**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**

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

(Rs. In Lakhs)

Name of Party	Receivable / Payable	March 31, 2022	March 31, 2021
Akshay Gurnani	Remuneration Payable	1.63	1.64
Naraindas Gurnani	Remuneration Payable	0.65	0.65
Jyoti Gurnani	Remuneration Payable	0.46	0.46
Varsha Rane Choudhary	Salary Payable	0.38	0.20
Pushpa Devi Gurnani	Salary Payable	0.46	0.46
Veto Electrical Private Limited	Loans Receivable	1,205.53	609.29
Vankon Modular Pvt Ltd	Loans Receivable	1,147.63	829.84
Veto Led Lighting Private Limited	Loans Receivable	396.82	306.17
Veto Overseas FZE	Loans Receivable	-	46.25
Veto Electropower (India) Private Limited	Rent payable	6.26	4.83
V1 Infradevelopers Private Limited	Trade Receivable/Rent Receivable	198.48	122.25
Tulsi Palace Resort Private Limited	Trade Recievables	0.02	0.38
Vimal Power Cables Private Limited	Rent payable	12.30	1.05
Anjali Packaging	Trade payable	0.21	-

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

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

(Rs. In Lakhs)

Name of the Subsidiary	Balance as at 31.03.2022	Balance as at 31.03.2021	Interest Rate
Veto Electricals Private Limited	1,205.53	609.29	10.00%
Veto Led Lighting Private Limited	396.82	306.17	10.00%
Vankon Modular Private limited	1,147.63	829.84	9.50%
Veto Overseas FZE	-	46.25	10.00%
<b>TOTAL</b>	<b>2,749.98</b>	<b>1,791.55</b>	

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

Amount of Loans & Advances in nature of loans outstanding from subsidiaries as at 31st March, 2022 :

(Rs. In Lakhs)

Name of the Subsidiary	Closing Balance	Maximum Outstanding
Veto Electricals Private Limited	1,205.53	1,205.53
Vankon Modular Private limited	1,147.63	1,147.63
Veto Led Lighting Private Limited	396.82	396.82
Veto Overseas FZE	-	46.25

**Note 38 : 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:**

(Rs. In Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Unspent / (Excess) Amount at the beginning of the year	20.78	-
Gross amount required to be spent by the Company during the year	34.46	40.61
Amount spent during the year	55.44	19.83
Unspent / (Excess) Amount at the end of the year	(0.20)	20.78



**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**

(Rs. In Lakhs)

**Note 39: Leases**

Following are the changes in the carrying value of right of use assets :

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Opening balance	103.79	146.69
Addition	75.81	-
Deletion	-	-
Depreciation	65.66	42.89
<b>Closing balance</b>	<b>113.95</b>	<b>103.79</b>

The following is the break-up of current and non-current lease liabilities :

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Current lease liabilities	47.45	25.69
Non-Current lease liabilities	43.60	35.06
	<b>91.05</b>	<b>60.75</b>

The following is the movement in lease liabilities:

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Opening balance	60.75	85.43
Addition	75.81	-
Finance cost accrued during the period	8.00	5.58
Deletion	-	-
Payment of lease liabilities	53.51	30.26
<b>Closing balance</b>	<b>91.05</b>	<b>60.75</b>

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis :

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
- Less than one year	52.60	42.81
- Later than one year but not later than five years	46.48	24.20
- Later than five years	-	-
	<b>99.08</b>	<b>67.01</b>

Rental expense recorded for short-term leases was Rs. 35.06 lakhs (PY 35.98 lakhs).

Veto Switchgears and Cables Limited  
Notes to standalone financial statements for the year ended 31st March 2022

Note 40: Fair Value Measurement

(i) Financial instruments by category

Particulars	Refer note	31st March 2022				31st March 2021			
		Carrying Amount	FVPL	FVOCI	Amortised Cost	Carrying Amount	FVPL	FVOCI	Amortised Cost
<b>Financial Assets:</b>									
Investments									
Investments in equity shares	4	3,935.95	0.51	-	3,935.44	0.51	-	3,935.44	
Loans	5	2,749.98	-	-	2,749.98	-	-	1,791.55	
Others financial assets	6	181.49	-	-	181.49	-	-	197.92	
Trade receivables	9	7,411.48	-	-	7,411.48	-	-	6,225.73	
Cash and cash equivalents	10	227.53	-	-	227.53	-	-	311.17	
<b>Total Financial Assets</b>		<b>14,506.42</b>	<b>0.51</b>	<b>-</b>	<b>14,505.91</b>	<b>0.51</b>	<b>-</b>	<b>12,461.81</b>	
<b>Financial Liabilities:</b>									
Borrowings	13&16	3,703.42	-	-	3,703.42	-	-	3,400.07	
Trade payables	17	974.77	-	-	974.77	-	-	1,268.90	
Other financial liabilities	14&18	806.71	-	-	806.71	-	-	700.89	
<b>Total Financial Liabilities</b>		<b>5,484.89</b>	<b>-</b>	<b>-</b>	<b>5,484.89</b>	<b>-</b>	<b>-</b>	<b>5,369.86</b>	

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**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**Note 42 : The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021**

Sr.No.	Particulars	Numerator	Denominator	31st March 2022	31st March 2021	Variance %
1	Current Ratio	Current assets	Current liabilities	3.07	2.73	12.40
2	Debt – Equity Ratio	Total Debt	Shareholder's Equity	0.20	0.20	-3.02
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	7.54	9.62	-21.61
4	Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	0.13	0.10	25.83
5	Trade receivables turnover ratio	Revenue	Average Trade Receivable	2.55	2.75	-7.26
6	Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	12.59	11.31	11.35
7	Net capital turnover ratio	Revenue	Working Capital	1.71	1.78	-4.08
8	Net profit ratio	Net Profit	Revenue	0.13	0.11	23.36
9	Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	0.15	0.12	26.27
10	Return on Investment(ROI)	Income generated from investments	Time weighted average investments	0.19	-	-

**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**Note 41 : 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 :** (Rs. In Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
Not Due	-	-
0 - 6 months	6,401.98	5,717.56
6 - 12 months	732.84	475.41
Beyond 12 months	728.68	382.87
<b>Total</b>	<b>7,863.50</b>	<b>6,575.84</b>

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	(Rs. In Lakhs)	
	31 March 2022	31 March 2021
Balance at the beginning of the year	350.11	314.29
Addition/(Reversal during the year)	101.91	35.82
<b>Balance at the end of the year</b>	<b>452.02</b>	<b>350.11</b>

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.

**b) Liquidity risk**

**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**Note 41 : Financial risk management objectives and policies**

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.

(Rs. In Lakhs)				
As at March 31, 2022	On Demand	Less than 1 year	1 to 5 years	Total
Borrowings	3,351.41	15.20	336.81	3,703.42
Other financial liabilities	-	199.16	607.55	806.71
Trade payables	-	974.77	-	974.77
	<b>3,351.41</b>	<b>1,189.13</b>	<b>944.36</b>	<b>5,484.89</b>

(Rs. In Lakhs)				
As at March 31, 2021	On Demand	Less than 1 year	1 to 5 years	Total
Borrowings	3,378.40	9.43	12.23	3,400.07
Other financial liabilities	-	131.20	569.69	700.89
Trade payables	-	1,268.90	-	1,268.90
	<b>3,378.40</b>	<b>1,409.54</b>	<b>581.92</b>	<b>5,369.86</b>

**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, 2022		31st March, 2021	
	USD	AED	USD	AED
<b>Financial Asset</b>				
Non Current Loans	-	-	-	2,25,617
Trade Receivables	-	2,49,968	-	6,82,386
<b>Exposure for assets (a)</b>	-	<b>2,49,968</b>	-	<b>9,08,003</b>
<b>Financial Liabilities</b>				
Trade Payables	-	-	-	-
<b>Exposure for liabilities (b)</b>	-	-	-	-
<b>Net exposure (a-b)</b>	-	<b>2,49,968</b>	-	<b>9,08,003</b>

Particulars	(Rs. In Lakhs)			
	31st March, 2022		31st March, 2021	
	USD	AED	USD	AED
<b>Financial Asset</b>				
Non Current Loans	-	-	-	46.25
Trade Receivables	-	51.69	-	139.88
<b>Exposure for assets (a)</b>	-	<b>51.69</b>	-	<b>186.13</b>
<b>Financial Liabilities</b>				
Trade Payables	-	-	-	-
<b>Exposure for liabilities (b)</b>	-	-	-	-
<b>Net exposure (a-b)</b>	-	<b>51.69</b>	-	<b>186.13</b>

**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**Note 41 : Financial risk management objectives and policies**
**Sensitivity analysis**

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars and AED at 31st March would have affected the **Impact of movement on Profit or (loss) and Equity :**

Effect in INR (before tax)	(Rs. In Lakhs)			
	31st March, 2022		31st March, 2021	
	Profit or (loss) and Equity Strengthening	Profit or (loss) and Equity Weakening	Profit or (loss) and Equity Strengthening	Profit or (loss) and Equity Weakening
<b>1% movement</b>				
USD	-	-	-	-
AED	(0.52)	0.52	(1.86)	1.86
	(0.52)	0.52	(1.86)	1.86

**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	(Rs. In Lakhs)	
	As at 31-03-2022	As at 31-03-2021
Total Borrowings	3,703.42	3,400.07
	3,703.42	3,400.07

**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)	(Rs. In Lakhs)	
	50 bp increase	50 bp decrease
<b>31st March 2022</b>		
Variable-rate loan instruments	(18.52)	18.52
<b>Cash flow sensitivity (net)</b>	<b>(18.52)</b>	<b>18.52</b>
<b>31st March 2021</b>		
Variable-rate loan instruments	(17.00)	17.00
<b>Cash flow sensitivity (net)</b>	<b>(17.00)</b>	<b>17.00</b>

**iii) Other price risk**

The Company is not exposed to the other price risk.

**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**Note 43 : 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.

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings	3,703.42	3,400.07
<b>Net Debt</b>	<b>3,703.42</b>	<b>3,400.07</b>
Equity	18,959.68	16,881.27
<b>Total Capital</b>	<b>18,959.68</b>	<b>16,881.27</b>
<b>Capital and Net Debt</b>	<b>22,663.10</b>	<b>20,281.34</b>
<b>Gearing ratio (Net Debt/Capital and Net Debt)</b>	<b>16.34%</b>	<b>16.76%</b>

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 44 : ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013**

- 1 The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- 2 The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- 3 The company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- 4 Utilisation of borrowed funds and share premium
  - I The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
    - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
  - II The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
    - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
    - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- 5 There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- 6 The Company has not traded or invested in crypto currency or virtual currency during the year.
- 7 The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

**Note 45 :** The Income Tax Department had carried out search and seizure operation on 22.12.2021 on various premises of the Company, its promoters and their group entities. In this regard, the management believes that there will not be any financial impact on the Company.

**Note 46 :** For financial year 2021-22, the Board recommended a final dividend of Re.1/- (par value of Rs. 10/- each) per equity share. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) the company. The company has paid a final dividend of Re.1/- (par value of Rs. 10/- each) per equity share for financial year 2020-21 as per approval of shareholders in the Annual General Meeting (AGM) of the Company.

**Veto Switchgears and Cables Limited**  
**Notes to standalone financial statements for the year ended 31st March 2022**

**Note 47** : Previous year's figure's have been re-grouped, re-arranged & re-classified, wherever considered necessary, to confirm the current period figures.

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**As per our report of even date attached**

**For CAS & Co**

Chartered Accountants

**Firm Registration No. 111075W**

**For and on behalf of the Board**

Veto Switchgears and Cables Limited

**Ajad Mehata**

Partner

Membership No. : 139040

Place: Mumbai

Date : May, 26, 2022

**Akshay Kumar Gurnani**

Managing Director & CEO

DIN : 06888193

Place: Jaipur

Date : May, 26, 2022

**Narain Das Gurnani**

Whole Time Director & CFO

DIN : 01970599

**Varsha Rane Choudhary**

Company Secretary



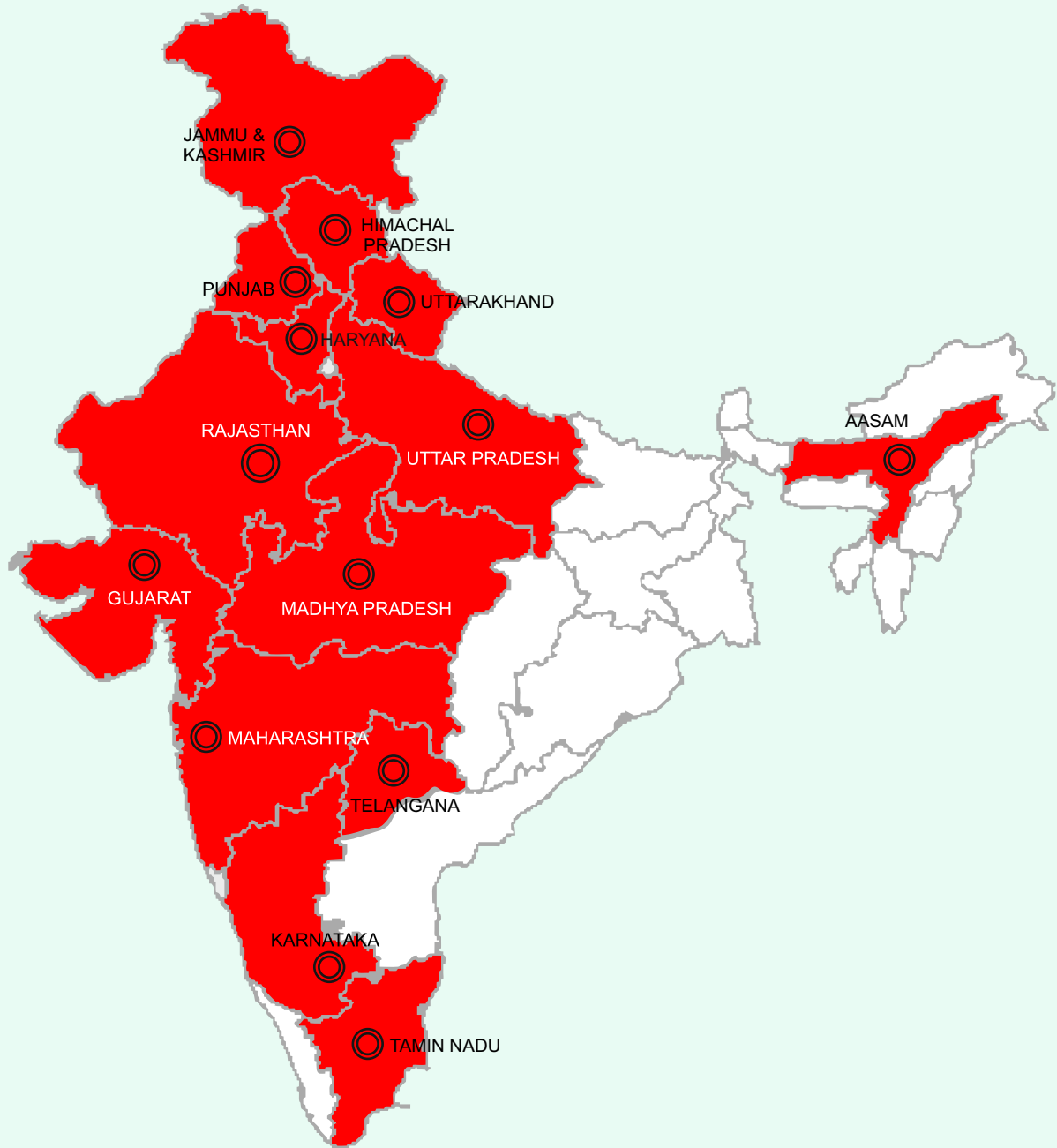
Progress at a Glance of Last 10 Years- Veto Switchgears and Cables Limited (Standalone)										Rs. In Lakhs	
Particulars	I GAAP							IND AS			
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Gross Sales/ Revenue from Operations	6860.29	7413.99	9447.72	9730.22	11209.48	12033.93	12368.78	10893.31	12069.73	15,265.62	17365.835
Other Income	9.53	27.80	87.46	53.64	78.10	444.70	604.44	663.65	564.65	271.19	1031.256
Total Revenue	6869.82	7441.79	9535.18	9783.86	11287.58	12478.628	12973.22	11556.96	12634.39	15,536.81	18397.091
Earnings Before Interest and Tax	996.65	995.53	1027.71	1359.2	1557.80	1,935.31	3212.09	1730.93	1941.6	2409.15	3399.377
Profit Before Tax	753.92	761.72	843.63	975.56	994.04	1,534.63	2987.16	1358.16	1570.09	2234.47	3076.004
Profit After Tax	722.41	587.64	608.97	714.54	765.54	1,218.65	2004.08	933.00	1105.57	1611.93	2269.55
Net Worth	2710.15	5944.66	6553.67	7266.33	7565.53	8,989.12	12811.41	14143.87	15255.10	16881.28	18959.679
No. of Equity Shares	58.30	116.60	183.27	183.27	183.27	183.27	183.27	191.14	191.14	191.14	191.14
Paid up Equity to Capital	538.21	1666.10	1832.71	1832.71	1832.71	1,832.71	1832.71	1911.49	1911.49	1911.49	1911.49
Dividend Paid	0	0	0	0	366.54**	183.27	183.27	0	0	0	191.14
Book Value	46.49	50.98	35.76	39.65	41.28	49.05	69.90	74.00	79.81	88.32	99.20
EPS	6.47	4.47	3.32	3.90	4.18	6.65	10.88	4.91	5.82	8.48	11.83
Secured Loan Term Loan	23.25	14.54	605.54	600	563.75	571.02	298.95	60.00	0.00	0.00	312.39
Working Capital	1865.09	362.79	2909.94	2834.53	3401.43	2335.6	3214.23	3717.84	2380.58	3378.40	3366.61
Hire Purchase Loan	47.36	48.92	29.4	26.64	37.78	15.91	26.15	17.77	11.28	21	39.622

\* 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 2021-22.



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- TELANGANA • KARNATAKA • TAMIL NADU

## **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](http://www.vetoswitchgears.com) • Email : [info@vetoswitchgears.com](mailto:info@vetoswitchgears.com)