



VETO SWITCHGEARS AND CABLES LTD.

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

ALL ELECTRICAL SEGMENT

CIN : L31401MH2007PLC171844



Date: 13/06/2020

To,

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400001

National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai - 400051

Scrp Code: 539331; Company Symbol: VETO

Dear Sir/Madam,

Sub: Disclosures pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding material impact of COVID-19 pandemic on listed entity

The coronavirus (COVID-19) outbreak has brought considerable human suffering and major economic disruption. The containment efforts have evolved quarantines and widespread restrictions on labour mobility and travel, resulting in unplanned delays in restarting factories after a long gap. India announced a countrywide lockdown on March 24 and extended for the third time to May 31. Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and vide SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, this is to inform you that in view of the directions passed by the Central and State Government to prevent & contain the spread of COVID-19 and to ensure the safety and well-being of employees and all stakeholders, the Company had temporarily suspended operation of its some of the factories, in terms of government guidelines with immediate effect till further notice. The duration of suspension of operation was uncertain and depended upon stabilization of the overall scenario and further directives of the Central Government. Given the uncertainty around the situation it was difficult to ascertain the impact of the pandemic (COVID-19) on the business operations of the Company at that point of time.

Impact of the COVID-19 pandemic on the business

The lockdown and restrictions imposed on various activities due to COVID-19 pandemic while being a necessary measure to contain its spread, have also posed unprecedented challenges to all businesses and the business operations of the Company and its subsidiaries have been no exception to this.

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



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The impact of COVID-19 has been disruptive on the operations of the Company. With the lockdown in many States/Union Territories across the country, the supply chains have been put under stress which has resulted in loss of business and temporary pressure on cash flows/liquidity / profitability / margins due to lower collection of receivables, operating expenses, payment obligations towards vendors and statutory authorities etc. The Company's operations had suffered a major hit substantially from 1st April, 2020 till the first week of May, 2020 when lockdown was gradually lifted. Our Haridwar and Mumbai manufacturing unit were the suspended units. Although, the Company was able to secure Marginal Sales of approximate Rs. 8 Cr. from its South region and North region (mainly Rajasthan) in the month of May, 2020.

Ability to maintain operations including the factories/units/office spaces functioning and closed down

As stated earlier, the manufacturing and distribution facilities of the Company were temporarily shut down as per the local guidelines. Also, the Corporate and Registered Offices of the Company were also shut and the Company did not adopt the Work from Home Policy during the entire period of the lockdown. However, with subsequent ease in the lockdown restrictions by the Ministry of Home Affairs, Government of India, and various State Government Authorities, the Company saw partial resumption since early May, 2020 in accordance with the guidelines issued by the regulatory authorities. Now wish to inform you that Company has resumed its operations/business activity with full strength of Manpower from 1st of June, 2020.

Schedule, if any, for restarting the operations

With the lifting of the restrictions related to the lockdown, the Company has started resuming its factories/offices/units located in the "Non-Containment Zones" after establishing safety protocols in accordance with the relevant COVID-19 orders and protocols issued by the various governments.

Steps taken to ensure smooth functioning of operations

The Company adhering to all preventive measures as per various circulars of Government of India relating to safety, health and hygiene of our workers and staffs at workplace.

Key aspects for training of the employees included:

- Mandatory self-declaration of good health before joining work;
- Mandatory downloading and use of Arogya Setu application launched by government;
- Mandatory wearing of face mask, body temperature scanning, thorough & frequent sanitization of work-place & products and maintaining the prescribed physical distancing for employee as well as others.

The protocols are being reviewed regularly and updated based on revisions in guidelines received from local authorities.

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Estimation of the future impact of COVID-19 on its operations

Since, this situation is exceptional and is changing dynamically; the management of the Company is not in a position to gauge with certainty, the future impact on its operations. The management of the Company expects the operations to remain sub-normal in the immediate future, with a possibility of intermittent disruptions based on the evolving situation and varying Government guidelines and permissions. The Company continues to closely monitor the situation and shall take appropriate action as per regulatory guidelines.

Details of impact of COVID-19 on listed entity

However, the markets have already opened across the segments and a clear upward trend is visible in daily sales numbers, the management of the Company is quite confident that the business operations will pick up progressively.

The Company has three Subsidiaries namely “Veto Overseas Private F.Z.E.”, “Veto Electricals Private Limited” and “Veto LED Lightings Private Limited”.

- * Veto Overseas Private F.Z.E, Ajman Free Zone, United Arab Emirates being concern majorly Import from India and Sale & Export at Dubai and other countries was also impacted by COVID-19 lockdown.
- * Veto Electricals Private Limited being 100% Export Oriented Unit – Due to COVID-19, flow of export and import being restricted.
- * The operations of Veto LED Lightings Private Limited was about to start from 1st June, 2020. But, seeing the current scenario, the entire plan has been shifted to 1st October, 2020.

❖ Capital and Financial Resources

The Company’s Capital and banking facilities remain intact.

❖ Profitability

Veto Switchgears and Cables Limited:

(Rs. in lac)

Particulars	Mar'19 (in Rs.)	Mar'20 (in Rs.)	Apr'19 (in Rs.)	Apr'20 (in Rs.)	May'19 (in Rs.)	May'20 (in Rs.)
Sales	1654.65	942.92	616.94	0.00	924.78	738.75

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Veto Electricals Private Limited:

(Rs. in lac)

Particulars	Mar'19 (in Rs.)	Mar'20 (in Rs.)	Apr'19 (in Rs.)	Apr'20 (in Rs.)	May'19 (in Rs.)	May'20 (in Rs.)
Sales	100.09	32.15	42.95	0.00	72.07	0.00

Veto Overseas Private F.Z.E.:

(AED in lac)

Particulars	Mar'19 (in AED)	Mar'20 (in AED)	Apr'19 (in AED)	Apr'20 (in AED)	May'19 (in AED)	May'20 (in AED)
Sales	12.98	4.99	9.85	0.00	17.45	0.00

❖ Liquidity Position

The business is expected to be materially impacted from the perspective of business continuity and in preparation for the future, since the rotation of money (due to lower collection of receivables) is affected being less sales as compared to last year. However, Company is having sufficient Cash Flow for future operations.

❖ Ability to service debt and other financing arrangements

The Company has not defaulted on any interest or loan repayment and does not foresee any issue in meeting the future obligations towards any of its lenders.

Further, the Company did not opt for Moratorium facility.

There is no material Term Loan in the Company & CC Limit is being utilized less than 60% at present.

❖ Assets

None of the assets of the Company have been impacted by COVID-19. Also, the Company does not foresee any challenge in realising/recovering its assets.

However, Fixed Cost related to the assets was not affected in the month of March. The Cost pertaining to Labour, Interest charges and Fixed Electricity charges totaling to approximately Rs. 60 Lac was impacted in the month of April. No loss of Fixed Cost in the month of May as recovered from the sales of that month.

❖ Internal Financial Reporting and Control

Fully complied as per the prescribed policy.

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❖ **Supply Chain**

There is no loss due to lesser production as there is negligent fixed cost at the factory level. The Company is having sufficient stock to sell the product in the market and hence the company is having no loss due to lesser production.

Secondly, Company started its production with 80% efficiency w.e.f. 1.06.2020. Hence, there is no material loss in India due to production as our production cycle is less than 24 Hours.

❖ **Demand for its products and services**

We are dealing in items which are not essential or fast moving goods. These are demanded at the construction sites mainly. Our product being the non-essential item was affected during the pandemic. However, from the month of June normal demand coming back.

Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business

The Company is well positioned to fulfill its obligations towards existing contracts/arrangements. At present, we do not foresee any contract/agreements which will have significant impact on the business in case of non-fulfillment of obligations by any party.

Other relevant material updates

- The Company has paid the salary/wages to its staff/workers for the month of March, 2020 and with a reduced percentage for the month of April and intends to do the same for the month of May and June, 2020 with mutual consent of all.

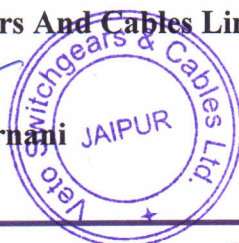
In the wake of COVID-19, availability of labour coupled with restrictions on movement continues to pose challenges. The situation remains fluid as duration and scope of COVID-19 is continuously evolving. Hence it is not possible to estimate the extent of its impact on the business at this time. The Company is monitoring the situation and will take appropriate measures as per Central/States directives from time to time to ensure health and safety of its employees.

We request you to take the above on record.

Thanking You.

For Veto Switchgears And Cables Limited

Akshay Kumar Gurnani
Managing Director



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