



ANNUAL REPORT 2018-19



THE SMART WAY TO
POWER YOUR HOME



12th ANNUAL REPORT 2018-19



Celebrating 50 Years
of Excellence

**The Smart Way to Power
YOUR HOME**

Our Journey so far.....

Veto Group has started its operation of manufacturing Electrical Accessories, Wires and Cables in the year 1967. During the course of time and the efforts applied by the team, the group has expanded to its manifold and achieved the set targets.

Throwing back to the Year 2007, M/s Veto Switchgears and Cables, Partnership Firm, through its Existing partners mutually agreed to register the business into the form of a Company under Companies Act, 1956 as a Private Limited Company. And, in the Year 2012, the company came up with an Initial Public Offer and got listed at National Stock Exchange of India Limited (NSE) through SME platform.

On February 2015, the Company migrated from SME Platform to NSE Main Board and in the same year, it got listed on Bombay Stock Exchange Limited (BSE). With the passage of time, in the month of October, 2015, the company incorporated a wholly owned subsidiary company in UAE (Dubai) in the name of VETO Overseas Private F.Z.E. The company is leading with the continuous progressive results. And, another Wholly Owned Subsidiary Company in India in the name of Veto Electricals Private Limited which has its own manufacturing plant (100% Export Unit) at Light Engineering Zone, Mahindra SEZ, Jaipur. Its commercial production started from July, 2017 onwards.

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

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



Your personal
safety depends
on you.



COMMITMENT
OF SAFETY &
TRUST FROM
50 YEARS



What's Inside

1. Board of Directors	6
2. Corporate Information	7
3. Board's Committees and Board Profile	8
4. Key Trends	11
5. Message from The CEO	12
6. Our Vision, Mission & Core Values	13
7. Director's Reports	14
Management Discussion and Analysis	
8. Annexure to Director's Report	39
9. Corporate Governance Report	41
General Shareholder's Information	
10. Corporate Social Responsibility	60
11. Secretarial Audit Report	62
12. Certificate of Corporate Governance	67
13. Auditor's Report and Consolidated Financial Statements	69
14. Auditor's Report and Standalone Financial Statements	112

BOARD OF DIRECTORS



AKSHAY KUMAR GURNANI

Managing Director & CEO



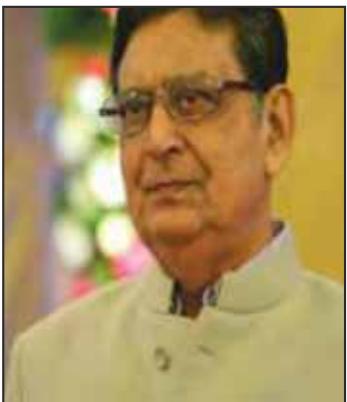
NARAIN DAS GURNANI

Whole-time Director cum
Chief Financial Officer



JYOTI GURNANI

Woman Director



GOVIND RAM THAWANI

Rt. Government Employee
Independent Director



MOHAN SUKHANI

Rt. Businessman
Independent Director



DR. KANWARJEET SINGH

Independent Director

CORPORATE INFORMATION

Mr. Vasudev Lalwani
(B.Com)
Vice President Marketing

Mr. Mohd. Khalid
(B.Tech)
Production Head

Mr. Kapil Motiramani
(B.Com, C.A.)
Sr. Manager Accounts

Ms. Bhavna Giamalani
(M.Com, ACS)
Company Secretary and
Compliance Officer

Auditors
K.M. Tulsian & Associates
(CAS & Co.)
Chartered Accountant
A-703, Rajeshri Accord,
Telly Cross Lane, Off. S.N. Road
Andheri (E), Mumbai-400069

Registrar and Share transfer Agents
Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka
Andheri (E), Mumbai-400072
info@bigshareonline.com

Bankers
Indian Overseas Bank
Bank of Baroda
HDFC Bank

Secretarial Auditor
Ms. Nisha Agarwal

Stock Exchanges where
company's Securities and
Listed

- National Stock Exchange of India Limited
- BSE Limited

Registered Office
506, 5th Floor, Plot No. B-9
Landmark Building, New Link Road
Andheri (W), Mumbai
Maharashtra- 400058

Corporate Office
4th Floor, Plot No. 10
Days Hotel, Behind Hotel Raddison Blu
Tonk Road, Durgapura, Jaipur
Rajasthan - 302018
www.vetoswitchgears.com

Cost Auditor
Rajesh Goyal & Co.

Website
www.vetoswitchgears.com

Email ID
cs@vetoswitchgears.com

Corporate Identity Number
L31401MH2007PLC171844

BOARD'S COMMITTEES

Audit Committee

Mr. Govind Ram Thawani (Chairman)
Mr. Mohan Sukhani (Member)
Mr. Narain Das Gurnani (Member)

Corporate Social Responsibility Committee

Mr. Govind Ram Thawani (Chairman)
Mr. Mohan Sukhani (Member)
Mr. Narain Das Gurnani (Member)

Nomination, Remuneration & Compensation Committee

Mr. Govind Ram Thawani (Chairman)
Mr. Kanwarjeet Singh (Member)
Mr. Mohan Sukhani (Member)

Stakeholders Relationship Committee

Mr. Govind Ram Thawani (Chairman)
Mr. Narain Das Gurnani (Member)
Mr. Mohan Sukhani (Member)

BOARD'S PROFILE

Akshay Kumar Gurnani (DIN: 06888193)

Akshay Kumar Gurnani is the Managing Director and Chief Executive Officer of our Company. He is qualified post graduate in the fields of Commerce and Business Administration as well as having Qualification of International Hotel Management. He plays vital role in every era of management right from building of infrastructure to development of every department which includes marketing, planning, production etc. He possesses expertise in managing the manufacturing and marketing segment of copper wires, cables lightning, fan and other electrical accessories. He aims at achieving the target of Rs. 1500 crores from sales in next Five years.

Other Directorships:

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

Narain Das Gurnani (DIN: 01970599)

Narain Das Gurnani is the Whole-time Executive Director in the Capacity of Chief Financial Officer. He is Under Graduate by qualification but possesses specific skills in finance. He has over 35 years of experience in the field of wires and cables industry. Besides, he has experience of real estate sector also. 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
1	Veto Electropowers (India) Private Limited
2	Esma Constructions Private Limited

Jyoti Gurnani (DIN: 06953899)

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

Dr. Kanwarjeet Singh (DIN: 07813714)

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

Mohan Sukhani (DIN: 00113432)

Mohan Sukhani is Non- Executive Independent Director of our Company. He is a Science Graduate and has over 31 years of experience in the field of textile and hotel business. He is a member in all Board Committees of our Company.

Other Directorships:

S. No.	Names of the Companies
1	Goyal Farms Private Limited
2	Manhattan Constructions Private Limited
3	Sukhani Buildcon Private Limited
4	Manhattan Capital Services Private Limited
5	Gestalt Builders Private Limited
6	Aravali Square Private Limited
7	Anokhi Builders Private Limited
8	Tulsan Constructionsprivate Limited
9	Vinayakraj Build Tech Private Limited
10	Spectrum Buildcon Private Limited
11	Tulsi Palace Resort Private Limited
12	Kabir Education Wizards Private Limited

Govind Ram Thawani (DIN: 06367093)

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

Other Directorships:

S. No.	Names of the Companies
1	Veto Electricals Private Limited

Notes:

1. Other Directorships and Committee Memberships of Directors are as on 31st March 2019.
2. No Change in the composition of Director and the Committee in the relevant year.

KEY TRENDS***Years Of Consistent Progress And Perseverance (Standalone)*****Revenue from Operations (in Lacs)**

2019		10893.31
2018		12380.07
2017		12033.93
2016		11209.48
2015		9730.22

EBIDTA (in Lacs)

2019		1860.58
2018		3349.13
2017		2094.11
2016		1611.17
2015		1560.57

Profit after Tax (in Lacs)

2019		933.00
2018		1993.08
2017		1228.19
2016		765.54
2015		714.54

Net Worth (in Lacs)

2019		14143.87
2018		12811.41
2017		9040.54
2016		7941.34
2015		7266.33

MESSAGE FROM THE CEO

"Good teams become great ones when the members trust each other enough to surrender the me for the we."

Phil Jackson

Dear Stakeholders,

Maintaining trust is more important than ever in today's global business environment. Wherever Veto operates, we strive to conduct our business in a manner reflecting our Safety and Environment Protection Policy. Veto has numerous policies and systems in place to help ensure that our business practices and operations are consistently effective, responsive and highly principled. We are committed to achieve this through integrity and sound corporate governance.

Today Veto Switchgears and Cables limited is recognized as the preferred business by launching the new product range 'VYOMA' for Modular Switches including Sockets, Regulators, Modular Plates, MCB's. The launch was highly appreciated by your generous and valuable support.

The complexities of businesses in a global economy create challenges for companies striving to operate in an effective and socially responsible manner, thus we focus on our key expertise to engage more effectively with local communities, such unique opportunities enable us to embrace our obligation to be good corporate citizens. Most macro trends in our sector are looking up including the tax revenues, gross capital formation & the demand is gathering momentum. Investment has gone up worldwide - in infrastructure, the automotive sector, the electrical industry, regenerative energy projects and in oil and gas pipelines. And the upstream supplies industries wire, cable and pipes have substantially benefited from this development.

Openness creates opportunities for dialog with our Customers, Business Partners, Stakeholders and Employees. We maintain corporate transparency and conduct ethical business practices. Such would enable awareness of emerging problems and fast resolution turnaround, hence greater efficiency.

With volatility in the market and growing fluctuations during the year, our Company has achieved EBIT of Rs. 1730.93 in Financial Year 2018-19. Veto has faced continuous growth in various segments such as LED and other electrical accessories.

Future is all about team work, collaboration, and cooperation and building trust. Different functions, departments, teams, and individuals in the organisation have collaborated together to deliver world class manufacturing facilities, operational deficiencies, and have set benchmarks in project execution. For us at "VETO", this word 'together' has larger meaning as it pertains to not only the company and its people, but includes its other group associates, their people, all the stakeholders, the community and the environment. If together we have come this far i.e. growing from a modest business of Rs. 24.97 Crores in 2007-08 to more than Rs. 125.00 Crores now, collectively we can go even farther. Even for the country, with ever increasing focus on democratic values and cooperative & collaborative federalism; the word together has far deeper meanings and insights. With India considerably improving its international ranking and the states competing between themselves on 'Ease of Doing Business', there can never be a better opportunity than this to collaborate, cooperate, and work together to take the next big leap.

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

Lastly, I would like to thank all our invaluable Customers, Principals, Business Partners and Employees for their continuous support and strength given to us in our progressive success and realizing our vision and goals.

Thanking you!



Akshay Kumar Gurnani
Managing Director & CEO

OUR VISION, MISSION & CORE VALUES

OUR VISION

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

OUR MISSION

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

OUR VALUE

◎ Commitment

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

◎ Honest

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

◎ Team Work

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

◎ Passion

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

◎ Optimistic Approach

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

I. DIRECTOR'S REPORT

Dear Members,

The Board of Directors hereby presents the 12th Annual Report of the business and operations of your Company along with the Audited Financial Statements for the Financial Year ended 31st March, 2019 and other accompanying reports, notes and certificates. The Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. Company Performance

Your Company is growing expeditiously. The Standalone and Consolidated Audited Financial Results of the Company for the year ended 31st March 2019 are as follows:

Financial Results

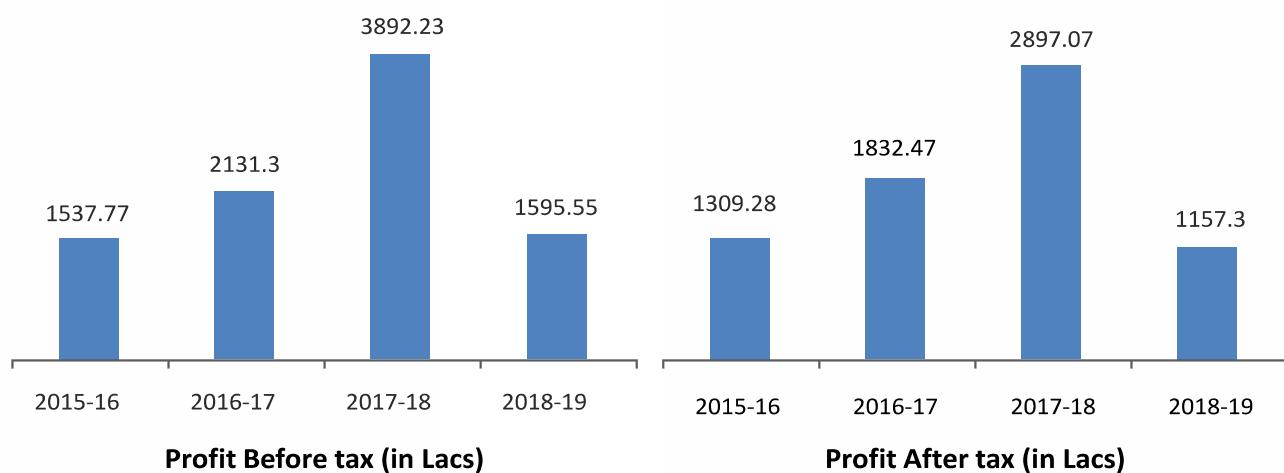
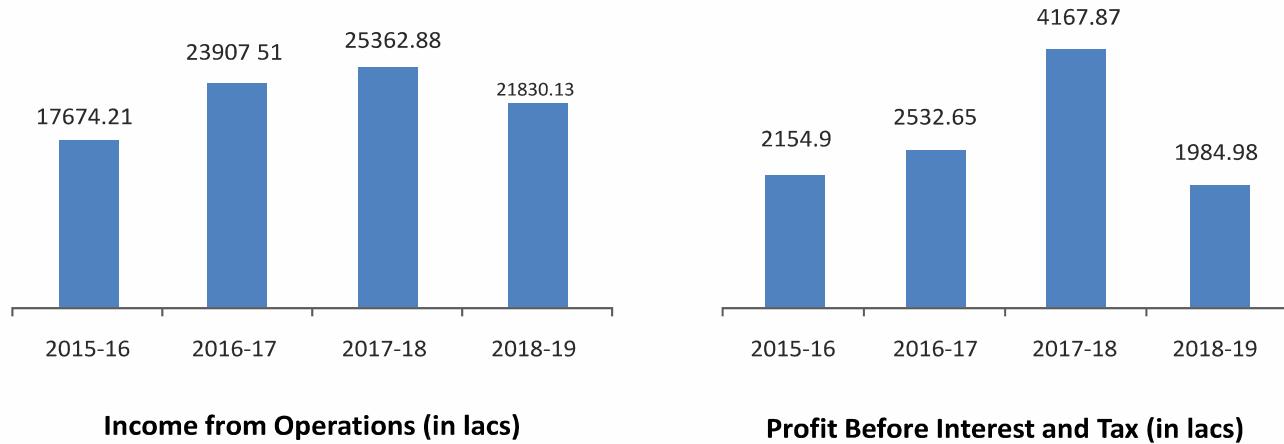
Particulars	Consolidated		Standalone	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations (including other Income)	21,867.74	25,562.77	11,556.96	12,963.76
Less Expenses :				
(a) Cost of materials consumed	5,817.41	5,125.90	5,079.39	4,728.51
(b) Purchases of stock-in-trade	16,935.56	14,571.56	4,022.92	4,201.08
(c) Changes in inventories of finished goods, and stock-in-trade	(5,486.63)	(705.90)	(1,651.40)	(1,243.68)
(d) Employee benefits expense	936.48	901.08	807.65	755.32
(e) Finance costs	389.43	275.64	387.35	273.98
(f) Depreciation and amortisation expense	146.68	158.17	129.64	148.05
(g) Other expenses	1,533.26	1,344.10	1,423.25	1,124.35
Total expenses	20,272.19	21,670.55	10,198.81	9,987.61
Profit before tax and exceptional items	1,595.55	3,892.22	1,358.16	2,976.15
Less: Exceptional items	-	-	-	-
Profit before tax	1,595.55	3,892.22	1,358.16	2,976.15
Less: Tax Expense	438.24	995.15	425.16	983.07
Less: Minority interest	-	-	-	-
Profit after tax	1,157.30	2,897.07	933.00	1,993.08

Indian Accounting Standards

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

Consolidated Financial Results

During the year under review on consolidated basis our Company earned profit before tax and exceptional items of Rs. 1,595.55 Lacs against Rs. 3,892.22 Lacs in the previous year. The Company earned profit after tax of Rs. 1,157.30 Lacs as compare to Rs. 2,897.07 Lacs in the previous year. The Company had Income from operations of Rs. 21,830.13 Lacs as compared to Rs. 25,362.88 Lacs in previous year. The Profit before Interest/Depreciation/Tax (PBDIT) was Rs. 2,131.66 Lacs as compared to Rs. 4,326.04 Lacs in previous year.



Standalone Financial Results

During the year under review on standalone basis our Company earned a profit before tax and exceptional items of Rs. 1,358.16 Lacs against Rs. 2,987.17 Lacs in the previous year. The Company earned profit after tax of Rs. 933.00 Lacs as compare to Rs. 2,004.09 Lacs in the previous year. The Company had Income from operation of Rs. 10,893.32 Lacs as compared to Rs. 12,368.79 Lacs in previous year. The Profit before Interest/Depreciation/Tax (PBDIT) was Rs. 1,860.58 Lacs as compared to Rs. 3349.13 Lacs in previous year. Keeping pace with growth trajectory and its efforts to improve efficiency, productivity and profitability the management seeks the trust of shareholders in future growth of the Company and enhancement of shareholders wealth.

Dividend

“The Board of Directors of your company, after considering holistically the relevant circumstances and keeping in view the company’s dividend distribution policy, has decided that it would be prudent, not to recommend any Dividend for the year under review.”

Reserves

Rs. 933.00 lakhs has been transferred to reserves and surplus account during the current year.

Share Capital

The paid up Equity Share Capital as at March 31st 2019 stood at Rs. 19,11,49,550.

The paid up Equity Share Capital as at 31st March 2018 was Rs.18,32,71,000. However, the company had allotted 7,87,855 Equity Shares of Rs. 10 each pursuant to exercise of Stock Options under Employee Stock Option Scheme 2015 (“ESOP SCHEME 2015”)

Also, through the Extra-ordinary General Meeting (“EGM”) of the Members of the Company held on May 31st, 2017 the company has been authorised to create, offer, issue and allot, by way of a preferential issue, from time to time and in one or more tranches, an aggregate of 45,00,000 (Forty Five Lacs) warrants convertible into equivalent number of equity shares of a face value of Rs. 10/- each of the Company (“Warrants”), at any time within a period of 18 months from the date of allotment of Warrants, at an exercise price of Rs. 170 (including a premium of Rs. 160) per equity share (“Exercise Price”) to the Promoter Group entities of the Company.

It was noted that a sum of Rs. 19,12,50,000/- (Rupees Nineteen crores Twelve lacs Fifty thousand only) was received by the Company before the allotment of the 45,00,000 Warrants as up-front subscription money. The Committee for Preferential Issue of Warrants of the Board of Directors at its meeting held on 15th December, 2018 noted that the balance amount against the aforesaid warrants had not been received by the Company till 30th November, 2018 (being 18 months from the date of allotment of warrants to the allottee Promoter Group Companies) and accordingly, pursuant to regulation 77(4) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the said up-front subscription money received from the respective allottees stands forfeited.

Financial Statements

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as ‘Listing Regulations’) and Section 136 of the Companies Act, 2013 read with Rule 10 of the Companies (Accounts) Rules, 2014, the Annual Report containing salient features of the financial statements, including consolidated financial statements, for the financial year 2018-19, along with statement containing salient features of the Directors’ Report (including Integrated Reporting and Management Discussion & Analysis and Corporate Governance Report) is being sent to all shareholders who have not registered their email address(es) for the purpose of receiving documents / communication from the Company in electronic mode. Please note that you will be entitled to be furnished, free of cost, the Annual Report 2018-19, upon receipt of written request from you, as a member of the Company.

Annual Report 2018-19 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, including consolidated financial statements, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors’ Report (including Integrated Reporting and Management Discussion & Analysis and Corporate Governance Report) is being sent via email to all shareholders who have provided their email address(es).

Annual Report 2018-19 is also available for inspection at the registered office of the Company during working hours up to the date of ensuing Annual General Meeting (AGM). It is also available at the Company's website at www.vetoswitchgears.com.

Change in the nature of business, if any

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

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

- The company had entered into its new Product range 'VYOMA' for Modular Switches on 06th May, 2018 at Jaipur, Rajasthan.
- The company has inaugurated sales unit at Bangalore and Gwalior alongwith existing sales unit at Allahabad, Bhatinda and Indore.

Management Discussion and Analysis

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

Particulars of Loan, Guarantee and Investments

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

Deposits

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

2. Business Operations / State of Company's Affairs

The company and individuals carry the same objective of not only improving, but empowering people's lives with our unique repertoire of products and services, backed by time tested technology and advanced Research & Development methods. With persistent focus on innovation, prompt capitalization of opportunities, building up credibility through strategic thinking, operational expertise, well planned investments and business integrity, we aim to continue our journey without any reduction in intensity or strength. The company envisages an organization that is truly global in every way i.e. technology, policies and possibilities and it can be seen with its world-wide tie-ups, collaborations and import-export relations. Your company has been developing as a distinctive brand of leadership well equipped to address critical challenges faced by industry and society. Our ambition is being recognized as one of the major competitors globally in the electrical accessories industry.

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

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

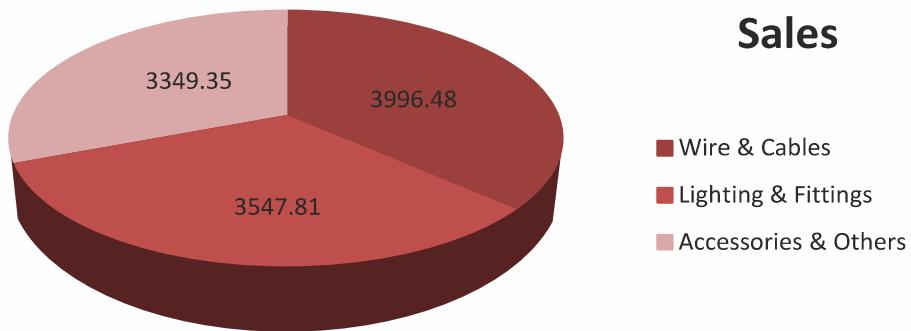
The product portfolio ranges from industrial cables, stand cables to telephone & co-axial wires, from general switches to modular switches, from ceiling fans to rechargeable fans, compact fluorescent lamps, LED bulbs and other electrical accessories such as switch socket, MCB, bell and all other electrical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

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

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

The company had launched its new range of Modular Switches in the Brand Name “VYOMA”.

Its major distribution in India covers more than 10 states including major sale in Rajasthan, Gujarat and Madhya Pradesh.



Raw Material

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

Product category	(Qty. in kg)	
	Existing (2018-19)	Proposed (2019-20)
Copper	255634609	281198070
PVC Resin	27718135	30489949
Aluminium	11844185	13028604

Infrastructure facilities

- ❖ **Power:** Presently 400 KVA of power supply is sanctioned by Uttarakhand Power Corporation Limited of which approximately 325 KVA have been utilized for our present business operations. Addition to this, the Company has installed a DG set of 250 KVA capacity to avoid any disruption in the power supply. Therefore, we envisage that our further requirement of power for our proposed modernization plans can easily be met from the present supplies.
- ❖ **Fuel:** Our Company mainly requires HSD for operating the DG sets. The present monthly consumption of HSD is about 1000 litres. The HSD is being supplied by retail outlets of IOC, HPCL and BPCL.

- ❖ **Water:** Water is an essential need and is basically required for drinking and other domestic purpose. Presently, about 7000 litres per day (after proposed modernization) is required at our Haridwar unit. Requirement of water is met from our own borewell. The water supply is regular and sufficient to meet entire requirements. There arise no difficulty in obtaining water because of the presence of number of borewell and the water level in the area being high due to proximity to nearby canal and River Ganga.
- ❖ **Manpower:** Our Company has adequate manpower at all levels and does not envisage any difficulty in getting the requisite personnel for our business operations at existing locations. Details of manpower are as follow:

Category	Nos.
Top management	3
Managerial & Supervisory staff	12
Office staff	92
Skilled workers	48
Unskilled workers	349
Total	504

- ❖ **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 2018-19	FY 2019-20	FY 2018-19
Wires & Cables			
Installed Capacity	20.00 Lacs Bundles	20.00 Lacs Bundles	20.00 Lacs Bundles
Capacity Utilization (in %)	40%	40%	26.15%
Production	8.00 Lac Bundles	8.50 Lac Bundles	5.23 Lac Bundles
Electrical Accessories			
Installed Capacity	600 Lac pieces	600 Lac pieces	600 Lac pieces
Capacity Utilization (in %)	30%	30%	21.33%
Production	200 Lac pieces	250 Lac pieces	128 Lac pieces

❖ **Insurance**

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

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

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

Risks and Concerns

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

Internal Control System

- The Company has an adequate system of internal control commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies. The Audit Committee reviews adherence to internal control systems and internal audit reports.
- Company has formed the Risk Management Committee for the assessment and monitoring of the risks involved in the Company.
- Preparation and issuance of financial reports to the shareholders and in the market, including the Annual Report and consolidated financial statements, is reviewed by the Audit Committee. The Company's financial reporting process is controlled using documented accounting policies and reporting formats, supplemented by detailed instructions and guidance on reporting requirements. The Company's processes support the integrity and quality of data, including appropriate segregation of duties. The financial information of the parent entity and all its subsidiary entities which form the basis for the preparation of the consolidated financial statements are subject to scrutiny by Group level senior management. The Company's financial reports, financial guidance, Annual Report and consolidated financial statements are also reviewed by the Audit Committee of the Board prior of presenting to the Board of Directors for their consideration and approval.
- Detailed budgetary process includes identification of risks & opportunities which is ultimately approved at Board level.
- Board approved the capital expenditure and Audit Committee approved the treasury policies which clearly defines authorization limits and procedures.
- An internal audit function reviews key financial / business processes and has full & unrestricted access to the Audit Committee.

- Established systems and procedures to identify control and report on key risks. Exposure to these risks is monitored by the Risk Management Committee; and
- A risk management programme is placed throughout the Company whereby Risk Management executive reviews and monitors the controls in place both financial and non financial, to manage the risks facing the business.

Details of Subsidiaries

The Company has two subsidiary Companies. One in Jaipur in the name of “Veto Electricals Private Limited” and the other in Dubai, UAE in the name of “Veto Overseas Private F.Z.E.”.

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

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

On October 11th 2015 Veto registered a wholly owned subsidiary in Dubai in the name of “Veto Overseas Private F.Z.E.”. It has earned total revenue of 52,357,641 AED for the year ended 31st March 2019. The Company has declared profit of 2,746,953 AED. It is headed by Mr. Ashish Goklani as its Manager. The copy of the Consolidated audited accounts together with the independent auditor’s report is provided in a separate section of this Annual Report.

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

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

Performance and Financial position of Subsidiary Company

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

3. Human Resource Management

Employee Relations

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

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

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

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

Managerial Remuneration

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

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

1. Remuneration paid to Directors

(In Lacs)					
Name of Director	Title	Remuneration in Year 2018-19	Remuneration in Year 2017-18	% increase in Remuneration in comparison to last year	Ratio of Remuneration to MRE
Mr. Akshay Kumar Gurnani	Managing Director	15,00,000	15,00,000	0.00	7.39
Mr. Narain Das Gurnani	Whole-time Director/ CFO	12,00,000	12,00,000	0.00	5.91
Ms. Jyoti Gurnani	Director	6,00,000	6,00,000	0.00	2.95

1. The remuneration disclosed here is upto 31st March 2019 as per the audited Financial Statements.
2. The Median Remuneration of Employees is Rs. 2,03,061.40 approx.
3. Median Remuneration is calculated on the basis on annualized salary, MRE – Median Remuneration of employees.
4. The median remuneration of employees was 2,03,061.40 as on 31st March 2019 and Rs. 266136 as on 31st March, 2018. There is decrease in MRE during the financial year 2018-19 of 23.70%.
5. On 31st March 2019, the total number of permanent employees on the rolls of Company is 504 employees.
6. Average Salary decrease of non-managerial employees is (13.92) % and that of managerial employees is 6.94 % in financial year 2018-19. There are no exceptional circumstances in increase in managerial remuneration.
7. There has been no change in the remuneration of any other director.
8. Remuneration paid during the year ended 31st March 2019 is as per the Remuneration Policy of the Company.

Particulars of Employees

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

4. Corporate Governance

Corporate Governance Report

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

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

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

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

5. Directors and Key Managerial Personnel (KMP)

Change in directors and KMP during the year

There being no change in the Directors during the Financial Year. On 15th December 2018, Ms. Bhavna Giomalani was appointed as Company Secretary in place of existing Company Secretary Ms. Shilpi Keswani.

S. No.	Name of the Directors	Designation	Date of Appointment
1.	Mr. Akshay Kumar Gurnani	Executive Managing Director and CEO	27/08/2014
2.	Mr. Narain Das Gurnani	Whole-Time Director and CFO	28/09/2016
3.	Ms. Jyoti Gurnani	Director	27/08/2014
4.	Mr. Mohan Sukhani	Non-Executive Independent Director	31/08/2012
5.	Mr. Govind Ram Thawani	Non-Executive Independent Director	31/08/2012
6.	Mr. Kanwarjeet Singh	Non-Executive Independent Director	06/08/ 2017

Board Evaluation

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

Remuneration Policy

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

1. Labours
2. Office Staff

I. For Labours

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

II. For Office Staff

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management of the quantity required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. Minimum 5% increment to the Management of the Company may be provided in excess of remuneration on the basis of outstanding performance performed by the employee only, if the Company is not satisfied with the performance of the employee than the said increment can be restricted. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

a. Managing Director

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

b. Directors

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

c. Non-Executive Independent Directors

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

d. KMPs/ Senior Management Personnel

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

e. Directors' and Officers' Insurance

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

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

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

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

No. of meetings of the Board

In total seven (7) Board Meetings were held during the year 2018-2019 and the gap between two consecutive meetings did not exceed 120 days. Following is the schedule of Board Meeting:

Details of Board Meetings held

S. No.	Date of Board Meeting
1.	28 th May 2018
2.	13 th August 2018
3.	07 th September 2018
4.	14 th September 2018
5.	14 th November 2018
6.	15 th December 2018
7.	13 th February 2019

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

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

<http://www.vetoswitchgears.com/investor/corporate-governance/independent-directors>

6. Committees of Board

Following are the four Committees of the Board namely:

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

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

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

7. Risk Management

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

8. Directors Responsibility Statement

The Board of Directors acknowledge the responsibility for ensuring compliances with the provisions of Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013 in preparation of annual accounts for the year ended 31st March 2019 and state that :

- (a) in the preparation of the annual accounts for the financial year ended 31st March 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies, being applied them consistently and make judgments & estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2019 and profit of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) proper internal financial controls have been laid down which are adequate and are operating effectively;
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

9. Related Party Transactions

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

All Related Party Transactions are placed before the Audit Committee and also to the Board for approval. Omnibus approval was obtained on yearly basis for transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are audited and a statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval. The Company has put in place a mechanism for certifying the Related Party Transactions Statements placed before the Audit Committee and the Board of Directors from an Independent Chartered Accountant. The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company viz. www.vetoswitchgears.com. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

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

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

10. Listing of Shares

The shares of the Company are listed on recognized Stock Exchanges i.e. at Bombay Stock Exchange Limited & at National Stock Exchange of India Limited and the listing fee for the year 2018-19 has been duly paid.

11. Prevention of Insider Trading

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

12. Auditors and Auditor's Report

Statutory Auditors

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

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

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

Cost Auditors

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

The Board of Directors on the recommendation of Audit Committee has appointed M/s. Rajesh & Co., Cost Accountants (Firm Registration Number No. 000031) as Cost Auditor to audit the cost accounts of the Company for the Financial Year 2019-20, 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 Audit Report

The Board has appointed Ms. Nisha Agarwal, Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2018-19 and Directors of the Company be and is hereby authorized to fix the remuneration in consultation with Audit Committee. The Secretarial Audit Report for the Financial Year ended 31st March 2019 is annexed herewith marked as Annexure VII to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Corporate Governance Certificate

The Company is continuously submitting a "Quarterly Compliance Report on Corporate Governance" as per SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges. The certificate from the Practicing Company secretary, Ms. Nisha Agarwal, C.P. No. 8584, confirming compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 has been included in Annexures of this report.

Reservation and Qualification on Auditor Report

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

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

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

13. Extract of Annual Return

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

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

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

15. Depository System

Our Company's Equity Shares are in dematerialized form through The National Securities Depository Limited (NSDL) and The Central Depository Services (India) Limited (CDSL). The Company has already

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

16. Report under the Prevention of Sexual Harassment Act

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

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

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

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

(A) CONSERVATION OF ENERGY

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

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

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

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

B) ENVIRONMENT, HEALTH AND SAFETY

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

Our Company is sensitive towards environmental and resource conservation and its manufacturing philosophies which ensure safety of the workers and surroundings. Being in a non-polluting category of business, it causes minimal impact on the environment but has a huge positive impact on the local community. Restriction of Hazardous Substances (RoHS) compliance in all its products 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.

(c) TECHNOLOGY ABSORPTION

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

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

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

(D) Detail of Foreign Exchange Earnings and Outgo.

During the financial year Company's Foreign Exchange Earnings in terms of actual inflow (including in transit) was 9,58,71,258 INR and the Foreign Exchange Outgo in terms of actual outflow was 12,59,66,252 INR. The information on foreign exchange earnings and outgo is furnished in the notes to the accounts of Standalone Financial results.

18. Credit Rating

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

19. Employee Stock Options

The Company had allotted Equity Shares to the eligible employees against the equivalent number of Stock Options pursuant to exercise of Stock Options under Employee Stock Option Scheme 2015 ("ESOP SCHEME 2015") which were locked in for a period of 1 year. Locked in period for the said shares was till May 31, 2019.

20. Management Discussion and Analysis

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

(i) Economy and Markets

Global Economic Scenario

The global economy grew modestly at 3.6% in 2018 after registering a strong growth of 3.8% in 2017. Growth across Advanced Economies and Emerging Market and Developing Economies also remained subdued at 2.2% and 4.5%, respectively, compared to 2.4% and 4.8%, respectively, achieved in 2017. According to the International Monetary Fund (IMF), global economic expansion decelerated in the second half of 2018. This was following a broad-based growth uptick in 2017 and early 2018. Activity softened amid an increase in trade tensions between the United States (US) and China, sluggish business confidence, growing concerns about a no-deal Brexit, tighter financial conditions and higher policy uncertainty across emerging markets and advanced economies.

Going ahead, slower momentum in global economic activity is expected to continue in early 2019. Economic growth in 2019 is pegged at 3.3%. However, growth is projected to pick up in 2020 to 3.6%. This may be attributed to accommodative monetary policies, elimination of temporary bottlenecks in the euro area, gradual stabilization in conditions of stressed emerging economies, positive market sentiments and recovery in commodity prices.

Indian Economic Scenario

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

India's Gross Domestic Product (GDP) is estimated to grow at 7.2% in FY 2018-19, up from 6.7% in FY 2017-18, as per the estimates of the Central Statistics Office (CSO). With this, it will continue to retain its ranking as the world's fastest growing major economy. Economic growth can be attributed to an upswing in consumption and investment with the fading transitory effects of demonetization and Goods & Services Tax (GST). Domestic demand continues to strengthen in India, aided by GST harmonization

and a rebound in credit growth. Though this standout reform witnessed initial teething problems, but its role in the economy's formalization and instilling transparency in the business environment is largely encouraging.

Business Report' by the World Bank, underlining the nation's remarkable progress. GST collections touched Rs. 11.8 lakh crore in FY 2018-19, with record realisation of Rs. 1.1 lakh crore in March, signifying improved compliance. Despite a challenging global environment, India's exports soared to USD 331 billion during the year, the highest increase in the past five years.

Moving ahead, India's strong economic fundamentals continue to strengthen the overall outlook. Growth will continue to be driven by structural policy reforms such as recapitalisation of banks to improve lending, Insolvency and Bankruptcy framework for accelerated resolution of Non-Performing Assets (NPAs), greater access to banking, healthcare for poor and deprived class, and Real Estate (Regulation and Development) Act, among others. The Interim Union Budget 2019-20 has placed significant impetus on social infrastructure, ease of living and technology-led governance. The announcement of the landmark Direct Benefit Transfer Scheme for small and marginal farmers to alleviate the crisis in India's agrarian and rural economy may lead to higher spend and consumption. Among other notable initiatives contributing to growth are: government's aim to build 1,00,000 digital villages in the next five years; allocation of Rs. 4.6 lakh crore for infrastructure sector, including railways, roadways, shipping and aviation for FY 2019-20; focus on Make in India and Digital India; and thrust on renewable energy generation. Prediction of a normal monsoon, benign inflation outlook, softening oil prices and credit growth recovery are expected to bolster economic expansion.

Going forward, IMF has pegged growth at 7.3% in FY 2019-20 and 7.5% in FY 2020-21. This is largely due to strengthening of investment, improved export performance and strong consumption, along with favourable monetary and fiscal policies.

At present, India has installed generating capacity of over 360.46 GW. Indicating significant growth in the power transmission sector, the CEA has estimated on investment of Rs 2.6 lakh Cr till 2022. These and other estimates form the base for a draft Notional Electricity Plan-Volume 11/ which would be the basis for investment and policy planning in the sector. Also, Inter-regional capacity addition during the 13th plan (2017-22) is estimated at 45/700 Mw, from the present 63/650 Mw by the plan end, said CEA in the draft. The investment figure said included on estimate of Rs 30,000 crore in transmission systems below 220 kv. About Rs 1.6 lakh Cr would come from states and the other Rs 1 lakh crore from Power Grid Corporation of India. The government is planning to increase the size of projects and scope of work in transmission.

The Electrical Equipment Industry tends to be more cyclical than the majority of groups covered by Value Line in terms of product demand. Sales are tied largely to overall economic conditions, with an emphasis on the industrial, utility, and construction sectors. Earnings may also be driven by consumer-based industries, as well as capital spending by manufacturing firms and government outlays. On the cost side, too, fluctuations in the price of commodities, such as steel, may significantly affect profitability among this group.

The Government of India is taking a number of steps and initiatives like 10-year tax exemption for solar energy projects, etc., in order to achieve India's ambitious renewable energy targets of adding 175 GW of renewable energy, including addition of 100 GW of solar power, by the year 2022. The government has also sought to restart the stalled hydro power projects and increase the wind energy production target to 60 GW by 2022 from the current 20 GW.

Wires and cables play an indispensable role in today's digitally-enriched life and find extensive usage across a number of applications in several industries. The continuously rising set of applications of wires and cables across the burgeoning power, automotive, telecommunication, and construction industries are expected to bode well for the global consumption of wire and cable materials in the next few years.

Market research analysts have predicted that the electric wire and cable market in India will grow steadily during the next four years and post a CAGR of almost 16% by 2020. The wire and cable industry analysis identifies the growth in renewable power generation to be one of the primary factors for the growth of the electric cable and wire market. This will create a significant demand for electrical wires and cables, mainly because of the lack of a transmission and distribution (T&D) infrastructure at locations where renewable energy resources are set up. Moreover, the expansion of the existing renewable power generation plants in the emerging countries will also result in the increasing demand.

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

India could become the world's first country to use LEDs for all lighting needs by 2021, thereby saving power in larger areas.

(ii) Market Overview

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

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

India has the fifth largest power generation capacity in the world. The country ranks third globally in terms of electricity production. In May 2018, India ranked 4th in the Asia Pacific region out of 25 nations on an index that measures their overall power. Electricity production in India reached 108.90 Billion Units (BU) in April 2019.

➤ Market Size

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

Total installed capacity of power stations in India stood at 356.82 Gigawatt (GW) as of May 2019.

➤ Investment Scenario

Around 293 global and domestic companies have committed to generate 266 GW of solar, wind, mini-hydel and biomass-based power in India over the next 5–10 years. The initiative would entail an investment of about US\$ 310–350 billion.

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

- International Finance Corporation (IFC), the investment arm of the World Bank Group, is planning to invest about US\$ 6 billion through 2022 in several sustainable and renewable energy programmes in India.
- GE Energy Financial Services (GEEFS) plans to invest US\$ 90 million to develop a solar power project of 500 megawatt (MW) in partnership with Rattan India Group.
- Greenko Energy Holdings has raised US\$ 155 million from its existing investors, Abu Dhabi Investment Authority (ADIA) and Singapore's sovereign wealth fund GIC, which will be utilised for expanding its clean energy portfolio to 3 gigawatts (GW) from 2 GW at present.
- Private equity (PE) investment firm, Actis LLP, is planning to invest about US\$ 500 million in Solenergi Power Pvt Ltd, its second renewable energy platform in India.
- Mahindra and Mahindra Ltd is planning to invest in high-end electric powertrain technology in a move towards the future of mobility as well as for the electrification of its existing and future line-up of products.
- Tata Capital Ltd and International Finance Corporation (IFC) have invested Rs 200 crore (US\$ 31.05 million) in their joint venture (JV), Tata Cleantech Capital Ltd (TCCL), to increase its loan book for investing in renewable energy projects.
- The Indian Railways is looking towards six tenders worth Rs 8000 crore (US\$ 1.2 billion), for setting up of a country-wide electricity transmission network, as part of a strategy to reduce electricity bills.
- Renewable energy company ReNew Power has announced securing US\$ 390 million debt funding from its existing investor Asian Development Bank (ADB) for developing and expanding capacities of 709 megawatt (MW) across various states of India. .

➤ **Government Initiatives**

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

- Government initiatives such as Deendayal Upadhyaya Gram Jyoti Yojana (DDVGJY) in rural areas and Integrated Power Development Scheme (IPDS) in urban areas.
- Government schemes such as Integrated Power Development Scheme (IPDS) and Power System Development Areas (PSDF) to further fuel the growth of switchgear market in the forecast period.

➤ **Achievements**

India has the fifth largest power generation capacity in the world. The country ranks third globally in terms of electricity production. In May 2018, India ranked 4th in the Asia Pacific region out of 25 nations on an index that measures their overall power. Electricity production in India reached 108.90 Billion Units (BU) in April 2019.

Renewable energy is fast emerging as a major source of power in India. The Government of India has set a target to achieve 175 GW installed capacity of renewable energy by FY22. Wind energy is the largest source of renewable energy in India, accounting for 47.44 per cent (35.14 GW) (As of Dec 2018) of total installed renewable capacity (74.08 GW) (As of Dec 2018). There are plans to double wind power generation capacity to 60 GW by 2022. India has also raised the solar power generation capacity addition target by five times to 100 GW by 2022. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022. All the states and union territories of India are on board to fulfil the Government of India's vision of ensuring 24x7 affordable and quality power for all by

March 2019. India is on path to achieve 100 per cent household electrification by March 31, 2019, as envisaged under the Saubhagya scheme. As of September 2018, the Government of India launched a voluntary based programme to promote energy efficient chiller systems in India. It labels the energy performance by providing star ratings and will be effective up to December 31, 2020.

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

The Government of India is planning to invite bids for the largest solar tender in the world, for installing 20 gigawatts (GW) of solar power capacity, to give a boost to manufacturing of solar power equipment in India.

(iii) Business of the Company

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

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

➤ Major Products and Segments

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

➤ Control panel & Switchgears

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

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

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

The Indian power sector has an investment potential of Rs 15 trillion (US\$ 225 billion) in the next 4-5 years, thereby providing immense opportunities in power generation, distribution, transmission, and equipment. The govt's immediate goal is to generate two trillion units (kilowatt hours) of energy by 2019. This means doubling the current production capacity to provide 24x7 electricity for residential, industrial, commercial and agriculture use. The Goal is taking a number of steps and initiatives like 10-year tax exemption for solar energy projects, etc., in order to achieve Indio's

ambitious renewable energy targets of adding 175 GW of renewable energy, including addition of 100 GW of solar power, by the year 2022. The government has also sought to restart the stalled hydro power projects and increase the wind energy production target to 60-GW by 2022 from the current 20 GW.

➤ **Wires and Cables**

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

However, the price of electric wire would automatically increase under the new tax structure. According to industry estimates, prices should increase 8-10% under the new indirect tax regime. Earlier the tax rate (incl. of excise & VAT) was 18%. After the implementation of the GST, the tax would rise to 28% across the country. An industry delegation highlighted the sharp rise in tax rate to Gal. Manufacturers also questioned the logic of placing a higher tax when a sig. portion of the industry remains unorganized. A lower tax rate would have certainly helped the industry becoming more organized. The unorganized sector seems to continue to thrive as recycled & scrap copper could be easily smelted to make cheap items.

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

(iv) Competition

The market comprises of international and regional / local vendors who face intense competition from the unorganized vendors. The regional and unorganized players in the market offer products at a comparative price which induces the well-established international electric wire and cable manufacturers to focus on differentiating their products to sustain their market shares. In addition to innovative product offerings, cable and wire manufacturers thus have also entered into various business strategies such as mergers and acquisitions to acquire new technologies and have expanded their customer reach.

The leading vendors in the market are -

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

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

(v) Marketing Setup

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

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

(vi) Export obligation

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

(vii) Strength

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

(viii) Weakness

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

(ix) Opportunity

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

(x) Threats

- Our contingent liabilities, not provided for, if crystallized, could adversely affect our financial condition.
- The loss of or shutdown of operations at our production facilities may have a material adverse effect on our business, financial condition and results of operations.
- Low cost end-to-end business model being adopted by existing or new competitors.
- Heightened competitive intensity with externally-funded players looking to drive aggressive strategies in the market.
- Changes in the fiscal policies by the Government.
- Shifts in the size or demographic composition of the market area.

Disclaimer Clause

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

Acknowledgement

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

for and on behalf of the Board of Directors

Date: 06-09-2019

Sd/-

Sd/-

Akshay Kumar Gurnani Narain Das Gurnani

Managing Director & CEO Whole-time Director & CFO

DIN: 06888193

DIN: 01970599

Place: Jaipur

Subsidiary Companies Brief

1. VETO ELECTRICALS PRIVATE LIMITED

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

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

Registered Office

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

Capital Structure and Shareholding Pattern

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

The shareholding of Veto Switchgears And Cables Limited is of 100% i.e. 1,00,000 equity shares.

Board Composition

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

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

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

Address:

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

Capital Structure and Shareholding Pattern

Authorised Capital 10 Million AED and minimum paid up capital of 1 Million AED.

Management

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

Annexure II

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

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

Part A: Subsidiaries

Amounts in INR except % of shareholding

Particulars	Details	
Name of the subsidiary	Veto Overseas Private F.Z.E	Veto Electricals Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2019	March 31, 2019
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	AED 1 = 18.90 INR	-
Share capital	1.81	0.10
Reserves & surplus	26.65	(1.84)
Total assets	53.88	15.66
Total Liabilities	25.42	17.40
Investments	0.00	0.00
Turnover	100.14	8.64
Profit before taxation	5.10	(1.04)
Provision for taxation/Deferred Tax	0.00	(0.13)
Profit after taxation	5.10	(1.17)
Proposed Dividend	0.00	0.00
% of shareholding	100%	100%

Notes:

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies are based on the exchange rates as on March 31, 2019.
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 reporting period for all the subsidiaries is March, 2019.
4. Part B of the Annexure is not applicable as there is no associate companies/joint ventures of the Company as on 31st March, 2019.

Date: 06-09-2019
Place: Jaipur

Akshay Kumar Gurnani
Managing Director & CEO
DIN: 06888193

Narain Das Gurnani
Whole Time Director & CFO
DIN: 01970599

Annexure III**Corporate Governance Report**

In terms of Regulation 34(3) read with Section C of SCHEDULE V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended 31st March, 2019 is presented below:

1. Philosophy on Code of Corporate Governance

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

2. Our Policy

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

Board of Directors

Our Company's Board consists of Six Directors.

The following table sets forth details regarding the Board of Directors as on March 31, 2019:

(i) Composition and Category of Directors:

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

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

There being no change in the Board of Directors during the Financial Year.

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

(iii) Disclosure of relationships between Directors inter-se:

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

(iv) Conduct of Board Proceedings:

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

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

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

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

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

(vii) Meeting of Independent Directors:

During the year under review, the Independent Directors met on February 13th, 2019 inter alia to:

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

All the Independent Directors were present at this Meeting.

(viii) 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 2018
		28 May 2018	13 Aug 2018	07 Sept 2018	14 Sept 2018	14 Nov 2018	15 Dec 2018	13 Feb 2019	
1.	Akshay Kumar Gurnani	✓	✓	✓	✓	✓	✓	✓	✓
2.	Narain Das Gurnani	✓	✓	✓	✓	✓	✓	✓	✓
3.	Jyoti Gurnani	✓	✓	✓	✓	✓	✓	✓	✓
4.	Kanwarjeet Singh	✓	✓	✓	✓	✓	✓	✓	Leave of Absence
5.	Mohan Sukhani	✓	✓	✓	✓	✓	✓	✓	Leave of Absence
6.	Govind Ram Thawani	✓	✓	✓	✓	✓	✓	✓	✓

3. Board Committees

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

a) Audit Committee

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

i. Composition

The Audit Committee comprises of the following members:

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

ii. Terms of reference / scope of the Audit Committee

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

1. Oversight our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

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

iii. Meetings and Attendance during the year

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

S. No.	Name of the Director	Attendance in Audit Committee Meetings						
		28/05/2018	13/08/2018	07/09/2018	14/09/2018	14/11/2018	15/12/2018	13/02/2019
1.	Mr. Govind Ram Thawani – Chairman	✓	✓	✓	✓	✓	✓	✓
2.	Mr. Mohan Sukhani	✓	✓	✓	✓	✓	✓	✓
3.	Mr. Narain Das Gurnani	✓	✓	✓	✓	✓	✓	✓

b) Nomination and Remuneration Committee

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

i. Composition

The Nomination and Remuneration Committee comprises of the following members:

1. Mr. Govind Ram Thawani - Chairman
2. Dr. Kanwarjeet Singh
3. Mr. Mohan Sukhani

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

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

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

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. The Nomination and Remuneration Committee shall while formulating the policy ensure that:
 - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
 - c. Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
4. The Chairperson of the said Committee or, in his absence, any other member of the committee authorized by him in this behalf shall attend the general meetings of the Company.
5. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made thereunder & SEBI Regulations.

iii. Meetings and Attendance during the year

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

S. No.	Name of the Director	Attendance in Nomination and Remuneration Committee Meetings	
		28/05/2018	15/12/2018
1.	Mr. Govind Ram Thawani – Chairman	✓	✓
2.	Mr. Mohan Sukhani	✓	✓
3.	Mr. Kanwarjeet Singh	✓	✓

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

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

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

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

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

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

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

c) Shareholders' / Investors' Grievance Committee

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

i. Composition

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

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

The Company Secretary acts as a Secretary to the Committee.

ii. Terms of reference

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

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

iii. Detail of shareholder's complaints

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

d) Corporate Social Responsibility Committee

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

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

Commitment

We are committed towards:

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

Purpose and Aims

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

In implementing this policy we aim to:

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

Standards of business conduct

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

Corporate Governance

- We will share and declare information on personal and corporate conflicts of interest and seek guidance from higher authority before acting;
- We are committed to ensuring that our business is conducted in all respects according to rigorous ethical, professional and legal standards;
- All the laws that regulate and apply will be complied with;
- We endeavor to ensure that stakeholders have confidence in the decision-making and management processes of the Procurement Service, by the conduct and professionalism of all staff. We do this by continually training and developing our staff;
- All groups and individuals with whom we have a business relationship will be treated in a fair, open and respectful manner;
- Competition will be reasonable and based upon the quality, value and integrity of the products and services being supplied;
- Feedback on performance will be actively sought, and we will continually review all activities to ensure best practice is observed at all times;

- We will allow our customers and vendors to give feedback on our performance and ensure that all customer comments are analysed, responded to and where appropriate, acted upon;
- An Action Plan will be developed to ensure continuous improvement is achieved.

Environment

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

Human Rights

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

Equality and Diversity

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

Sustainability

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

Impact on Society

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

Ethics and Ethical Trading

- We will ensure clear visibility through our supply chains, so we know where all our products are made;
- Training will be provided to relevant people on environmental and social issues affecting our supply chains;
- We will ensure that vendors uphold the workplace standards and behaviors consistent with the Company's requirements.

Biodiversity

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

Vendors (Suppliers)

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

i. Composition of CSR Committee

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

ii. Projects under CSR Committee

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

iii. Monitoring Process

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

4. Remuneration of Directors

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

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

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

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

(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.	Akshay Kumar Gurnani	15,00,000	-
2.	Narain Das Gurnani	12,00,000	-
3.	Jyoti Gurnani	6,00,000	-
4.	Mohan Sukhani	-	17,500
5.	Govind Ram Thawani	-	17,500
6.	Kanwarjeet Singh	-	17,500

(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

The Company had allotted Equity Shares to the eligible employees against the equivalent number of Stock Options pursuant to exercise of Stock Options under Employee Stock Option Scheme 2015 (“ESOP SCHEME 2015”) which were locked in for a period of 1 year. Locked in period for the said shares was till May 31, 2019.

Preferential Issue

On May 31st, 2017 the company has been authorised to create, offer, issue and allot, by way of a preferential issue, from time to time and in one or more tranches, an aggregate of 45,00,000 (Forty Five Lacs) warrants convertible into equivalent number of equity shares of a face value of Rs. 10/- each of the Company (“Warrants”), at any time within a period of 18 months from the date of allotment of Warrants, at an exercise price of Rs. 170 (including a premium of Rs. 160) per equity share (“Exercise Price”) to the Promoter Group entities of the Company.

It was noted that a sum of Rs. 19,12,50,000/- (Rupees Nineteen crores Twelve lacs Fifty thousand only) was received by the Company before the allotment of the 45,00,000 Warrants as up-front subscription money. The Committee for Preferential Issue of Warrants of the Board of Directors at its meeting held on 15th December, 2018 noted that the balance amount against the aforesaid warrants had not been received by the Company till 30th November, 2018 (being 18 months from the date of allotment of warrants to the allottee Promoter Group Companies) and accordingly, pursuant to regulation 77(4) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the said up-front subscription money received from the respective allottees stands forfeited.

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 th , 2018	Mumbai, 12:00 P.M.	01	NA	NA
2.	September 29 th , 2017	Mumbai, 12:00 P.M.	05	NA	NA
3.	September 28 th , 2016	Mumbai, 12:00 P.M.	02	NA	NA

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

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

6. Other Disclosures

(a) Relationship between Directors

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

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

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

(c) Means of Communication

- (i) Quarterly results:** The Company publishes limited reviewed un-audited standalone and consolidated financial results on quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results for the complete financial year.
- (ii) Newspapers wherein results normally published:** The quarterly / half-yearly / annual financial results are published in Business Standard in both English and Marathi Daily editions.
- (iii) Website where displayed:** The financial results and the official news releases are also placed on the Company's website www.vetoswitchgears.com in the 'Financial Information' section.
- (iv) Official news releases:** Yes, the Company regularly publishes information update on its financial results and also displays official news releases in the 'Investor Zone' section under relevant sections.
- (v) Presentations made to institutional investors or to the analysts:** Whenever the Company holds analysts calls to apprise and make public the information relating to the Company's working and future outlook. The Transcripts are available on Company's website www.vetoswitchgears.com in the 'news and other' section.

(d) SEBI Complaints Redress System (SCORES)

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

(e) Whistle Blower Policy

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

(f) Policy on Prevention of Insider Trading

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

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

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

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

(g) Code of Conduct

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

(h) General Shareholders Information

(i) Company Registration Details

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

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

Registered Office

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

(ii) Annual General Meeting

Date	Day	Time	Venue
28/09/2019	Saturday	12:00 P.M.	Daffodils 23, Royal Complex, Shop 1-4, Eksar Rd, Borivali West, Mumbai, Maharashtra 400092

(iii) Financial Year: 1st April, 2018 to 31st March, 2019

(iv) Book Closure

The Book Closure date will be September 26th, 2019 to September 28th, 2019 (both days inclusive) for the purpose of Annual General Meeting.

(v) Dividend

“The Board of Directors of your company, after considering holistically the relevant circumstances and keeping in view the company’s dividend distribution policy, has decided that it would be prudent, not to recommend any Dividend for the year under review.”

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

The equity shares of the Company are listed at:

The National Stock Exchange of India Limited (NSE),
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E), Mumbai-400 051

Symbol: VETO

ISIN Code: INE918N01018

Bombay Stock Exchange Limited (BSE),
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001
Scrip Code: 539331

(vii) Tentative Calendar for Financial Year ending March 31st, 2020

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

S. No.	Particulars of Quarter	Tentative dates
1.	First Quarter Results	In or before the Second week of August 2019
2.	Second Quarter & Half-Yearly Results	In or before the Second week of November 2019
3.	Third Quarter & Nine-Months Results	In or before the Second week of February 2020
4.	Fourth Quarter & Annual Results	In or before the Fourth week of May 2020

(viii) Payment of Listing Fees

The Company has paid listing fees in respect of financial year 2018-2019 to BSE Limited and National Stock Exchange of India Limited.

(ix) Payment of Depository Fees

The Company has paid Annual Custodian fees in respect of financial year 2018-2019 to NSDL and CDSL on receipt of the invoice.

(x) Registrar and Share Transfer Agent

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis,Makwana Road,
Marol, Andheri East,
Mumbai 400059,
Maharashtra. Tel.: +91 22 404 30 200
Facsimile: +91 22 2847 5207
Email: ashok@bigshareonline.com
Website: www.bigshareonline.com

(xi) Share Transfer System

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

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

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

Dematerialization of Shares

The Company has set up requisite facilities for dematerialization of its Equity Shares in accordance with the provisions of Depository Act, 1996 with National Securities Depository Limited and Central Depository Services (India) Limited. The Company has entered into agreements with both of the Depositories. The status as on 31st March, 2019 is as under:

Mode	No. of Shares	% (Percentage)
Shares in Demat mode with NSDL	5747720	30.06
Shares in Demat mode with CDSL	13367230	69.93
Shares in Physical mode	5	0.01
Total	19114955	100

(xii) 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 2018-19 are as under:

Month	Price at BSE				Price at NSE		
	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades	High (Rs.)	Low (Rs.)	Total Traded Quantity
April, 2018	245.60	180	7,37,573	10,078	245	183.1	3927615
May, 2018	242.05	196.50	6,88614	5,851	242.4	196.4	2162864
June, 2018	204	167	2,62,794	4,205	204	166.55	1272130
July, 2018	179.80	149.35	1,92,696	3,248	180	148.75	615644
August, 2018	184	156.50	3,46,328	4,232	182.4	156.35	801574
September, 2018	164.35	114	4,18,607	5,776	164.5	114	1496738
October, 2018	115	68.30	8,32,307	10,707	115.45	68.2	3385282
November, 2018	101.30	61.75	10,36,684	6,740	102	62.05	3777544
December, 2018	82.20	68.65	1,69,398	2,853	82.55	68.3	805291
January, 2019	73.55	55.55	1,31,510	1,909	73.25	55.25	432268
February, 2019	82.55	50	3,54,965	4,627	82.6	50	1354206
March, 2019	77	67.50	1,31,166	1,722	77.8	67.4	671260

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

Month	BSE closing	NSE Closing
April, 2018	227.75	227.85
May, 2018	202.45	201.95
June, 2018	179.30	178.95
July, 2018	168.90	168.1
August, 2018	161.35	162.65
September, 2018	114.55	114.6
October, 2018	98.05	97.9
November, 2018	78.30	78.65
December, 2018	72.30	72.7
January, 2019	60.35	60.55
February, 2019	74.80	74.55
March, 2019	70.05	69.95

Source: BSE, NSE

(xiii) Distribution of Shareholding and Shareholding Pattern as on March 31, 2019

Category Wise Summary

CATEGORY	Total Shareholders	% of Shareholders	Total Shares	%
CLEARING MEMBER	104	0.84	311508	1.63
CORPORATE BODIES	189	1.52	1465411	7.67
CORPORATE BODIES (PROMOTER CO)	1	0.01	7130704	37.30
CORPORATE BODY NBFC	2	0.02	139585	0.73
FOREIGN PROMOTERS	1	0.01	733333	3.84
FOREIGN PORTFOLIO INVESTOR	2	0.02	1015820	5.31
NON NATIONALISED BANKS	1	0.01	7385	0.04
NON RESIDENT INDIANS	310	2.50	415854	2.18
PROMOTERS	8	0.06	1707000	8.93
PUBLIC	11802	95.02	6187843	32.37
TRUSTS	1	0.01	512	0.00
TOTAL	12421	100.00	19114955	100.00

List of 1.00 % & Above Share Holders

Category Folio No. / Client ID	Folio No. / Client ID	Shareholder's Name	Shares	Percentage
CORPORATE BODIES (PROMOTER CO)	1201770100771220	VETO ELECTROPOWERS (INDIA) PRIVATE LIMITED	7130704	37.30
CORPORATE BODIES	IN30133021087024	GLOBE CAPITAL MARKET LIMITED	403392	2.11
FOREIGN PORTFOLIO INVESTOR	IN30317320024091	SENNA PENDULA	777000	4.06
FOREIGN PORTFOLIO INVESTOR	IN30134820011233	ELARA INDIA OPPORTUNITIES FUND LTD	238820	1.25
FOREIGN PROMOTERS	1201770100800979	HARISH KUMAR GURNANI	733333	3.84
PROMOTERS	1206420006236385	AKSHAY KUMAR GURNANI	669855	3.50
PROMOTERS	1201770100799924	PUSHPA DEVI GURNANI	484508	2.53
PROMOTERS	1203460000444189	KISHORE KUMAR GURNANI	204014	1.07
PUBLIC	1203500001446426	JAYANTI DAHYABHAI PATEL	250000	1.31
TOTAL			10891626	56.98

Distribution Of Shareholding (In Rupees)

Shareholding of nominal Rs. – Rs.	Number of Shareholders	Percentage	Share Amount Rs.	Percentage of total
1	5000	85.1783	14179740	7.4181
5001	10000	6.8030	6757030	3.5349
10001	20000	3.3814	6363660	3.3292
20001	30000	1.4894	4770340	2.4956
30001	40000	0.9097	3933670	2.0579
40001	50000	0.6038	3498010	1.8300
50001	100000	0.7809	7483550	3.9150
100001	9999999999	0.8534	144163550	75.4192
Total	12421	100.00	191149550	100.00

Category of Shareholders

S. No.	Category of Shareholder	Total Holders	No. of shares	% of shareholding
1.	Promoter and Promoter Group	9	9571037	50.07
2.	Individuals	8	2440333	12.77
3.	Bodies Corporate	1	7130704	37.30
4.	Public	12167	9543918	49.93
5.	Total	12176	19114955	100

Share Holding Pattern

S. NO.	Name	Shares	Percentage of Shareholding
I	Promoter Group		
A	Individual	2440333	12.77
(i)	Kishore Kumar Gurnani	204014	1.07
(ii)	Harish Kumar Gurnani	733333	3.84
(iii)	Pushpa Devi Gurnani	484508	2.53
(iv)	Narain Das Gurnani	13200	0.07
(v)	Mukesh Gurnani	6600	0.03
(vi)	Akshay Kumar Gurnani	778722	4.07
(vii)	Rohit Kishore Gurnani	109978	0.58
(viii)	Kanishaka Kishore Gurnani	109978	0.58
B	Body Corporate	7130704	37.30
(i)	Veto Electropowers (India) Private Limited	7130704	37.30
II	Public	9543918	49.93
III	Non Promoter-Non Public	0	0
IV	Shares underlying DRs	0	0
V	Shares held by Employee Trusts	0	0
	TOTAL	19114955	100

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

(xiv) Address For Correspondence

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

(xv) Disclosures

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

During the financial year 2018-19, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. For reference, the details of related party transactions in accordance with AS-18 are given in Notes to Accounts of the Annual Report.

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

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

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

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

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

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

- (e) Web link where policy for determining ‘material’ subsidiaries is disclosed:**

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

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

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

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

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

for and on behalf of the Board of Directors

Sd/-

Sd/-

Akshay Kumar Gurnani

Narain Das Gurnani

Managing Director & CEO

Whole-time Director & CFO

DIN: 06888193

DIN: 01970599

Date: 06-09-2019

Place: Jaipur

Annexure IV**Annual Report on Corporate Social Responsibilities (CSR) activities for the financial year 2018-2019**

1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs	Refer : Annexure III Corporate Governance Report
2. Composition of CSR Committee	Refer : Annexure III Corporate Governance Report
3. Average net profit of the Company for last three financial years	1838.60 Lacs
4. Prescribed CSR Expenditure i. two percent of the amount mentioned in item 3 above) : 3677213.33 ii. Amount unspent carried forward from last Financial year : 1004000.00	46.81 Lacs
5. Details of CSR spent during the Financial year :	
Total amount spent for the financial year	24.59
Amount unspent, if any	22.22
Manner in which the amount spent during the financial year	Given Below

Details of Amount spent on CSR Activities during the financial year 2018-2019:

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or other (2) Specify the state and District where Projects or Programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub- heads: (1)Direct Expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period.	Amount spent:
1	Rural Development/ Weaker Section	Vidhwa Women Help	Rajasthan	Rs. 2206328 (i.e 60% of Projected Yearly Expenditure)	25200	169250	Direct
		Medical Relief	Jaipur		20000	31000	Direct
		Education to Weaker Staff children expense	Jaipur		97600	281170	Direct
		Charity & Donations	Jaipur and other parts of Rajasthan		2016382.5	3586874.5	Direct

		Other (Including Natural Calamities)	-		-	1478188	Direct and through Implem enting Agency
	Total				2159182.50	5515482.5	
2	Animal Protection	Cow Expenses	Gaushala, Jaipur	Rs. 735442.66 (i.e. 20% of Projected Yearly Expenditure)	300000	1360957	Direct
	Water Facility to needed People	Water Tanks	Jaipur	Rs. 735442.66 (i.e.20% of Projected Yearly Expenditure)	0	1091480	Direct

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

Date: 06-09-2019

Place: Jaipur

Sd/-

Akshay Kumar Gurnani
(Managing Director)
DIN: 06888193

Sd/-

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

NISHA AGARWAL

Company Secretary

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

Annexure V

Secretarial Audit Report

For the Financial Year 2018-19

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

To,

The Members

VETO SWITCHGEARS AND CABLES LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VETO SWITCHGEARS AND CABLES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on **31.03.2019**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **VETO SWITCHGEARS AND CABLES LIMITED** (“The Company”) for the period ended on **31.03.2019** according to the provisions of:
 - I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 (**“SCRA”**) and the Rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**‘SEBI Act’**) to the extent applicable to the Company:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- V. The provisions of the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited; and
- VI. the Memorandum and Articles of Association.

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

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

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

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

- a. maintenance of various statutory registers and documents and making necessary entries therein;
- b. closure of the Register of Members;
- c. forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government; A list of forms and returns filed by the Company during the year under review is enclosed at **ANNEXURE-1**
- d. service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e. notice of Board meetings and Committee meetings of Directors;
- f. the meetings of Directors and Committees of Directors including passing of resolutions by circulation; List of meetings of Board of Directors and committees thereof is enclosed at **ANNEXURE-2**
- g. the 11th Annual General Meeting held on 29th September, 2018;
- 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. 22.05.2019 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.

Sd/-

Nisha Agarwal

Practicing Company Secretary
FCS: 8345 ~ C. P. No.: 8584

Place: Jaipur

Date: August 29, 2019

ANNEXURE-1

List of Forms filed during the year under Review

S. No.	Form	Purpose and Relevant Section	Date of Event	Whether filed in time (Yes / No)
1	MGT-14	filing of resolution (sec. 179)	07.09.2018	No
2	MGT-14	filing of resolution (sec. 179)	29.09.2018	Yes
3	MGT-14	filing of resolution (sec. 179)	23.05.2018	Yes
4	MGT-14	filing of resolution (sec. 179)	28.05.2018	No
5	CRA -4	Filing of Cost Audit report (148)	14.09.2018	Yes
6	CRA-2	Appointment of Cost Auditor (148)	28.05.2018	Yes
7	DIR-12	Change of KMP	15.12.2018	Yes
8	AOC-4 (XBRL)	Filing of Balance sheet (137)	31.03.2018	No
9	MGT-7	Annual Return (92)	29.09.2018	Yes

ANNEXURE-2

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

Sr. No.	Date of Meeting	Strength of Board	No. Of Directors present
1	28.05.2018	6	6
2	13.08.2018	6	6
3	07.09.2018	6	6
4	14.09.2018	6	6
5	14.11.2018	6	6
6	15.12.2018	6	6
7	13.02.2019	6	6

Committee Meeting:

Sr. No.	Date of Meeting	Strength of Board	No. Of Directors present
1	28.05.2018	3	3
2	13.08.2018	3	3
3	07.09.2018	3	3
4	14.09.2018	3	3
5	14.11.2018	3	3
6	15.12.2018	3	3
7	13.02.2019	3	3

Nomination and Remuneration Committee:

Sr. No.	Date of Meeting	Strength of Board	No. Of Directors present
1	28.05.2018	3	3
2	15.12.2018	3	3

Annexure-VI

Affirmation by Chairman

Declaration for Compliance with Code of Conduct

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

I, Akshay Kumar Gurnani, Chairman of the Company do hereby affirm that all directors and senior managers of the Company have complied with the Code of Conduct for Board Members and Senior Managers of our Company during the financial year end on 31st March, 2019.

Sd/-

Akshay Kumar Gurnani
DIN: 06888193
Chairman of the Board

Place: Mumbai
Date: March 31st, 2019

Annexure-VII

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Veto Switchgears and Cables Limited

I have examined the compliance of conditions of Corporate Governance by **Veto Switchgears and Cables Limited** for the year ended 31st March, 2019 as stipulated in the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

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

Place: Jaipur
Date: August 29th 2019

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

Annexure-VIII

Compliance Certificate

To,
The Board of Directors
Veto switchgears and Cables Limited

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

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2019 and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2018-2019 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.

Sd/-	Sd/-
Akshay Kumar Gurnani	Narain Das Gurnani
Managing Director	Chief Financial Officer
DIN: 06888193	DIN: 01970599
PAN : AYOPG9890J	PAN: AERPG5958A

Place: Jaipur
Date: May 22nd, 2019

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"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2019, 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 2019, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis, Board's

Report, Report on Corporate governance and Business Responsibility report but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (Consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its Associates and Jointly controlled entities 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 and of its associates and jointly controlled entities 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 and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities 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 and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

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

1. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

2. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities 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 and its associates and jointly controlled entities 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 and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
3. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 4. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 5. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of Veto Overseas Private FZE, Veto Electricals Private Limited, whose financial statements reflect total assets of Rs. 53,88,15,111 , Rs. 15,66,21,057 as at March 31, 2019, total revenue of Rs. 100,13,64,694 , Rs. 9,12,03,666 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. The matter described in the Basis for Qualified Opinion Paragraph / Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - f. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 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, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g. 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**.
 - h. 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, its associates and jointly controlled entities.

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

For C A S & Co.

Chartered Accountants

Firm's Registration No. 111075W

Nitesh Musahib

Partner

Mem. No. 131146

Place: Mumbai

Date: May 22, 2019

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 2019.

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, 2019 in conjunction with our audit of the Consolidated 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other 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 1 subsidiary companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For C A S & Co.

Chartered Accountants

Firm's Reg. No. 111075W

Nitesh Musahib

Partner

Mem. No. 131146

Place : Mumbai

Date : 22nd May, 2019

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited
Consolidated Balance Sheet as at 31st March, 2019

Particulars	Notes	Amount in ₹		
		As at 31st March, 2019	As at 31st March, 2018	
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	3A	15,67,82,440	22,84,69,303	
Capital work in progress	3B	26,01,468	7,32,25,597	
Other Intangible assets	3C	-	2,800	
Investment Property	3D	14,52,69,439	-	
Goodwill on Consolidation		10,778	10,778	
Financial Asset				
Investments	4	51,000	1,49,000	
Other financial assets	5	1,58,77,732	1,85,23,964	
Deferred tax asset (net)	6	2,29,32,227	2,73,23,368	
Income tax assets (net)	7	37,38,791	-	
Other non - current assets	8	29,30,346	6,12,521	
Total Non-Current Assets		35,01,94,221	34,83,17,330	
Current Assets				
Inventories	9	98,10,77,314	44,63,30,393	
Financial Asset				
Trade receivables	10	60,97,62,824	1,06,54,68,400	
Cash and cash equivalents	11	14,54,51,384	2,78,68,456	
Other bank balances	12	53,64,106	35,88,267	
Other Current Asset	13	11,22,50,569	12,45,81,488	
Total Current Assets		1,85,39,06,197	1,66,78,37,004	
TOTAL ASSETS		2,20,41,00,418	2,01,61,54,334	
EQUITY AND LIABILITIES				
Shareholders' Funds				
Equity Share capital	14A	19,11,49,550	18,32,71,000	
Other Equity	14B	1,48,19,80,579	1,30,11,72,013	
Total Equity		1,67,31,30,129	1,48,44,43,013	
Non-current Liabilities				
Financial liabilities				
Borrowings	15	77,77,257	3,25,10,185	
Provisions	16	14,36,685	-	
Total Non-current Liabilities		92,13,942	3,25,10,185	
Current Liabilities				
Financial liabilities				
Borrowings	17	37,17,84,911	32,14,23,158	
Trade payables	18	8,18,00,454	7,65,43,760	
Other financial liabilities	19	6,27,24,734	4,33,25,535	
Other current liabilities	20	35,75,108	34,95,461	
Provisions	16	18,71,140	18,79,038	
Income tax liabilities (net)	21	-	5,25,34,185	
Total Current Liabilities		52,17,56,347	49,92,01,137	
TOTAL EQUITY AND LIABILITIES		2,20,41,00,418	2,01,61,54,334	

Notes 1 to 40 form an integral part of the consolidated financial statements

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

For CAS & CO
(formerly known as K. M. Tulsian & Associates)
Chartered Accountants
Firm Registration No. 111075W

Nitesh Musahib
Partner
Membership No. : 131146

Place: Mumbai
Date : 22nd May, 2019

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

Akshay Kumar Gurnani

Managing Director
DIN : 06888193

Bhavna Giomalani
Company Secretary

Place: Jaipur
Date : 22nd May, 2019

Narain Das Gurnani
Whole Time Director & CFO
DIN : 01970599

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

Particulars	Notes	Amount in ₹	
		Year ended 31st March, 2019	Year ended 31st March, 2018
INCOME			
Revenue from operation	22	2,18,30,12,514	2,53,62,88,332
Other income	23	37,61,839	1,98,34,487
Total Revenue		2,18,67,74,353	2,55,61,22,819
EXPENSES			
Cost of materials consumed	24	58,17,41,224	51,25,89,650
Purchases of stock-in-trade	25	1,69,35,56,321	1,45,71,56,105
Changes in inventories of finished goods and stock in trade	26	(54,86,63,253)	(7,05,90,306)
Excise Duty Expense		-	55,71,894
Employee benefits expense	27	9,36,47,664	9,01,08,181
Finance costs	28	3,89,43,418	2,75,64,035
Depreciation	3A	1,46,68,187	1,58,17,074
Other expenses	29	15,33,25,879	12,86,83,465
Profit before tax (A-B)		2,02,72,19,440	2,16,69,00,098
Exceptional items		15,95,54,913	38,92,22,721
Profit / (Loss) before tax		15,95,54,913	38,92,22,721
Tax expense/ (credit)			
- Current tax		3,66,00,000	10,45,76,240
- Tax for earlier years		28,22,178	3,73,336
- Deferred tax liability / (asset)		44,02,251	(54,34,469)
Profit/ (loss) for the year (A)		4,38,24,429	9,95,15,107
		11,57,30,484	28,97,07,614
Other comprehensive income (OCI)			
Items not to be reclassified subsequently to profit or loss :			
- Re-measurement gains / (Loss) on defined benefits plans		4,29,894	23,29,683
- Income tax effect on above		(1,25,185)	(8,06,257)
Items that will be reclassified to Profit or Loss			
Exchange Difference in translating the financial statement of foreign operations		3,30,09,726	11,00,846
Other comprehensive income for the year, net of tax (B)		3,33,14,435	26,24,272
Total comprehensive income for the year (A+B)		14,90,44,919	29,23,31,886
Earnings per equity share	30		
(Nominal value of share Rs.10 (PY Rs.10)			
- Basic		6.09	15.81
- Diluted		6.09	15.30

Notes 1 to 40 form an integral part of the consolidated financial statements

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

For CAS & CO

(formerly known as K. M. Tulsian & Associates)

Chartered Accountants

Firm Registration No. 111075W

For and on behalf of the Board

Veto Switchgears and Cables Limited

Nitesh Musahib

Partner

Membership No. : 131146

Akshay Kumar Gurnani

Managing Director

DIN : 06888193

Narain Das Gurnani

Whole Time Director & CFO

DIN : 01970599

Bhavna Giamalani

Company Secretary

Place: Mumbai

Date : 22nd May, 2019

Place: Jaipur

Date : 22nd May, 2019

Veto Switchgears and Cables Limited
Consolidated Cash Flow Statement For the year ended 31st March 2019

Particulars	Amount in ₹	
	Year ended 31st March, 2019	Year ended 31st March, 2018
A. Cash flow from operating activities		
Net profit before taxation	15,95,54,913	38,92,22,721
<u>Adjustments for:</u>		
Depreciation and amortisation expense	1,46,68,187	1,58,17,074
Finance costs	3,89,43,418	2,75,64,035
Interest income	(11,43,421)	(1,17,92,837)
Provision for expected credit loss on trade receivables	56,76,610	55,07,057
Provision for expenses of Employee Stock Option Plan	-	59,41,225
Profit on sale of property, plant and equipment (net)	-	(4,26,033)
Operating profit before working capital changes (A)	21,76,99,708	43,18,33,242
<u>Adjustments for changes in working capital:</u>		
Decrease / (increase) in trade receivables	45,00,28,966	(51,08,23,290)
Decrease / (increase) in inventories	(53,47,46,921)	(5,53,60,550)
Decrease / (increase) in other financial assets	26,46,232	(14,76,212)
Decrease / (increase) in other non current assets	(23,17,825)	4,25,21,819
Decrease / (increase) in other current assets	1,23,30,919	(8,58,93,471)
(Decrease) / Increase in provisions	18,58,681	34,13,587
(Decrease) / Increase in trade and other payables	52,56,694	(99,33,016)
(Decrease) / Increase in other financial liabilities	1,99,90,667	(1,53,76,895)
(Decrease) / Increase in other current liabilities	79,648	4,57,233
Cash generated from / (used in) operations	17,28,26,768	(20,06,37,552)
Direct taxes paid	(9,58,31,448)	(4,98,07,289)
Cash (Outflow) before Prior Period Adjustment	7,69,95,320	(25,04,44,841)
Prior Period adjustments	-	-
Net cash flow from operating activities	7,69,95,320	(25,04,44,841)
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work in progress) and Investment Property	(1,76,23,835)	(4,06,67,849)
Proceeds from sale of non-current investments	98,000	-
Net (investments in)/ proceeds from bank deposits (having original maturity of more than three months)	(17,75,839)	6,83,21,150
Interest received	11,43,421	1,17,92,837
Net cash flow from / (used in) investment activities	(1,81,58,253)	3,94,46,138
C. Cash Flow from Financing Activities		
Proceeds from long-term borrowings (net)	(2,53,24,396)	(2,02,75,037)
Proceeds from short-term borrowings (net)	5,03,61,753	8,78,63,551
Proceeds from issue of Equity shares under ESOP	3,96,42,197	-
Proceeds from Share application warrant Money	-	19,12,50,000
Dividend Paid (including dividend distribution tax)	-	(2,20,36,751)
Interest paid	(3,89,43,418)	(2,75,64,035)
Net cash flow from / (used in) financing activities	2,57,36,135	20,92,37,728
Net increase / (decrease) in cash and cash equivalents	8,45,73,202	(17,60,975)
Foreign Currency Translation Reserve	3,30,09,726	35,28,560
Cash and cash equivalents at the beginning of the year	2,78,68,456	2,61,00,872
Cash and cash equivalents at the end of the year	14,54,51,384	2,78,68,456

Veto Switchgears and Cables Limited

Consolidated Cash Flow Statement For the year ended 31st March 2019

Components of cash and cash equivalents considered only for the purpose of cash flow statement

Cash on hand	7,88,470	15,51,134
Balances with bank on current account	6,91,02,914	2,63,17,322
Fund in Transit	7,55,60,000	-
	14,54,51,384	2,78,68,456

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 40 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 CAS & CO

(formerly known as K. M. Tulsian & Associates)

Chartered Accountants

Firm Registration No. 111075W

Nitesh Musahib

Partner

Membership No. : 131146

Place: Mumbai

Date : 22nd May, 2019

For and on behalf of the Board

Veto Switchgears and Cables Limited

Akshay Kumar Gurnani

Managing Director

DIN : 06888193

Bhavna Giamalani

Company Secretary

Place: Jaipur

Date : 22nd May, 2019

Narain Das Gurnani

Whole Time Director & CFO

DIN : 01970599

Veto Switchgears and Cables Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2019

A) Equity share capital

Particulars	Number	Amount in ₹
Equity shares of Rs. 10 each issued, subscribed and paid		
As at 1 April 2017	1,83,27,100	18,32,71,000
Issue of equity shares	-	-
As at 31 March 2018	1,83,27,100	18,32,71,000
Issue of equity shares	7,87,855	78,78,550
As at 31 March 2019	1,91,14,955	19,11,49,550

B) Other equity

Particulars	Reserves and surplus	Other comprehensive income	Money Received against Share Warrants	Total equity attributable to equity holders
Particulars	Securities premium reserve	Employee Stock Option Outstanding Account	Capital Reserve	Foreign Currency Translation Reserve
As at 31 March 2017	15,94,71,817	83,91,249	4,52,56,260	62,81,59,625
Total comprehensive income for the year	-	-	-	28,97,07,612
Addition / (Deletion) during the year	-	4,37,014	59,41,225	(4,37,014,00)
Final Dividend	-	-	-	(1,83,27,100,00)
Dividend Distribution Tax	-	-	(37,09,651)	-
As at 31 March 2018	15,94,71,817	88,28,262	5,11,97,485	89,53,93,472
Total comprehensive income for the year	-	-	-	(61,87,220)
On further issue of shares	8,29,61,132	-	11,57,30,484	-
Employee stock compensation expense for the year	-	(5,11,97,485)	-	-
Forfeiture of share warrants	-	-	19,12,50,000	-
As at 31 March 2019	24,24,32,949	88,28,262	1,01,11,23,956	19,12,50,000
			2,68,22,506	15,22,906
				1,48,19,80,579

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

For CAS & Co.
(formerly known as K. M. Tulsian & Associates)
Chartered Accountants
Firm Registration No. 111075W

Nitesh Musahib
Partner
Membership No. : 131146

Place: Mumbai
Date : 22nd May, 2019

For and on behalf of the Board of Directors

Narain Das Guanani
Whole Time Director
DIN : 01970599

Bhavna Giannalaini
Company Secretary

Place: Jaipur
Date : 22nd May, 2019

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

Note 14A : Equity Share capital

Particulars	As at 31st March, 2019	As at 31st March, 2018
Authorised 2,50,00,000 (PY 2,50,00,000) Equity shares of Rs.10/- each	25,00,00,000	25,00,00,000
Total authorised share capital	25,00,00,000	25,00,00,000
Issued, Subscribed and Fully Paid Up 1,91,14,955 (PY 1,83,27,100) Equity shares of Rs. 10/- each fully paid up	19,11,49,550	18,32,71,000
Total issued, subscribed and paid-up equity share capital	19,11,49,550	18,32,71,000

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, 2019		As at 31st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares At the beginning of the year	1,83,27,100	18,32,71,000	1,83,27,100	18,32,71,000
Issued during the year	7,87,855	78,78,550	-	-
Outstanding at the end of the year	1,91,14,955	19,11,49,550	1,83,27,100	18,32,71,000

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

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

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

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Veto Electropowers (India) Private Limited	37.30%	71,30,704	38.91%	71,30,704

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	% holding	No. of Shares	% holding
Veto Electropowers (India) Private Limited	37.30%	71,30,704	38.91%	71,30,704
Akshay Gurnani	4.07%	7,78,722	0.59%	1,08,867

e) Shares reserved for issue under Stock Option

NIL (March 31, 2018: 7,91,955) equity shares are reserved for the issue under Employee Stock Option Plan (ESOP) of the Company.

f) Issue of share under ESOP

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

g) Forfeiture of Share Warrants

During the previous year, the Company had made 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 of Rs. 19,12,50,000. The warrants can be exercised at any time 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 current year and credited to Capital Reserve.

Note 14B : Other Equity

Particulars	Reserves and surplus					Other comprehensive income	Total equity attributable to equity holders	Amount in ₹
	Securities premium reserve	Statutory Reserve	Employee Stock Option Outstanding Account	Retained earnings	Capital Reserve			
As at 1 April 2018	15,94,71,817	88,28,262	5,11,97,485	89,53,93,472	-	(61,87,220)	12,18,197	19,12,50,000
Total comprehensive income for the year	-	-	-	11,57,30,484	-	3,30,09,726	3,04,709	-
On further issue of shares	8,29,61,132	-	-	-	-	-	-	14,90,44,919
Employee stock compensation expense for the year	-	-	(5,11,97,485)	-	-	-	-	8,29,61,132
Forfeiture of share warrants	-	-	-	-	19,12,50,000	-	-	(5,11,97,485)
As at 31 March 2019	24,24,32,949	88,28,262	-	1,01,11,23,956	19,12,50,000	2,68,22,506	15,22,906	-
								1,48,19,80,579

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.

Employee Stock Options Outstanding Account

The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

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.

Money Received against Share Warrants

Money received on share warrants represents amount received on 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 current year and credited to Capital Reserve.

Veto Switchgears And Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

Note 1 Corporate Information

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

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

Note 2.1 Significant Accounting Policies

i Basis of Preparation of Consolidated Financial Statements

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

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

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

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

ii Principles of Consolidation

The financial statements have been prepared on the following basis:

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

iii Accounting Estimates

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

Estimates and assumptions

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

Deferred tax assets

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

Defined benefit plans

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

Impairment of Receivables

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

iii Property, Plant and Equipment

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

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

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

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 noncancelable period of lease.

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.

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.

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.

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.

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.

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.

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.

xviii 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.

xvix 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.

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	Amount in ₹
Gross carrying value (at deemed cost)												
Balance as at 1 April 2017	11,86,21,732	1,96,72,218	-	3,86,80,805	46,46,066	9,05,56,496	31,79,162	1,10,02,289	23,33,293	2,52,41,625	31,39,33,685	
Additions	-	-	-	1,92,00,570	-	2,08,00,000	19,390	9,65,910	-	47,32,601	4,57,18,471	
Disposals / Deletions	-	-	-	5,78,81,375	46,46,066	11,13,56,496	31,98,552	1,19,68,199	-	-15,34,698	-15,34,698	
Balance as at 31 March 2018	11,86,21,732	1,96,72,218										35,81,17,458
Transferred to Investment Property	8,32,24,102	-	-	1,78,46,280	-	53,08,984	7,81,631	74,496	1,48,134	89,872	12,97,368	8,32,24,102
Additions	-	-	-	-	-	2,18,492	-	-	-	-	-	2,55,46,756
Disposals	-	-	-	-	-	-	-	-	-	-	-	2,18,492
Balance as at 31 March 2019	3,53,97,630	1,96,72,218	1,78,46,280	5,78,81,375	93,55,050	11,19,19,635	32,73,048	1,21,16,333	24,23,165	2,97,36,896	30,02,21,630	
Accumulated depreciation												
Balance as at 1 April 2017	11,56,817	-	-	2,13,94,031	30,91,448	5,79,20,578	27,15,301	74,88,883	21,85,373	1,92,46,569	11,51,99,001	
Depreciation charge	1,30,523	-	-	23,22,806	12,21,510	78,60,317	2,08,111	11,24,678	74,965	28,61,975	1,58,04,886	
Deletions / Adjustments	-	-	-	-	-	-	-	-	-	-13,55,731	-13,55,731	
Balance as at 31 March 2018	12,87,340			2,37,16,837	43,12,959	6,57,80,895	29,23,412	86,13,561	22,60,338	2,07,52,814	12,96,48,156	
Depreciation charge	1,30,523	-	-	2,14,302	23,86,478	2,43,451	73,28,341	1,17,497	8,94,361	41,747	25,54,579	1,39,11,277
Deletions / Adjustments	-	-	-	-	-	-	1,20,243	-	-	-	-	1,20,243
Balance as at 31 March 2019	14,17,863			2,14,302	2,61,03,315	45,56,409	7,29,88,993	30,40,909	95,07,922	23,02,085	2,33,07,392	14,34,39,190
Net carrying value												
Balance as at 1 April 2017	11,74,64,915	1,96,72,218	-	1,72,86,773	15,54,618	3,26,35,918	4,63,861	35,13,406	1,47,920	59,95,056	19,87,34,685	
Balance as at 31 March 2018	11,73,34,392	1,96,72,218	-	3,41,64,537	3,33,107	4,55,75,601	2,75,140	33,54,638	72,955	76,86,714	22,84,69,303	
Balance as at 31 March 2019	3,39,79,767	1,96,72,218	1,76,31,978	3,17,78,059	53,98,641	3,89,30,642	2,32,139	26,08,412	1,21,080	64,29,504	15,67,82,440	

Veto Switchgears And Cables Limited

**Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for
B Capital work in progress**

Particulars	SEZ Unit	Office Building at Airport Plaza	Plant & Machinery	Total
Gross carrying value (at deemed cost)				
Balance as at 1 April 2017	1,63,06,229	5,02,56,614	1,11,08,376	7,76,71,218
Additions	-	2,29,68,983	-	2,29,68,983
Transferest to Fixed Assets	(1,63,06,229)	-	(1,11,08,376)	(2,74,14,605)
Balance as at 31 March 2018	-	7,32,25,597	-	7,32,25,597
Additions	-	1,00,21,598	-	1,00,21,598
Transferest to Fixed Assets	-	8,06,45,726	-	8,06,45,726
Balance as at 31 March 2019	-	26,01,468	-	26,01,468

C Intangible Assets

Particulars	Goodwill		Other Intangible Asset		
	Goodwill (on consolidation)	Goodwill (acquired separately)	Total	Trade Mark	Total
Gross carrying value (at deemed cost)					
Balance as at 1 April 2017	10,778	5,40,000	5,50,778	1,12,000	1,12,000
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31 March 2018	10,778	5,40,000	5,50,778	1,12,000	1,12,000
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31 March 2019	10,778	5,40,000	5,50,778	1,12,000	1,12,000
Accumulated amortisation					
Balance as at 1 April 2017	-	5,40,000	5,40,000	97,012	97,012
Amortisation charge	-	-	-	12,188	12,188
Impairment	-	-	-	-	-
Balance as at 31 March 2018	-	5,40,000	5,40,000	1,09,200	1,09,200
Amortisation charge	-	-	-	2,800	2,800
Reversal on disposal of assets	-	-	-	-	-
Balance as at 31 March 2019	-	5,40,000	5,40,000	1,12,000	1,12,000
Net carrying value					
Balance as at 31 March 2017	10,778	-	10,778	14,988	14,988
Balance as at 31 March 2018	10,778	-	10,778	2,800	2,800
Balance as at 31 March 2019	10,778	-	10,778	-	-

D Investment Property		Amount in ₹	
Particulars	Leasehold Land	Building	Total
<u>Gross carrying value (at deemed cost)</u>			
Balance as at 1 April 2017	-	-	-
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March 2018	-	-	-
Transferred from Property Plant and Equipment	8,32,24,102	-	8,32,24,102
Additions	-	6,27,99,446	6,27,99,446
Disposals	-	-	-
Balance as at 31 March 2019	8,32,24,102	6,27,99,446	14,60,23,548
<u>Accumulated depreciation</u>			
Balance as at 1 April 2017	-	-	-
Depreciation charge	-	-	-
Deletions / Adjustments	-	-	-
Balance as at 31 March 2018	-	-	-
Depreciation charge	-	7,54,110	7,54,110
Deletions / Adjustments	-	-	-
Balance as at 31 March 2019	-	7,54,110	7,54,110
<u>Net carrying value</u>			
Balance as at 1 April 2017	-	-	-
Balance as at 31 March 2018	-	-	-
Balance as at 31 March 2019	8,32,24,102	6,20,45,337	14,52,69,439

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

Note 4 : Investments

Particulars	Amount in	
	As at 31st March, 2019	As at 31st March, 2018
Investment in Equity Instruments		
Trade, Unquoted (At cost, unless stated otherwise)		
Others		
Veto Lightings Private Limited	51,000	51,000
5,100 Equity Shares of Rs.10 each fully paid up	-	98,000
Vankon Switchgears and Cables Private Limited		
Nil (P.Y 9,800) Equity Shares of Rs.10 each fully paid up		
Total non-current investments	51,000	1,49,000

Note 5 : Other financial assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-current		
Deposits	84,10,519	1,10,11,340
Service Tax Refundable	-	45,411
VAT Receivables	74,67,213	74,67,213
Total non-current financial assets	1,58,77,732	1,85,23,964

Note 6 : Deferred tax asset (net)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Assets / (Liabilities)		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the	1,34,73,964	2,24,51,591
Employee Benefits	9,63,239	6,50,297
Other Provisions	84,95,024	42,21,479
Deferred Tax Asset (Net)	2,29,32,227	2,73,23,368

Note 7 : Income tax assets (net)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance Tax & TDS (net of provisions)	37,38,791	-
	37,38,791	-

(a) Income Tax Expense

Particulars	2018-19	2017-18
Current tax expense (A)		
Current year	3,66,00,000	10,45,76,240
Short/(Excess) provision of earlier years	28,22,178	3,73,336
	3,94,22,178	10,49,49,576
Deferred tax expense (B)		
Origination and reversal of temporary differences	44,02,251	(54,34,469)
Tax expense recognised in the income statement (A+B)	4,38,24,429	9,95,15,107

(b) Amounts recognised in other comprehensive income

Particulars	2018-19			2017-18		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	4,29,894	(1,25,185)	3,04,709	23,29,683	(8,06,257)	15,23,426
	4,29,894	(1,25,185)	3,04,709	23,29,683	(8,06,257)	15,23,426

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

(c) Reconciliation of effective tax rate

Particulars	2018-19	2017-18
Profit before tax	15,95,54,913	38,92,22,721
Tax using the Company's domestic tax rate (Current year 34.608% and Previous Year 34.608%)	5,52,18,764	13,47,02,199
Tax effect of :		
Tax effect on non-deductible expenses	(85,97,132)	25,02,281
Tax effect of Other Income	1,30,56,560	(75,66,743)
Others	(1,86,75,941)	(3,04,95,965)
Adjustments recognised in current year in relation to the current tax of prior years	28,22,178	3,73,336
	4,38,24,429	9,95,15,107
Tax expense as per Statement of Profit & Loss	4,38,24,429	9,95,15,107
Effective tax rate	27.467%	25.568%

Note 8 : Other non - current assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital Advances	5,47,793	6,12,521
Deferred Expense of Rent (Security Deposit)	23,82,553	-
Total other non-current assets	29,30,346	6,12,521

Note 9 : Inventories

Particulars	As at 31st March, 2019	As at 31st March, 2018
Finished goods	18,51,05,047	12,06,64,341
Stock in trade	67,09,97,795	18,67,75,249
Raw materials	11,24,68,668	12,15,46,733
Packing materials	1,25,04,804	1,73,44,070
Total Inventories	98,10,77,314	44,63,30,393

Note 10 : Trade receivables

(Unsecured, considered good)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured		
Considered Good	62,67,37,310	1,07,67,66,275
Considered Doubtful	1,21,97,987	1,21,97,987
	63,89,35,297	1,08,89,64,262
Less :- Provision for Doubtful Debts	1,21,97,987	1,21,97,987
Less :- Provision for Expected Credit Loss	1,69,74,486	1,12,97,876
Total trade receivables	60,97,62,824	1,06,54,68,400

Note 11 : Cash and cash equivalents

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balances with banks:		
-In current accounts	6,91,02,914	2,63,17,322
Cash in hand	7,88,470	15,51,134
Funds in Transit	7,55,60,000	-
Total cash and cash equivalents	14,54,51,384	2,78,68,456

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

Note 12 : Other bank balances

Particulars	As at 31st March, 2019	As at 31st March, 2018
Earmarked balances with banks for: Margin Money Deposit With Original Maturity of more than 3 months and remaining maturity of less than 12 months *	53,64,106	35,88,267
Total other bank balances	53,64,106	35,88,267

Notes:

a) Fixed deposit with original maturity of more than three months but remaining maturity of less than twelve months have been disclosed under other bank balances.

Note 13 : Other Current Asset

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance to creditors		
- Related parties	6,22,33,969	4,06,24,129
- Others	2,92,13,397	3,01,98,654
Staff Advances	20,08,456	52,70,764
Prepaid Expenses	6,34,753	7,47,928
Balance with Government Authorities	1,09,98,232	93,68,354
Deferred Expense of Rent (Security Deposit)	5,95,638	
Other Advances	65,66,124	3,83,71,659
Total other current assets	11,22,50,569	12,45,81,488
Loans and advances to related parties includes :		
Amount due from relative of key management personnel and enterprises under significant influence of key management personnel	6,22,33,969	4,06,24,129
	6,22,33,969	4,06,24,129

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

Note 15 : Borrowings

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non current borrowings		
Secured		
Term loans from banks	2,60,00,000	4,98,94,703
Less: Current maturities of long term debt	2,00,00,000	2,00,00,000
Less: Interest accrued but not Due	-	
	60,00,000	2,98,94,703
Hire purchase loans from banks		
	38,49,080	52,78,773
Less: Current maturities of long term debt	20,71,823	26,63,291
	17,77,257	26,15,481
Total non-current borrowings	77,77,257	3,25,10,184

Additional information pursuant to long term borrowings :

a) Term loan amounting to Rs. 2,60,00,000 (March 31, 2018: Rs. 4,98,94,703) from Indian Overseas Bank carries interest of Base Rate + 2% p.a. The loan is repayable in 20 Quarterly instalments along with interest started from June, 2016. The loan is primarily secured by way of equitable mortgage of land and building of Corporate office under construction and collateral security of factory land and building of the Company, land and building of M/s. vimal Power Cables Private Limited, hypothecation of fixed assets (excluding land and building and vehicles) of the Company, personal guarantee of two director and two promoters and corporate guarantee of Vimal Power cables Private Limited and Veto Electropower (India) Private Limited (formerly Holding Company).

b) Hire Purchase Loans amounting to Rs. 38,49,080 (PY Rs. 52,78,773) from various banks and financial institutions are secured by hypothecation of respective vehicle financed. The loans carries interest @ 8.50% to 11% p.a. The loan is repayable in 36 to 60 equal monthly instalments.

Note 16 : Provisions

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non Current		
Provision for Gratuity	14,36,685	-
	14,36,685.00	-
Current		
Provision for Gratuity	18,71,140	18,79,038
	18,71,140	18,79,038

Note 17 : Borrowings

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current borrowings		
(Secured)		
Cash Credit Facility from bank		
From Bank	37,17,84,911	32,14,23,158
Total borrowings	37,17,84,911	32,14,23,158

Additional information pursuant to secured short term borrowing :

Cash credit facility amounting to Rs. 37,17,84,911 (PY Rs. 32,14,23,158) 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 Electropower (India) Private Limited (formerly Holding Company).

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

Note 18 : Trade payables

Particulars	As at 31st March, 2019	As at 31st March, 2018
Due to Micro, Small & Medium Enterprises	5,42,475	4,12,840
Due to Others	8,12,57,979	7,61,30,920
Total trade payables	8,18,00,454	7,65,43,760

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 2019.

The disclosure pursuant to the said Act is as under:

Particulars	As at 31st March, 2019	As at 31st March, 2018
The principal amount remaining unpaid to any supplier as at the end of accounting year;	5,42,475	4,12,840
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

Note 19 : Other financial liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current maturities of loan term debt	2,20,71,823	2,26,63,291
Trade deposits	1,98,66,010	73,51,259
Salary & Wages Payable	68,50,778	50,02,328
Duties & taxes payable	60,16,305	25,45,080
Provision for Expenses	73,99,917	52,43,675
Unpaid Dividend	5,19,901	5,19,901
Total other financial liabilities	6,27,24,734	4,33,25,535

Note 20 : Other current liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance from debtors	16,50,011	20,99,588
Deferred Revenue	19,25,098	13,95,872
Total other current liabilities	35,75,108	34,95,461

Note 21 : Income tax liabilities (net)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for taxation (Net of advance tax & TDS)	-	5,25,34,185
	-	5,25,34,185

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

Note 22 : Revenue from operation

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue from operations (Gross)		
Sale of Products *	2,17,69,96,141	2,53,45,98,732
Other Operating Revenue		
Scrap Sale	1,20,661	73,786
Gain on Foreign Exchange Fluctuations (Net)	58,95,713	16,15,813
Total Revenue from Operations	2,18,30,12,514	2,53,62,88,332

Note 23 : Other income

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest Income		
- amortisation of security deposits	5,19,911	7,14,080
Profit on sale of fixed assets	6,23,510	1,10,78,757
Miscellaneous Income	-	4,26,033
	26,18,419	76,15,616
	37,61,839	1,98,34,487

Note 24 : Cost of materials consumed

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Opening stock	12,15,46,733	14,49,52,600
Add : Purchases	57,26,64,159	48,91,83,782
Less : Closing stocks	11,24,69,668	12,15,46,733
	58,17,41,224	51,25,89,650

* Purchases are stated net of discounts and rate difference.

Note 25 : Purchases of stock-in-trade

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Purchase of stock in trade	1,69,35,56,321	1,45,71,56,105
	1,69,35,56,321	1,45,71,56,105

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

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Finished goods		
Opening stock		
- Accessories & Others	5,00,16,916	4,14,00,980
- Wires & Cables	7,06,47,425	3,16,09,739
Closing stock	12,06,64,341	7,30,10,719
- Accessories & Others	9,39,39,264	5,00,16,916
- Wires & Cables	9,11,65,783	7,06,47,425
	18,51,05,047	12,06,64,341
Changes in inventories of finished goods (A)	6,44,40,705	4,76,53,622
Stock in trade		
Opening stock		
- Accessories & Others	3,49,40,059	5,27,31,927
- Wires & Cables	1,86,76,307	71,46,796
- Lighting & Fittings	13,31,58,882	10,39,59,841
Closing stock	18,67,75,248	16,38,38,564
- Accessories & Others	22,41,03,698	3,49,40,059
- Wires & Cables	14,01,59,918	1,86,76,307
- Lighting & Fittings	30,67,34,180	13,31,58,882
	67,09,97,796	18,67,75,248
Changes in inventories of stock in trade (B)	48,42,22,548	2,29,36,684
Total (A+B)	54,86,63,253	7,05,90,306

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

Note 27 : Employee benefits expense

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Salary, wages and other allowances	8,01,60,131	7,13,69,866
Directors Remuneration	33,00,000	33,00,000
Employee Stock option Compensation Expense	2,49,447	59,41,225
Provision for Gratuity	23,44,105	30,35,317
Contribution to provident fund and other funds	54,45,645	51,00,738
Staff welfare expenses	21,48,336	13,61,035
Total employee benefits expense	9,36,47,664	9,01,08,181

Note 28 : Finance costs

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest expense to:		
Banks	3,72,77,088	2,24,68,219
Others	-	24,525
Other Borrowing Cost	16,66,330	50,71,290
Total finance costs	3,89,43,418	2,75,64,035

Note 29 : Other expenses

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Manufacturing expenses		
Consumption of :		
- Consumable & stores	5,75,340	6,45,697
- Power & fuel	79,77,169	85,24,379
Job Charges	65,66,333	60,34,171
Repairs & Maintenance :		
- Plant & machinery	20,84,949	17,97,664
- Factory building	28,320	28,320
Freight & transportation	18,60,901	22,91,735
Other factory expenses	26,86,906	21,95,106
	2,17,79,919	2,15,17,071
Administration, Selling and Distribution expenses		
Rent	46,38,156	1,37,30,535
Insurance	7,15,595	11,64,094
Rates & taxes	1,15,158	3,51,085
Repairs & maintenance	18,06,930	27,40,905
Legal and professional fees	58,08,160	50,51,587
Auditor's remuneration *	6,09,500	7,72,312
Travelling & conveyance	1,26,83,149	92,76,058
Communication costs	17,67,073	18,43,144
Printing & stationery	4,30,355	8,44,970
Water & electricity charges	28,56,297	25,90,283
Commission	53,46,049	49,38,542
Packing material consumed	3,27,76,261	2,00,14,365
Advertising & sales promotion	2,00,98,420	1,05,39,917
Transportation, freight & handling charges	1,87,63,687	1,87,62,330
Expenditure on CSR activities	24,59,183	13,55,632
Provision for expected credit loss	56,76,610	55,07,057
Loss by theft	12,17,210	-
Sundry balances written off	55,55,406	-
Miscellaneous expenses	82,22,761	76,83,579
Total other expenses	15,33,25,879	12,86,83,465

* Payment to Auditor includes

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Audit fees	5,69,500	4,13,400
Other services	40,000	3,58,912
	6,09,500	7,72,312

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

Note 30 : 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, 2019	Year ended 31st March, 2018
Weighted average number of Equity Shares of Rs. 10/- each		
Number of shares at the end of the year	1,91,14,955	1,83,27,100
Weighted average number of Equity Shares outstanding during the year	1,90,02,713	1,83,27,100
Weighted average number of Potential Equity Shares outstanding during the year	-	6,05,023
Total number of Equity share for calculating Diluted Earning Per Share	1,90,02,713	1,89,32,123
Net Profit after Tax available for Equity shareholders	11,57,30,484	28,97,07,614
Basic Earning Per Share (in Rs.)	6.09	15.81
Diluted Earning Per Share (in Rs.)	6.09	15.30

Note 31 : Contingent liabilities disclosures as required under Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets" are given below:

Particulars	As at 31st March 2019	As at 31st March 2018
I) Guarantees		
Bank Guarantee	11,40,243	11,40,243
	11,40,243	11,40,243

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

Note 32 : 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 2019	Year ended 31st March 2018
a) Changes in defined benefit obligations		
Present value of obligation as at the beginning of the year		
Defined Benefit Obligation ("PBO") at the beginning of the year	54,30,538	53,27,505
Past service cost	-	20,878
Service cost	25,67,334	30,14,703
Interest cost	3,92,460	3,62,570
Actuarial loss / (gain)	(5,75,865)	(30,74,666)
Liabilities transferred in / (out)	-	-
Liabilities transferred out/Divestment	-	-
Benefits paid	(3,68,241)	(2,20,452)
Present value of obligation as at the end of the year	74,46,226	54,30,538
b) Changes in Fair Value of Plan Assets		
Opening value of plan assets		
Interest Income	41,50,222	45,32,371
Return on plan assets excluding amounts included in interest income	3,49,060	3,62,834
Contributions by employer	(1,45,971)	(1,46,261)
Benefits paid	1,53,341	-
Closing value of plan assets	41,38,411	41,50,222
c) The amounts recognised in the Balance Sheet are as follows:		
Present value of obligation as at the end of the year	74,46,226	54,30,538
Fair Value of plan assets as at the end of the year	41,38,411	41,50,222
Net (assets) / liability recognised in balance sheet	33,07,815	12,80,316
d) Expenses recognised in the Statement of Profit and Loss		
Service cost	25,67,334	30,14,703
Past service cost	-	20,878
Net Interest Cost	43,400	(264)
Total	26,10,734	30,35,317
e) Remeasurement (gains)/ losses recognised in OCI		
Actuarial changes arising from changes in financial assumptions	(27,280)	(1,85,548)
Actuarial changes arising from changes in demographic assumptions	-	-
Due to experience adjustments	(5,48,585)	(28,89,118)
Return on plan assets excluding amount included in interest income	1,45,971	1,46,261
Total	(4,29,894)	(29,28,405)

Particulars	31st March 2019	31st March 2018
f) Actuarial assumptions		
Discount rate	7.65% p.a.	7.60% p.a.
Normal retirement age (in years)	58	58
Salary escalation rate (% p.a.) *	7% p.a.	7% p.a.
Attrition rate	20% at younger ages reducing to 1% at older ages	20% at younger ages reducing to 1% at older ages
Mortality rate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

g) Quantities sensitivity analysis for significant assumption is as below:

Particulars	31st March 2019	31st March 2018
i. Discount rate	0.5 % increase 71,83,326.00 -3.53%	52,37,220 -3.56%
ii. Salary escalation rate	0.5 % increase 77,18,476.00 3.66%	56,36,610 3.79%
iii. Attrition rate	10% increase 74,05,176.00 -0.55%	53,89,397 -0.76%
i. Discount rate	0.5 % decrease 77,27,478.00 3.78%	56,37,439 3.81%
ii. Salary escalation rate	0.5 % decrease 71,83,335.00 -3.53%	52,36,102 -3.58%
iii. Attrition rate	10% decrease 74,84,629.00 0.52%	54,70,753 0.74%

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 2019	31st March 2018
h) Maturity analysis of defined benefit obligation		
1st Following Year	7,25,412	5,33,208
2nd Following Year	7,63,894	5,40,806
3rd Following Year	8,03,904	5,37,799
4th Following Year	7,88,121	5,57,424
5th Following Year	8,20,443	5,80,611
Sum of Year 6 to 10 Year	36,08,617	27,10,171
Total expected payments	75,10,391	54,60,019

B Defined contribution plans

Particulars	31st March 2019	31st March 2018
The Company has recognised the following amounts in the Statement of Profit and Loss for the year:		
a) (i) Contribution to provident fund	36,37,951	34,04,123
(ii) Contribution to ESIC	18,07,694	16,96,615
Total	54,45,645	51,00,738

Particulars	31st March 2019	31st March 2018
b) Current/ non-current classification		
Gratuity		
Current	18,71,140	12,67,236
Non-current	14,36,685	13,090
Total	33,07,825	12,80,326

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

Note 33 : Segmental Reporting :

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Operating Segments

- (a) Wire and Cables
- (b) Lighting & Fittings
- (c) Accessories & Others

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of inventory. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A. Segment Revenue		
Wire & Cables	81,04,24,485	1,05,57,47,000
Lighting & Fittings	77,96,94,760	71,36,06,000
Accessories & Others	59,28,93,437	76,69,35,000
Total Revenue	2,18,30,12,682	2,53,62,88,000
B. Segment Results		
Wire & Cables	10,44,01,226	20,21,29,000
Lighting & Fittings	16,34,58,093	13,18,61,000
Accessories & Others	9,50,69,331	20,56,11,000
	36,29,28,650	53,96,01,000
Less : Unallocable Expenses	15,35,24,339	12,68,32,000
Less : Depreciation	1,46,68,187	1,58,17,000
Operating Profit	19,47,36,124	39,69,52,000
Less : Finance Cost	3,89,43,418	2,75,64,000
Add : Other Income	37,61,839	1,98,34,487
Profit Before Tax & Exceptional Items	15,95,54,545	38,92,22,487
Profit Before Tax	15,95,54,545	38,92,22,487
Less : Tax expense (Net)	4,38,24,429	9,95,15,000
Profit After Tax	11,57,30,116	28,97,07,487

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
C. Segments Assets		
Wire & Cables	25,47,70,762	11,92,96,000
Lighting & Fittings	30,67,34,180	13,26,76,000
Accessories & Others	38,76,28,185	8,45,92,000
Unallocated	1,25,49,67,291	1,67,95,90,000
Total	2,20,41,00,418	2,01,61,54,000
D. Segments Liabilities		
Wire & Cables	1,01,73,444	96,91,000
Lighting & Fittings	2,16,04,924	1,72,13,000
Accessories & Others	3,91,48,059	3,60,59,000
Unallocated	46,00,43,862	46,87,48,000
Total	53,09,70,289	53,17,11,000

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

Note 34 : Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:

a) Names of related parties and nature of relationship (to the extent of transactions entered into during the year except for control relationships where all parties are disclosed)

Nature of relationship	Nature of the party
(A) Key Managerial Personnel	
Akshay Gurnani	Managing Director
Naraindas Gurnani	Whole time Director & Chief Financial Officer
Jyoti Gurnani	Director
Ms. Bhavna Giamalani	Company Secretary Cum Compliance Officer
(B) Holding Company	Veto Electropower (India) Private Limited
(C) Ultimate Holding Company	Gurnani Holdings Private Limited
D) Subsidiary Companies	Veto Electricals Private Limited Veto Overseas Private FZE
E) Entities in which KMP and their relatives have significant influence	Vimal Power Cables Private Limited Pinkcity Buildhome Private Limited Pink Square Real Estate Private Limited

b. Transactions with Related Parties :

Name of Party	Nature of Transaction	Year ended March 31, 2019	Year ended March 31, 2018
Akshay Gurnani	Remuneration	15,00,000	15,00,000
	Sales (Net)	-	10,380
Naraindas Gurnani	Remuneration	4,67,142	12,00,000
Shilpi Keshwani	Remuneration	2,44,233	2,92,305
Jyoti Gurnani	Remuneration	6,00,000	6,00,000
	Advance Remuneration	-	1,03,313
Vimal Power Cavle Pvt. Ltd.	Purchases	73,24,564	-
	Rent	9,00,000	-
Pinkcity Buildhome Pvt.Ltd.	Sales (Net)	-	2,69,133
	Service Taken	-	2,70,587
Veto Electro Power (India) Private Limited	Rent	98,800	-
	Advacne for Supplies	-	95,00,000
Veto Polymer & Metals	Purchases	-	5,22,25,172
	Advacne for Supplies	-	3,11,24,129
Pink Square Real Estate Private Limited	Sales (Net)	-	338
	Expesne	2,94,866	-
Anjali Packaging	Sales (Net)	-	46,592
	Purchase of Packing Material	21,790	-

c. Balance Outstanding of Related Parties :

Name of Party	Receivable / Payable	Year ended March 31, 2019	Year ended March 31, 2018
Akshay Gurnani	Remuneration Payable	1,25,000	85,000
	Trade Receivables	-	44,681
	ESOP Outstanding	-	6,69,855(in Nos.)
Naraindas Gurnani	Remuneration Payable	1,00,000	1,00,000
Shilpi Keshwani	Remuneration Payable	-	38,950
Jyoti Gurnani	Remuneration Payable	50,000	-
	Advance Remuneration	-	1,03,313
	ESOP Outstanding	-	900 (in Nos.)
Pinkcity Buildhome Private Limited	Trade Receivables	-	93,689
Veto Electro Power (India) Private Limited	Advance to Suppliers	-	95,00,000
Veto Polymer & Metals	Advance to Suppliers	-	3,11,24,129
Tulsi Palace Resort Pvt. Ltd. Jaipur	Trade Receivables	35,035	6,07,089

Veto Switchgears and Cables Limited

Note 35 : Expenditure on Corporate Social Responsibility Activities

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act,2013.

Details of CSR Expenditure:

(a) Gross amount required to be spent by the Company during the year.

Particulars	As at 31 March 2019	As at 31 March 2018
Details of CSR Expenditure:		
Amount required to be spent by the Company	36,72,131	23,34,767

(b) Amount spent during the year

Particulars	Amount Spent		Amount yet to be Spent	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Contribution to Trust For the Welfare of Widows	23,16,383 1,42,800	13,30,432 25,200	12,12,948 -	9,79,135 -
	24,59,183	13,55,632	12,12,948	9,79,135

Note 36 : Share Base Payment

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

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

During the period upto March 31, 2019, the Company has granted options on the following dates:

Grant date	No of options
23-May-19	7,87,855
Total	7,87,855

The Options shall vest in 1 year from the date of Grant. The exercise period shall be 3 years after vesting period. As per the scheme, the exercise price is determined by the Compensation Committee. The fair value of the option is determined at the Market Price based on latest available closing price on a recognised stock exchange on the date immediately prior to the grant date expected forfeiture rate is assumed to be 1%.

Employee stock option activity under the Scheme is as follows:

Particulars	For the year ended 31st March 2019		For the year ended 31st March 2018	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
Outstanding at beginning of the year	7,91,955	50.00	8,16,355	50.00
Granted during the year	-	-	-	-
Forfeited during the year	4,100	50.00	24,400	50.00
Exercised during the year	7,87,855	50.00	Not Applicable	
Outstanding at the end of the year	-	-	7,91,955	50.00
Vested and exercisable at the end of the year	-	-	7,91,955	-

Disclosure related to stock options outstanding at year end

Name of the Plan	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted Average Exercise price
Veto Switchgears and Cables Limited Employees stock option plan ('ESOP') 2015	50.00	-	2.11 Years	50.00

Expenses Arising from share based payment transactions

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Employee share based payment expense	5,11,97,485	59,41,225

Note 37 : Fair Value Measurement**(i) Financial instruments by category**

Particulars	Refer note	March-19			March-18			01 April 2016		
		Carring Amount	FVPL	FVOCL	Amortised Cost	Carring Amount	FVPL	FVOCL	Carring Amount	Amortised Cost
Financial Assets:										
Investments	4	51,000	51,000	-	-	1,49,000	1,49,000	-	30,89,000	29,40,000
Investments in equity shares	5	1,58,77,732	-	-	1,58,77,732	1,85,23,964	-	-	13,98,71,895	-
Others financial assets	10	60,97,62,824	-	-	60,97,62,824	1,06,54,68,400	-	-	41,23,31,118	-
Trade receivables	11	14,54,51,384	-	-	14,54,51,384	2,78,68,456	-	-	15,21,55,875	-
Cash and cash equivalents	12	53,64,106	-	-	53,64,106	35,88,267	-	-	18,62,637	-
Total Financial Assets		77,65,07,046	51,000	-	77,64,56,046	1,11,55,98,087	1,49,000	-	70,93,10,524	29,40,000
Financial Liabilities:										
Borrowings	15,17	37,95,62,168	-	-	37,95,62,168	35,99,33,943	-	-	34,01,43,272	-
Trade payables	18	8,18,00,454	-	-	8,18,00,454	7,65,43,760	-	-	10,64,16,617	-
Other financial liabilities	19	6,27,24,734	-	-	6,27,24,734	4,33,25,535	-	-	5,85,41,972	-
Total Financial Liabilities		52,40,87,356	-	-	52,40,87,356	47,38,02,638	-	-	50,51,01,861	-

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

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Note 38 : 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 31-03-2019	As at 31-03-2018
Not Due	-	-
0 - 6 months	49,29,32,090	1,00,52,56,901
6 - 12 months	8,23,98,334	5,78,87,806
Beyond 12 months	6,36,04,872	2,58,19,555
Total	63,89,35,297	1,08,89,64,262

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 2019	31 March 2018
Balance at the beginning of the year	1,12,97,876	57,90,819
Addition/(Reversal during the year)	56,76,610	55,07,057
Balance at the end of the year	1,69,74,486	1,12,97,876

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, 2019	On Demand	Less than 1 year	1 to 5 years	Total
Borrowings	37,17,84,911	2,20,71,823	77,77,257	40,16,33,991
Other current financial liabilities	-	4,06,52,911	-	4,06,52,911
Trade payables	-	8,18,00,454	-	8,18,00,454
	37,17,84,911	14,45,25,188	77,77,257	52,40,87,356

As at March 31, 2018	On Demand	Less than 1 year	1 to 5 years	Total
Borrowings	32,14,23,158	2,26,63,291	3,25,10,185	37,65,96,634
Other non current financial liabilities	-	2,06,62,244	-	2,06,62,244
Trade payables	-	7,65,43,760	-	7,65,43,760
	32,14,23,158	11,98,69,295	3,25,10,185	47,38,02,638

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.

Veto Switchgears and Cables Limited

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 2019 AED	31st March 2019 USD	31st March 2018 AED	31st March 2018 USD
Financial Asset				
Non Current Loans	-	-	-	-
Trade Receivables	81,29,674	-	2,77,83,015	4,21,311
Exposure for assets (a)	81,29,674	-	2,77,83,015	4,21,311
Financial Liabilities				
Trade Payables	-	-	-	2,13,030
Exposure for liabilities (b)	-	-	-	2,13,030
Net exposure (a-b)	81,29,674	-	2,77,83,015	2,08,281

Particulars	Amount in			
	31st March 2019 AED	31st March 2019 USD	31st March 2018 AED	31st March 2018 USD
Financial Asset				
Non Current Loans	-	-	-	-
Trade Receivables	15,35,69,539	-	49,25,92,856	2,74,03,799
Exposure for assets (a)	15,35,69,539	-	49,25,92,856	2,74,03,799
Financial Liabilities				
Trade Payables	-	-	-	1,38,56,320
Exposure for liabilities (b)	-	-	-	1,38,56,320
Net exposure (a-b)	15,35,69,539	-	49,25,92,856	1,35,47,479

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 :

Effect in INR (before tax)	31st March, 2019		31st March 2018	
	Profit or (loss) and Equity		Profit or (loss) and Equity	
	Strengthening	Weakening	Strengthening	Weakening
1% movement				
AED	15,35,695	(15,35,695)	49,25,929	(49,25,929)
USD	-	-	1,35,475	(1,35,475)
	15,35,695	(15,35,695)	50,61,403	(50,61,403)

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Group manages its interest rate risk by monitoring the movements in the market interest rates closely.

Exposure to interest rate risk

Group's interest rate risk arises primarily from borrowings. The interest rate profile of the Group's interest-bearing financial instruments is as follows.

Particulars	As at 31-03-2019	As at 31-03-2018
Total Borrowings	40,16,33,991	37,65,96,633
	40,16,33,991	37,65,96,633

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)	Profit or loss	
	50 bp increase	50 bp decrease
31st March 2019		
Variable-rate loan instruments	(2,00,81,700)	2,00,81,700
Cash flow sensitivity (net)	(2,00,81,700)	2,00,81,700
31st March 2018		
Variable-rate loan instruments	(18,82,983)	18,82,983
Cash flow sensitivity (net)	(18,82,983)	18,82,983

Veto Switchgears and Cables Limited

iii. Other price risk

The Group is not exposed to the other price risk.

Note 39 : Capital Management

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. Management monitors the return on capital as well as the debt equity ratio and make necessary adjustments in the capital structure for the development of the business. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day - to - day needs. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings	40,16,33,991	37,65,96,634
Net Debt	40,16,33,991	37,65,96,634
Equity	1,67,31,30,129	1,48,44,43,014
Total Capital	1,67,31,30,129	1,48,44,43,014
Capital and Net Debt	2,07,47,64,120	1,86,10,39,648
Gearing ratio (Net Debt/Capital and Net Debt)	0.19	0.20

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 40 : Disclosure of additional information pertaining to the Parent Group and Subsidiaries:

a) For the Year ended 31st March 2019

Name of the Enterprises	Net Assets		Share in Profit or loss		Other comprehensive income		Total comprehensive income	
	Net Assets	As % of Consolidated Net Assets	Profit / (Loss)	As % of Consolidated Profit or Loss	Other comprehensive income	As % of Other comprehensive income	Total comprehensive income	As % of Total comprehensive income
Parent Veto Switchgears And Cables Limited	1,41,10,95,387	84%	7,64,34,040	66%	3,04,708.87	1%	7,67,38,748.72	51%
Subsidiaries Veto Overseas Private FZE Veto Electricals Private Limited	28,04,67,642 (1,84,32,900)	17% -1%	5,10,32,899 (1,17,36,455)	44% -10%	3,30,09,726 -	99% -	8,40,42,624.95 (1,17,36,454.52)	56% -8%
Minority Interest in all subsidiaries	-	0%	-	0%	-	0%	-	0%
TOTAL	1,67,31,30,129	100%	11,57,30,484	100%	3,33,14,435	100%	14,90,44,919	100%

b) For the Year ended 31st March 2018

Name of the Enterprises	Net Assets		Share in Profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	Net Assets	As % of Consolidated Net Assets	Profit / (Loss)	As % of Consolidated Profit or Loss	Other Comprehensive income	As % of Other comprehensive income	Total Comprehensive income	As % of Total comprehensive income
Parent Veto Switchgears And Cables Limited	1,27,78,37,418	86.08%	14,96,47,578	51.65%	15,23,426	58.05%	15,11,71,002	51.91%
Subsidiaries Veto Overseas Private FZE Veto Electricals Private Limited	21,32,91,254 (66,85,657)	14.37% -0.45%	13,21,19,499 79,40,537	45.60% 2.74%	11,00,846 -	41.95% 0.00%	13,21,19,499 79,40,537	45.37% 2.73%
Minority Interest in all subsidiaries	-	0.00%	-	0.00%	-	0.00%	-	0.00%
TOTAL	1,48,44,43,015	100%	28,97,07,614	100%	26,24,272	100%	29,12,31,038	100%

Note : The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2019

Note 41 : Figures of the previous year have been regrouped, reclassified and/or rearranged wherever necessary.

In terms of our report of even date

For CAS & CO
(formerly known as K. M. Tulsian & Associates)
Chartered Accountants
Firm Registration No. 111075W

Nitesh Musahib
Partner
Membership No. : 131146

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

Akshay Kumar Gurnani
Managing Director
DIN : 06888193

Narain Das Gurnani
Whole Time Director & CFO
DIN : 01970599

Bhavna Giomalani
Group Secretary

Place: Mumbai
Date : 22nd May, 2019

Place: Jaipur
Date : 22nd May, 2019

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 2019, 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 standalonefinancial 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 31stMarch2019, 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 StandaloneFinancial 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 Standalonefinancial 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 standalonefinancial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the IND AS and accounting principles generally accepted in India, including the IND AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

1. Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

2. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :
 - Identify and assess the risks of material misstatement of the Standalonefinancial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Standalonefinancial 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 Standalonefinancial 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Standalone IND AS financial statements dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone financial statements comply with the IND AS as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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**".
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There have been no delays in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

3. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Nitesh Musahib

Partner
Mem. No. 131146

Place: Mumbai
Date: May 22, 2019.

Annexure "A" to Independent Auditor's Report

Annexure referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" in the Independent Auditor's Report of even date to the members of **Veto Switchgears and Cables Limited** ("the Company") on the Standalone Ind AS financial statements for the year ended 31st March 2019.

- (i) a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the company and the nature of its assets. In accordance with this program certain fixed assets were verified during the year. The frequency of verification is reasonable and no discrepancies have been noticed on such physical verification.
 - c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of company.
- (ii) The inventories have been physically verified by the management during the year at reasonable intervals. Discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) a) The Company has granted unsecured loans to 2 parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - b) As explained to us and on the basis of information and explanation given to us, the rate of interest and terms and conditions on the basis of which such loans are granted are not prejudicial to the interest of the Company.
 - c) As informed to us, no repayment schedule has been stipulated for repayment of principal and interest. There is no overdue amount outstanding for more than 90 days.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Sections of Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from the public within the provision of Section 73 to 76 of the Act and the rules framed there under.

- (vi) The Central Government has prescribed the maintenance of cost record under Section 148(1) of the Act. We have not reviewed the cost records maintained by the Company but based on the information submitted by the Company we are of the view that such accounts and records have been made and duly maintained.
- (vii) a) According to the records of the Company, amount deducted/accrued in the books of accounts in respect of the undisputed statutory dues including Provident Fund, Employee's State Insurance, Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other Statutory Dues to the extent applicable to the Company, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us there are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2018 for a period more than six months from the date they became payable.
- b) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, service tax, Goods & Service tax, value added tax, custom duty, excise duty which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institution.
- (ix) The Company has not raised money by way of public issue offer/ further public offer (including debt instruments) and term loan have been applied by the Company for the purposes for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practises in India, and according to the information and explanation given to us, we have neither come across any instances of fraud by the Company or any fraud on the Company by its officer or employees, noticed or reported during the year, nor have we been informed of any such instance by the Management.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us, all transaction entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the financial Statements etc., as required by the applicable Indian Accounting Standards.

- (xiv) According to the information and explanations given to us and based on our examination of the records, the Company has made private placement of shares warrants during the year under audit and the requirements of section 42 of the Act have been complied with.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For C A S & Co.

Chartered Accountants

Firm's Reg. No. 111075W

Nitesh Musahib

Partner

Mem. No. 131146

Place : Mumbai

Date : 22nd May, 2019

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 2019.

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, 2019 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For C A S & co.
Chartered Accountants
Firm's Reg. No. 111075W

Nitesh Musahib
Partner
Mem. No. 131146

Place : Mumbai
Date : 22nd May, 2019

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited
Balance Sheet as at 31st March, 2019

Particulars	Notes	Amount in ₹		
		As at 31st March, 2019	As at 31st March, 2018	
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	3A	10,58,84,930	17,58,88,914	
Investment Property	3D	14,52,69,439	-	
Capital work in progress	3B	26,01,469	7,32,25,597	
Other Intangible assets	3C	-	2,800	
Financial Asset				
Investments	4	1,91,71,000	1,92,69,000	
Loans	5	40,04,40,443	40,91,03,474	
Other financial assets	6	1,55,35,018	1,69,98,577	
Deferred tax asset (net)	7	2,53,11,686	2,85,30,705	
Income tax assets (net)	8	37,38,791	-	
Other non - current assets	9	29,30,346	12,05,933	
Total Non-Current Assets		72,08,83,121	72,42,24,999	
Current Assets				
Inventories	10	58,68,82,633	43,28,74,235	
Financial Asset				
Trade receivables	11	45,80,44,547	53,95,96,019	
Cash and cash equivalents	12	12,27,22,569	2,00,75,610	
Other bank balances	13	43,30,918	35,88,267	
Other Current Asset	14	4,10,52,797	8,22,39,281	
Total Current Assets		1,21,30,33,464	1,07,83,73,412	
TOTAL ASSETS		1,93,39,16,584	1,80,25,98,411	
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	15	19,11,49,550	18,32,71,000	
Other equity	16	1,22,32,38,304	1,09,78,69,671	
Total Equity		1,41,43,87,854	1,28,11,40,671	
Liabilities				
Non-current Liabilities				
Financial Liabilities				
Borrowings	17	77,77,257	3,25,10,184	
Provisions	18	14,36,685	-	
Total Non-current Liabilities		92,13,942	3,25,10,184	
Current Liabilities				
Financial Liabilities				
Borrowings	19	37,17,84,911	32,14,23,158	
Trade payables	20	7,81,41,659	7,24,81,311	
Other financial liabilities	21	5,49,41,971	3,71,34,405	
Other current liabilities	22	35,75,108	34,95,461	
Provisions	18	18,71,140	18,79,038	
Income Tax Liabilities (Net)	23	-	5,25,34,185	
Total Current Liabilities		51,03,14,789	48,89,47,559	
TOTAL EQUITY AND LIABILITIES		1,93,39,16,584	1,80,25,98,411	

Notes 1 to 46 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

(formerly known as K. M. Tulsian & Associates)

Chartered Accountants

Firm Registration No. 111075W

For and on behalf of the Board

Veto Switchgears and Cables Limited

Nitesh Musahib

Partner

Membership No. : 131146

Akshay Kumar Gurnani

Managing Director

DIN : 06888193

Narain Das Gurnani

Whole Time Director & CFO

DIN : 01970599

Bhavna Giomalani

Company Secretary

Place: Mumbai

Place: Jaipur

Date : 22nd May, 2019

Date : 22nd May, 2019

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited
Statement of Profit and Loss for the year ended 31st March ,2019

Particulars	Notes	Amount in ₹	
		Year ended 31st March, 2019	Year ended 31st March, 2018
INCOME			
Revenue from operation	24	1,08,93,31,572	1,23,68,78,686
Other income	25	6,63,65,236	6,04,44,175
Total Income		1,15,56,96,808	1,29,73,22,861
EXPENSES			
Cost of materials consumed	26	50,79,38,630	47,28,50,863
Purchases of stock-in-trade	27	40,22,91,874	42,01,08,045
Changes in inventories of finished goods and stock in trade	28	(16,51,40,289)	(12,43,68,394)
Excise Duty Expense		-	55,71,894
Employee benefits expense	29	8,07,64,678	7,55,32,234
Finance costs	30	3,87,35,459	2,73,98,321
Depreciation and amortisation expense	31	1,29,64,808	1,48,04,799
Other expenses	32	14,23,25,359	10,67,08,396
Total Expenses		1,01,98,80,518	99,86,06,157
Profit before tax (A-B)		13,58,16,289	29,87,16,704
Tax expenses :			
- Current tax		3,66,00,000	10,45,76,240
- Tax for earlier years		28,22,178	3,73,336
- Deferred tax liability / (asset)		30,93,834	(66,41,806)
Total Tax Expenses		4,25,16,012	9,83,07,770
Net Profit for the year		9,33,00,277	20,04,08,933
Other comprehensive income (OCI)			
Items not to be reclassified subsequently to profit or loss :			
- Re-measurement gains / (Loss) on defined benefits plans		4,29,894	23,29,683
- Income tax effect on above		(1,25,185)	(8,06,257)
Total Other comprehensive income (OCI)		3,04,709	15,23,426
Total comprehensive income for the year (E-F)		9,36,04,986	20,19,32,359
Earnings per equity share	33		
(Nominal value of share Rs.10 each)			
- Basic		4.91	10.88
- Diluted		4.91	10.53
Notes 1 to 46 form an integral part of the standalone financial statements			
This is the statement of profit and loss referred to in our audit report of even date			
For CAS & CO <i>(formerly known as K. M. Tulsian & Associates)</i>		For and on behalf of the Board	
Chartered Accountants		Veto Switchgears and Cables Limited	
Firm Registration No. 111075W			
Nitesh Musahib		Akshay Kumar Gurnani	Narain Das Gurnani
Partner		Managing Direcor	Whole Time Director & CFO
Membership No. : 131146		DIN : 06888193	DIN : 01970599
Place: Mumbai		Bhavna Giamalani	
Date : 22nd May, 2019		Company Secretary	
Place: Jaipur			
Date : 22nd May, 2019			

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited
Cash Flow Statement For the year ended 31st March, 2019

Particulars	Amount in ₹	
	Year ended 31st March, 2019	Year ended 31st March, 2018
A. Cash flow from operating activities		
Net profit before taxation	13,58,16,289	29,87,16,704
<u>Adjustments for:</u>		
Depreciation on fixed assets	1,29,64,808	1,48,04,799
Interest expense	3,87,35,459	2,73,98,321
Provision for expected credit loss on trade receivables	56,76,610	55,07,057
Foreign Exchange Gain/Loss	(1,71,73,636)	(11,00,846)
Profit on sale of fixed assets	-	(4,26,033)
Dividend Received from Subsidiary	-	(2,14,38,111)
Provisions for ESOP	-	59,41,225
Remeasurement of defined benefit plans as per actuarial valuation	4,29,894	23,29,683
Interest income	(4,42,13,579)	(2,88,94,723)
Operating profit before working capital changes	13,22,35,845	30,28,38,076
<u>Adjustments for:</u>		
Decrease / (increase) in trade receivables	7,58,74,862	(12,46,09,348)
Decrease / (increase) in inventories	(15,40,08,398)	(9,56,82,470)
Decrease / (increase) in other financial assets	14,63,559	(9,92,382)
Decrease / (increase) in other non current assets	(17,24,413)	4,16,76,134
Decrease / (increase) in other current assets	4,11,86,484	(5,31,27,111)
(Decrease) / Increase in provisions	14,28,787	10,83,904
(Decrease) / Increase in trade and other payables	56,60,348	(87,59,782)
(Decrease) / Increase in other financial liabilities	1,83,99,033	(2,09,98,159)
Increase / (Decrease) in other current liabilities	79,647	4,57,233
Cash generated from / (used in) operations	12,05,95,754	4,18,86,095
Direct taxes paid	(9,56,95,150)	(4,98,03,240)
Cash Inflow / (Outflow) before Prior Period Adjustment	2,49,00,604	(79,17,145)
Net cash flow from operating activities	(A)	2,49,00,604
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(1,76,03,335)	(3,41,62,008)
Loans & advances received back / (given)	2,58,36,667	(21,34,25,553)
Proceeds from sale of non-current investments	98,000	-
Net (investments in)/ proceeds from bank deposits (having original maturity of more than three months)	(7,42,651)	(22,99,930)
Interest received	4,42,13,579	2,88,94,724
Dividend received	-	2,14,38,111
Net cash flow from / (used in) investment activities	(B)	5,18,02,260
		(19,95,54,656)
C. Cash Flow from Financing Activities		
Proceeds from issue of share warrant	-	19,12,50,000
Proceeds from issue of Equity shares under ESOP	3,96,42,197	-
Dividend Paid (including dividend distribution tax)	-	(2,20,36,751)
Proceeds / (Repayment) of long-term borrowings (net)	(2,53,24,396)	(2,02,75,037)
Proceeds / (Repayment) of short-term borrowings (net)	5,03,61,753	8,78,63,551
Interest paid	(3,87,35,459)	(2,73,98,321)
Net cash flow from / (used in) financing activities	(C)	2,59,44,095
		20,94,03,442
Net increase / (decrease) in cash and cash equivalents	A+B+C	10,26,46,959
Cash and cash equivalents at the beginning of the year		19,31,641
Cash and cash equivalents at the end of the year		2,00,75,610
		12,27,22,569
		2,00,75,610

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Cash Flow Statement For the year ended 31st March, 2019

Components of cash and cash equivalents considered only for the purpose of cash flow statement		
Cash on hand	7,62,366	15,04,971
Balances with bank on current account	4,64,00,203	1,85,70,639
Fund in Transit	7,55,60,000	-
	12,27,22,569	2,00,75,610

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 46 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 CAS & CO

Chartered Accountants

Firm Registration No. 111075W

For and on behalf of the Board

Veto Switchgears and Cables Limited

Nitesh Musahib

Partner

Membership No. : 131146

Akshay Kumar Gurnani

Managing Director

DIN : 06888193

Narain Das Gurnani

Whole Time Director & CFO

DIN : 01970599

Place: Mumbai

Date : 22nd May, 2019

Place: Jaipur

Date : 22nd May, 2019

Bhavna Giamalani

Company Secretary

Veto Switchgears and Cables Limited
Statement of Changes in Equity for the year ended 31 March 2019

Veto Switchgears and Cables Limited

(A) Equity share capital		
Particulars	Number	Amount in ₹
Equity shares of Rs. 10 each issued, subscribed and paid	1,83,27,100	18,32,71,000
As at 1 April 2017	-	-
Issue of equity shares		
As at 31 March 2018	1,83,27,100	18,32,71,000
Issue of equity shares	7,87,855	78,78,550
As at 31 March 2019	1,91,14,955	19,11,49,550

B) Other equity

Particulars	Reserves and surplus				Items of Other comprehensive income	Money Received against Share Warrants	Total equity attributable to equity holders
	Securities premium reserve	Employee Stock Option Outstanding Account	Retained earnings	Capital Reserve			
As at 31 March 2017	15,94,71,817	4,52,56,260	51,63,59,989	-	(3,05,229)	-	72,07,82,827
Total comprehensive income for the year	-	-	20,04,08,933	-	-	-	20,19,32,359
Addition during the year	-	59,41,225	-	-	-	-	19,71,91,225
Final Dividend	-	-	(1,83,27,100)	-	-	-	(1,83,27,100)
Dividend Distribution Tax	-	-	(37,09,651)	-	-	-	(37,09,651)
As at 1 st April 2018	15,94,71,817	5,11,97,485	69,47,32,172	-	-	12,18,197	19,12,50,000
Total comprehensive income for the year	-	-	9,33,00,277	-	-	3,04,709	1,09,78,69,671
On further issue of shares	8,29,61,132	-	-	-	-	-	9,36,04,986
On Forfeiture of share warrants	-	(5,11,97,485)	-	19,12,50,000	-	-	8,29,61,132
Employee stock compensation expense for the year	-	-	-	-	-	(19,12,50,000)	(5,11,97,485)
As at 31 st March 2019	24,24,32,949	-	78,80,32,449	19,12,50,000	-	15,22,906	-
							1,22,32,38,304

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

For CAS & Co.

(formerly known as K. M. Tulsian & Associates)

Chartered Accountants
Firm Registration No. 111075N

Nitesh Musahib
Partner
Membership No. : 131146

Place: Mumbai
Date : 22nd May, 2019

For and on behalf of the Board of Directors

Akshay Kumar Gurnani
Managing Director
DIN : 06888193

Narain Das Gurnani
Whole Time Director
DIN : 01970599

Bhavna Giamatani
Company Secretary

Place: Jaipur
Date : 22nd May, 2019

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

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 2019 were authorised for issue in accordance with resolution of the Board of Directors on 22nd May 2019.

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.

iii Property, Plant and Equipment

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

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

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

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.

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.

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.

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.

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 a 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.

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.

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.

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.

xviii 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.

Veto Switchgears and Cables Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Note 3 : Property, Plant and Equipment

A) Tangible assets							Amount in ₹			
Particulars	Leasehold Land	Factory Building	Office Building	Leasehold Improvement	Plant & Machinery	Office Equipments	Furniture & Fixtures	Computers	Vehicles	Total
Gross carrying value (at deemed cost)										
Balance as at 1 April 2017	11,86,21,732	3,86,80,805	-	46,46,066	9,05,56,496	31,79,162	1,10,02,289	23,33,293	2,52,41,625	29,42,61,467
Additions	-	-	-	-	60,95,569	19,385	9,50,458	-	47,32,601	1,17,98,013
Disposals	-	-	-	-	-	-	-	-	15,34,698	15,34,698
Balance as at 31 March 2018	11,86,21,732	3,86,80,805	-	46,46,066	9,66,52,065	31,98,547	1,19,52,747	23,33,293	2,84,39,528	30,45,24,782
Additions	-	-	1,78,46,280	53,08,984	7,81,631	74,496	1,27,634	89,872	12,97,368	2,55,26,266
Transferred to Investment Property	8,32,24,102	-	-	-	-	-	-	-	-	8,32,24,102
Disposals	-	-	-	-	2,18,492	-	-	-	-	2,18,492
Balance as at 31 March 2019	3,53,97,630	3,86,80,805	1,78,46,280	99,55,050	9,72,15,204	32,73,043	1,20,80,381	24,23,165	2,97,36,896	24,66,08,454
Accumulated depreciation										
Balance as at 1 April 2017	11,56,817	2,13,94,031	-	30,91,448	5,79,20,578	27,15,301	74,88,883	21,85,373	1,92,46,569	11,51,99,001
Depreciation charge	1,30,523	18,80,122	-	12,21,510	72,91,670	2,08,111	11,23,734	74,965	28,61,975	1,47,92,611
Deletions / Adjustments	-	-	-	-	-	-	-	-	13,55,731	13,55,731
Balance as at 31 March 2018	12,87,340	2,32,74,163	-	43,12,959	6,52,12,248	29,23,412	86,12,617	22,60,338	2,07,52,813	12,86,35,881
Depreciation charge	1,30,523	16,73,561	2,14,302	2,43,451	63,41,012	1,17,497	8,91,208	41,747	25,54,579	1,22,07,888
Deletions / Adjustments	-	-	-	-	1,20,243	-	-	-	-	1,20,243
Balance as at 31 March 2019	14,17,863	2,49,47,734	2,14,302	45,56,409	7,14,33,017	30,40,909	95,03,825	23,02,085	2,33,07,392	14,07,23,536
Net carrying value										
Balance as at 1 April 2017	11,74,64,915	1,72,86,774	-	15,54,618	3,26,35,918	4,63,861	35,13,405	1,47,920	59,95,056	17,90,62,467
Balance as at 31 March 2018	11,73,34,392	1,54,06,652	-	3,33,107	3,14,39,817	2,75,135	33,40,130	72,955	76,86,714	17,58,88,902
Balance as at 31 March 2019	3,39,79,766	1,37,33,071	1,76,31,978	53,98,641	2,57,82,187	2,32,134	25,76,568	1,21,080	64,29,504	10,58,84,930

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

B) Capital Work In Process

Particulars	Total
Gross carrying value (at deemed cost)	
Balance as at 1 April 2017	5,02,56,614
Additions	2,29,68,983
Transferred to Fixed Assets	-
Balance as at 31 March 2018	7,32,25,597
Additions	1,00,21,598
Capitalised during the year	8,06,45,726
Balance as at 31 March 2019	26,01,469

C) Intangible assets

Particulars	Trademark	Amount in ₹
		Total
Gross carrying value (at deemed cost)		
Balance as at 1 April 2017	1,12,000	1,12,000
Additions	-	-
Balance as at 31 March 2018	1,12,000	1,12,000
Additions	-	-
Balance as at 31 March 2019	1,12,000	1,12,000
Accumulated amortisation		
Balance as at 1 April 2017	97,012	97,012
Amortisation charge	12,188	12,188
Balance as at 31 March 2018	1,09,200	1,09,200
Amortisation charge	2,800	2,800
Balance as at 31 March 2019	1,12,000	1,12,000
Net carrying value		
Balance as at 1 April 2017	14,988	14,988
Balance as at 31 March 2018	2,800	2,800
Balance as at 31 March 2019	-	-

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

D) Investment Property	Amount in ₹		
Particulars	Leasehold Land	Building	Total
<u>Gross carrying value (at deemed cost)</u>			
Balance as at 1 April 2017	-	-	-
Additions	-	-	-
Balance as at 31 March 2018	-	-	-
Transferred from Property Plant and Equipment	8,32,24,102	-	8,32,24,102
Capitalised from Capital Work in Progress	-	6,27,99,446	6,27,99,446
Balance as at 31 March 2019	8,32,24,102	6,27,99,446	14,60,23,548
<u>Accumulated depreciation</u>			
Balance as at 1 April 2017	-	-	-
Depreciation charge	-	-	-
Balance as at 31 March 2018	-	-	-
Depreciation charge	-	7,54,110	7,54,110
Balance as at 31 March 2019	7,54,110	7,54,110	7,54,110
<u>Net carrying value</u>			
Balance as at 1 April 2017	-	-	-
Balance as at 31 March 2018	-	-	-
Balance as at 31 March 2019	8,32,24,102	6,20,45,337	14,52,69,439

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Note 4 : Investments

Particulars	Amount in ₹	
	As at 31st March, 2019	As at 31st March, 2018
Non Current Investments		
I. Investments valued at deemed cost		
Investment in equity shares		
i) In domestic subsidiaries	10,00,000	10,00,000
ii) In foreign subsidiaries	1,81,20,000	1,81,20,000
iii) In other companies	51,000	1,49,000
Total non-current investments	1,91,71,000	1,92,69,000

Note 4.1 Detailed list of non-current investments

Particulars	As at 31st March, 2019	As at 31st March, 2018
I. Investments valued at cost, fully paid up, unquoted, unless otherwise stated		
a) Investments in equity shares:		
<i>i) In subsidiaries</i>		
Veto Electricals Private Limited	10,00,000	10,00,000
1,00,000 (PY 1,00,000) Equity Shares of Rs.10 each fully paid up		
<i>ii) In foreign subsidiaries</i>		
Veto Overseas Private FZE	1,81,20,000	1,81,20,000
10,00,000 (PY 10,00,000) Equity Shares of 1 AED each fully paid up		
<i>iii) In other companies</i>		
Veto Lightings Private Limited	51,000	51,000
5,100 (PY 5,100) Equity Shares of Rs.10 each fully paid up		
Vankon Switchgears and Cables Private Limited	-	98,000
Nil (PY 9,800) Equity Shares of Rs.10 each fully paid up		
Total non-current investments	1,91,71,000	1,92,69,000

Particulars	As at 31st March, 2019	As at 31st March, 2018
Aggregate of non-current investments:		
Book value of investments	1,91,71,000	1,92,69,000
Investments carried at deemed cost	1,91,20,000	1,91,20,000
Investments carried at fair value through profit and loss	51,000	1,49,000

Note 5 : Loans

(Unsecured, Considered Good)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-current		
Considered good		
Loans & Advances to related parties (Refer Note No. 38) - to subsidiary companies	40,04,40,443	40,91,03,474
Total non-current loans	40,04,40,443	40,91,03,474

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Note 6 : Other financial assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-current		
Security Deposits	80,67,805	95,31,363
VAT Receivables	74,67,213	74,67,213
Total Other Non - Current financial assets	1,55,35,018	1,69,98,577

Note 7 : Deferred tax asset (net)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred income tax asset		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	1,58,53,423	2,36,58,928
Employee Benefits	9,63,239	6,50,297
Other Provisions	84,95,024	42,21,479
Total Deferred tax assets (net)	2,53,11,686	2,85,30,705

Note 8 : Income tax assets (net)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance Tax & TDS (net of provisions)	37,38,791	-
	37,38,791	-

(a) Income Tax Expense

Particulars	2018-19	2017-18
Current tax expense (A)		
Current year	3,66,00,000	10,45,76,240
Short/(Excess) provision of earlier years	28,22,178	3,73,336
	3,94,22,178	10,49,49,576
Deferred tax expense (B)		
Origination and reversal of temporary differences	30,93,834	(66,41,806)
	30,93,834	(66,41,806)
Tax expense recognised in the income statement (A+B)	4,25,16,012	9,83,07,770

(b) Amounts recognised in other comprehensive income

Particulars	2018-19			2017-18		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	4,29,894	(1,25,185)	3,04,709	23,29,683	(8,06,257)	15,23,426
Total	23,29,683	8,06,257	15,23,426	(4,56,179)	(1,50,950)	(3,05,229)

(c) Reconciliation of effective Tax Rate

Particulars	2018-19	2017-18
Profit before tax	13,58,16,289	29,87,16,704
Tax using the Company's domestic tax rate (Current year 29.12 % and Previous Year 34.608%)	3,95,49,703	10,33,79,877
Tax effect of :		
Tax effect on non-deductible expenses	(85,97,132)	25,02,281
Tax effect of Other Income	1,30,56,560	(75,66,743)
Others	(43,15,297)	(3,80,981)
Adjustments recognised in current year in relation to the current tax of prior years	28,22,178	3,73,336
	4,25,16,012	9,83,07,770
Tax expense as per Statement of Profit & Loss	4,25,16,012	9,83,07,770
Effective tax rate	31.304%	32.910%

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Note 9 : Other non - current assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital Advances	5,47,793	12,05,933
Deferred assets on financial assets carried at amortised cost	23,82,553	-
Total Other non - current assets	29,30,346	12,05,933

Note 10 : Inventories

(valued at lower of cost or net realisable value)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Finished goods	18,51,05,047	12,06,64,341
Stock in trade	28,74,74,832	18,67,75,249
Raw materials	10,33,13,450	10,88,90,575
Packing materials	1,09,89,304	1,65,44,070
Total Inventories	58,68,82,633	43,28,74,235

Note 11 : Trade receivables

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured		
-Considered Good	47,50,19,033	55,08,93,894
-Considered Doubtful	1,21,97,987	1,21,97,987
Less : Provision for Doubtful Debts	48,72,17,020	56,30,91,881
Less : Provision for expected credit loss	1,21,97,987	1,21,97,987
Total trade receivables	45,80,44,547	53,95,96,019

Note 12 : Cash and cash equivalents

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balances with banks:		
- In current accounts	4,64,00,203	1,85,70,639
Cash in hand	7,62,366	15,04,971
Funds in Transit	7,55,60,000	-
Total cash and cash equivalents	12,27,22,569	2,00,75,610

Note 13 : Other bank balances

Particulars	As at 31st March, 2019	As at 31st March, 2018
Earmarked balances with banks for:		
Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	43,30,918	35,88,267
Total other bank balances	43,30,918	35,88,267

Note 14 : Other Current Asset

(Unsecured Considered Good)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance to Suppliers	2,06,59,902	2,84,19,660
Balance with Government Authorities	1,08,18,330	93,08,244
Staff Advances	19,82,684	52,62,326
Other Receivables	65,29,359	3,83,71,659
Deferred assets on financial assets carried at amortised cost	5,95,638	5,98,850
Prepaid Expenses	4,66,884	2,78,542
Total other bank balances	4,10,52,797	8,22,39,281

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Note 15 : Equity Share capital

Particulars	As at 31st March, 2019	As at 31st March, 2018
Authorised 2,50,00,000 (PY 2,50,00,000) Equity shares of Rs.10/- each	25,00,00,000	25,00,00,000
	25,00,00,000	25,00,00,000
Issued, Subscribed and Fully Paid Up 19,11,455 (PY 1,83,27,100) Equity shares of Rs. 10/- each fully paid up	19,11,49,550	18,32,71,000
	19,11,49,550	18,32,71,000

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, 2019		As at 31st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
At the beginning of the year	1,83,27,100	18,32,71,000	1,83,27,100	18,32,71,000
Issued during the year	7,87,855	78,78,550	-	-
Outstanding at the end of the year	1,91,14,955	19,11,49,550	1,83,27,100	18,32,71,000

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

Name of the Shareholder	As at 31 March 2019		As at 31 March 2018	
	% held	No. of shares	% held	No. of shares
Veto Electropowers (India) Private Limited	37.30%	71,30,704	38.91%	71,30,704

d. Shareholding of more than 5%:

Name of the Shareholder	As at 31 March 2019		As at 31 March 2018	
	% held	No. of shares	% held	No. of shares
Veto Electropowers (India) Private Limited	37.30%	71,30,704	38.91%	71,30,704
Akshay Gurnani	4.07%	7,78,722	0.59%	1,08,867

e) Shares reserved for issue under Stock Option

NIL (March 31, 2018: 7,91,955) equity shares are reserved for the issue under Employees Stock Option Plan (ESOP) of the Company.

f) Issue of Share Under ESOP

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

g) Forfeiture of Share Warrants

During the previous year, 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 current year and credited to the Capital Reserve.

Veto Switchgears and Cables Limited

Note 16 : Other equity

Amount in ₹

Particulars	Reserves and surplus				Items of Other comprehen- sive income	Money Received against Share Warrants	Total equity attributable to equity holders
	Securities premium reserve	Employee Stock Option Outstanding Account	Retained earnings	Capital Reserve			
As at 1st April 2018	15,94,71,817	5,11,97,485	69,47,32,172	-	12,18,197	19,12,50,000	1,09,78,69,671
Total comprehensive income for the year	-	-	9,33,00,277	-	3,04,709	-	9,36,04,986
On further issue of shares	8,29,61,132	-	-	-	-	-	8,29,61,132
Forfeiture of share warrants	-	-	-	19,12,50,000	-	(19,12,50,000)	-
Employee stock compensation expense for the year	-	(5,11,97,485)	-	-	-	-	(5,11,97,485)
As at 31st March 2019	24,24,32,949	-	78,80,32,449	19,12,50,000	15,22,906	-	1,22,32,38,304

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.

Employee Stock Options Outstanding Account

The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee

Stock Options Outstanding Account. During the year, the Company has allotted 7,87,855 shares under Employees Stock Option Plan (ESOP) of the Company.

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.

Money Received against Share Warrants

Money received on share warrants represents amount received on 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 current year and credited to the Capital Reserve.

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Note 17 : Borrowings

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non current		
Secured		
Term loans from banks	2,60,00,000	4,98,94,703
Less: Current maturities of long term debt	2,00,00,000	2,00,00,000
	60,00,000	2,98,94,703
Hire purchase loans from banks	38,49,080	52,78,773
Less: Current maturities of long term debt	20,71,823	26,63,291
	17,77,257	26,15,481
Total non-current borrowings	77,77,257	3,25,10,184

Additional information pursuant to long term borrowings :

a) Term loan amounting to Rs. 2,60,00,000 (March 31, 2018: Rs. 4,98,94,703) (April 01, 2017: Rs. 7,17,01,976) from Indian Overseas Bank carries interest of Base Rate + 2% p.a. The loan is repayable in 20 Quarterly instalments along with interest started from June, 2016. The loan is primarily secured by way of equitable mortgage of land and building of Corporate office under construction and collateral security of factory land and building of the Company, land and building of M/s. vimal Power Cables Private Limited, hypothecation of fixed assets (excluding land and building and vehicles) of the Company, personal guarantee of two director and two promoters and corporate guarantee of Vimal Power cables Private Limited and Veto Electropowers (India) Private Limited (formerly Holding Company).

b) Hire Purchase Loans amounting to Rs. 38,49,080 (PY Rs. 52,78,773) from various banks and financial institutions are secured by hypothecation of respective vehicle financed. The loans carries interest @ 8.50% to 11% p.a. The loan is repayable in 36 to 60 equal monthly instalments.

Note 18 : Provisions

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-Current		
Provision for gratuity	14,36,685	-
	14,36,685	-
Current		
Provision for gratuity	18,71,140	18,79,038
	18,71,140	18,79,038

Note 19 : Borrowings

Particulars	As at 31st March, 2019	As at 31st March, 2018
(Secured)		
Cash Credit Facility		
From Bank	37,17,84,911	32,14,23,158
	37,17,84,911	32,14,23,158

Additional information pursuant to secured short term borrowing :

Cash credit facility amounting to Rs. 37,17,84,911 (PY Rs. 32,14,23,158) 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).

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Note 20 : Trade payables

Particulars	As at 31st March, 2019	As at 31st March, 2018
- Total outstanding dues of Micro Enterprises and Small Enterprises.	5,42,475	4,12,840
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	7,75,99,184	7,20,68,471
Total trade payables	7,81,41,659	7,24,81,311

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 2019.

The disclosure pursuant to the said Act is as under:

Particulars	As at 31st March, 2019	As at 31st March, 2018
The principal amount remaining unpaid to any supplier as at the end of accounting year;	5,42,475	4,12,840
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

Note 21 : Other financial liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current		
Current maturities of loan term debt	2,20,71,823	2,26,63,291
Trade deposits	1,98,66,010	73,51,259
Salary & Wages Payable	68,20,890	49,72,506
Duties & taxes payable	55,41,049	15,35,794
Provision for Expenses	1,22,298	91,654
Unpaid Dividend	5,19,901	5,19,901
Total other financial liabilities	5,49,41,971	3,71,34,405

Note 22 : Other current liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance from debtors	16,50,011	20,99,588
Deferred Revenue	19,25,098	13,95,872
	35,75,108	34,95,461

Note 23 : Income Tax Liabilities (Net)

Particulars	As at 31st Dec, 2018	As at 31st March, 2018
Advance Tax & Tds (net of provision)	-	5,25,34,185
	-	5,25,34,185

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Note 24 : Revenue from operation

Particulars	As at 31st March, 2019	As at 31st March, 2018
Revenue from operations		
Sale of Products *	1,08,92,10,911	1,23,68,04,899
Other Operating Revenue		
Scrap Sale	1,20,661	73,786
Total Revenue from Operations	1,08,93,31,572	1,23,68,78,686

* Details of Products Sold

Particulars	As at 31st March, 2019	As at 31st March, 2018
Finished Goods		
Accessories & Others	30,90,84,700	30,86,02,947
Wire & Cables	36,70,03,010	48,10,65,293
	67,60,87,710	78,96,68,240
Traded Goods		
Accessories & Others	2,58,50,668	4,26,32,717
Wire & Cables	3,26,45,387	7,94,14,457
Lighting & Fittings	35,47,81,687	32,52,43,788
	41,32,77,742	44,72,90,962
	1,08,93,65,452	1,23,69,59,201

Note 25 : Other income

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest Income		
- on loans to wholly owned subsidiary	4,48,37,089	2,83,88,551
- on margin money deposits	-	2,33,505
- on unwinding of financial assets carried at amortised cost	6,23,510	2,72,667
Profit on sale of fixed assets	-	4,26,033
Dividend received from wholly owned foreign subsidiary	-	2,14,38,111
Foreign Currency Fluctuation Gain / (Loss) on loans and advances to subsidiary	1,71,73,636	11,00,846
Gain on Foreign Exchange Fluctuations (Net)	11,20,102	9,74,102
Miscellaneous Income	26,10,900	76,10,360
Total other income	6,63,65,236	6,04,44,175

Note 26 : Cost of materials consumed

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening stock	10,88,90,575	14,49,52,600
Add: Purchases	50,23,61,506	43,67,88,837
Less: Closing stocks	10,33,13,450	10,88,90,575
Total Cost of Materials Consumed	50,79,38,630	47,28,50,863

* Purchases are stated net of discounts and rate difference.

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Details of Material Consumed

Particulars	As at 31st March, 2019	As at 31st March, 2018
Copper	25,56,34,609	28,90,08,840
Alluminium	1,18,44,185	1,17,52,878
PVC Compound	2,77,18,135	3,19,10,295
Others	21,27,41,701	14,01,78,851
	50,79,38,630	47,28,50,863

Details of Inventory

Particulars	As at 31st March, 2019	As at 31st March, 2018
Copper	5,70,34,518	2,83,40,698
Alluminium	4,17,812	-
PVC Compound	56,56,776	49,85,977
Others	4,02,04,344	7,55,63,900
	10,33,13,450	10,88,90,575

Note 27 : Purchases of stock-in-trade

Particulars	As at 31st March, 2019	As at 31st March, 2018
Purchase of stock in trade	40,22,91,874	42,01,08,045
Total Purchases of stock-in-trade	40,22,91,874	42,01,08,045

Note 28 : Changes in inventories of finished goods and stock in trade

Particulars	As at 31st March, 2019	As at 31st March, 2018
Finished goods		
Opening stock		
- Accessories & Others	5,00,16,916	4,14,00,980
- Wire & Cables	7,06,47,425	3,16,09,739
Closing stock	12,06,64,341	7,30,10,719
- Accessories & Others	9,39,39,264	5,00,16,916
- Wire & Cables	9,11,65,783	7,06,47,425
	18,51,05,047	12,06,64,341
Changes in inventories of finished goods (A)	6,44,40,705	4,76,53,622
Stock in trade		
Opening stock		
- Accessories & Others	3,49,40,059	1,64,94,879
- Wire & Cables	1,86,76,307	70,72,480
- Lighting & Fittings	13,31,58,882	8,64,93,117
Closing stock	18,67,75,248	11,00,60,476
- Accessories & Others	1,85,26,441	3,49,40,059
- Wire & Cables	95,67,231	1,86,76,307
- Lighting & Fittings	25,93,81,160	13,31,58,882
	28,74,74,832	18,67,75,248
Changes in inventories of stock in trade (B)	10,06,99,584	7,67,14,772
Total Changes in inventories of finished goods and stock in trade (A+B)	16,51,40,289	12,43,68,394

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Note 29 : Employee benefits expense

Particulars	As at 31st March, 2019	As at 31st March, 2018
Salary, wages and other allowances	6,73,97,819	5,68,42,576
Directors Remuneration	33,00,000	33,00,000
Employee Stock Option Compensation Expense	2,49,447	59,41,225
Provision for Gratuity	23,44,105	30,35,317
Contribution to provident fund and other funds	54,45,645	51,00,738
Staff welfare expenses	20,27,662	13,12,378
Total employee benefits expense	8,07,64,678	7,55,32,234

Note 30 : Finance costs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest expense to:		
Banks	3,72,77,088	2,24,68,219
Others	-	24,526
Other Borrowing Cost	14,58,371	49,05,575
Total finance costs	3,87,35,459	2,73,98,321

Note 31 : Depreciation and amortisation expense

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation on tangible assets	1,22,07,898	1,47,92,611
Amortisation on intangible assets	2,800	12,188
Depreciation on Investment Property	7,54,110	-
Total depreciation and amortisation expense	1,29,64,808	1,48,04,799

Veto Switchgears and Cables Limited

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Note 32 : Other expenses

Particulars	As at 31st March, 2019	As at 31st March, 2018
Manufacturing expenses		
Consumption of :		
- Consumable & stores	5,75,340	5,29,722
- Power & fuel	70,32,791	78,34,396
Job Charges	65,66,333	60,34,171
Repairs & Maintenance :		
- Plant & machinery	16,46,714	16,36,674
- Factory building	28,320	28,320
Freight & transportation	17,63,874	20,60,763
Other factory expenses	24,10,965	20,30,123
	2,00,24,338	2,01,54,168
Administration, Selling and Distribution expenses		
Rent	44,20,652	26,00,083
Insurance	6,76,405	11,38,362
Rates & taxes	1,15,158	2,78,149
Repairs & maintenance		
- Others	18,06,930	27,39,906
Legal and professional fees	53,21,648	44,53,684
Auditor's remuneration *	4,15,000	4,15,000
Travelling & conveyance	1,07,40,366	72,67,563
Communication costs	12,86,979	13,88,373
Printing & stationery	3,73,030	7,78,314
Water & electricity charges	15,47,621	15,62,005
Commission	53,46,049	49,38,542
Packing material consumed	3,10,66,932	1,85,54,884
Advertising & sales promotion	2,00,98,420	1,01,89,934
Transportation, freight & handling charges	1,76,00,150	1,80,14,234
Expenditure on CSR activities	24,59,183	13,55,632
Provision for expected credit loss	56,76,610	55,07,057
Loss by theft	11,66,116	-
Advances / Sundry balances written off	55,55,404	-
Miscellaneous expenses	66,28,370	53,72,506
Total other expenses	14,23,25,359	10,67,08,396

* Payment to Auditor includes

Particulars	As at 31st March, 2019	As at 31st March, 2018
Audit fees	3,75,000	3,75,000
Other services	40,000	40,000
	4,15,000	4,15,000

Note 33 : Earnings per equity share

The amount considered in ascertaining the Company's earnings per share constitutes the net loss after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

Basic and diluted EPS

Net Profit after Tax as per Statement of Profit and Loss attributable to Equity	Amount in ₹	9,33,00,277	20,04,08,933
Weighted average number of equity shares for calculating Basic EPS	(Nos.)	1,90,02,713	1,83,27,100
Weighted Average Potential Equity Shares	(Nos.)	-	6,05,023
Total Weighted Average number of Equity Shares used for calculating Diluted	(Nos.)	1,90,02,713	1,89,32,123
Basic EPS	(Rs.)	4.91	10.88
Diluted EPS	(Rs.)	4.91	10.53

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Note 34 : Contingent liabilities disclosures as required under Indian Accounting Standard 37, “Provisions, Contingent Liabilities and Contingent Assets” are given below:

Particulars	As at 31st March 2019	As at 31st March 2018
I) Guarantees		
Bank Guarantee	11,40,243	11,40,243
	11,40,243	11,40,243

Note 35 : Investment in subsidiaries, associates and joint ventures

- (a) These financial statement are separate financial statements prepared in accordance with Ind AS-27 "Separate Financial
- (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 2018	Portion of ownership interest as at 31 March 2017	Portion of ownership interest as at 01 April 2016	Method used to account for the investment
Veto Electricals Private Limited	India	100%	100%	100%	At Cost
Veto Overseas Private FZE	Dubai	100%	100%	100%	At Cost

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Note 36 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

A Defined benefit obligations - Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
a) Changes in defined benefit obligations		
Present value of obligation as at the beginning of the year		
Defined Benefit Obligation ("PBO") at the beginning of the year	54,30,538	53,27,505
Past service cost	-	20,878
Service cost	25,67,334	30,14,703
Interest cost	3,92,460	3,62,570
Actuarial loss / (gain)	(5,75,865)	(30,74,666)
Liabilities transferred in / (out)	-	-
Liabilities transferred out/Divestment	-	-
Benefits paid	(3,68,241)	(2,20,452)
Present value of obligation as at the end of the year	74,46,236	54,30,538
b) Changes in Plan Assets		
Opening value of plan assets		
Interest Income	41,50,222	45,32,371
Return on plan assets excluding amounts included in interest income	3,49,060	3,62,834
Contributions by employer	(1,45,971)	(1,46,261)
Benefits paid	1,53,341	-
Closing value of plan assets	41,38,411	41,50,222
c) The amounts recognised in the Balance Sheet are as follows:		
Present value of obligation as at the end of the year	74,46,236	54,30,538
Fair Value of plan assets as at the end of the year	41,38,411	41,50,222
Net (assets) / liability recognised in balance sheet	33,07,825	12,80,316
d) Expenses recognised in the Statement of Profit and Loss		
Service cost	25,67,334	30,14,703
Past service cost	-	20,878
Net Interest Cost	43,400	(264)
Total	26,10,734	30,35,317
e) Remeasurement (gains)/ losses recognised in OCI		
Actuarial changes arising from changes in financial assumptions	(27,280)	(1,85,548)
Actuarial changes arising from changes in demographic assumptions	-	-
Due to experience adjustments	(5,48,585)	(28,89,118)
Return on plan assets excluding amount included in interest income	1,45,971	1,46,261
Total	(4,29,894)	(29,28,405)

Particulars	31st March 2019	31st March 2018
f) Actuarial assumptions		
Discount rate	7.65% p.a.	7.60% p.a.
Normal retirement age (in years)	58	58
Salary escalation rate (% p.a.) *	7% p.a. 20% at younger ages reducing to 1% at older ages	7% p.a. 20% at younger ages reducing to 1% at older ages
Attrition rate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate
Mortality rate		

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

g) Quantities sensitivity analysis for significant assumption is as below:

Particulars	31st March 2019	31st March 2018
i. Discount rate	0.5 % increase 71,83,326 -3.53%	52,37,220 -3.56%
ii. Salary escalation rate	0.5 % increase 77,18,476 3.66%	56,36,610 3.79%
iii. Attrition rate	10% increase 74,05,176 0.55%	53,89,397 -0.76%
i. Discount rate	0.5 % decrease 77,27,478 3.78%	56,37,439 3.81%
ii. Salary escalation rate	0.5 % decrease 71,83,335 3.53%	52,36,102 -3.58%
iii. Attrition rate	10% decrease 74,84,629 0.52%	54,70,753 0.74%

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 2019	31st March 2018
h) Maturity analysis of defined benefit obligation		
1st Following Year	7,25,412	5,33,208
2nd Following Year	7,63,894	5,40,806
3rd Following Year	8,03,904	5,37,799
4th Following Year	7,88,121	5,57,424
5th Following Year	8,20,443	5,80,611
Sum of Year 6 to 10 Year	36,08,617	27,10,171
Total expected payments	75,10,391	54,60,019

B Defined contribution plans

Particulars	31st March 2019	31st March 2018
a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:		
(i) Contribution to provident fund	36,37,951	34,04,123
(ii) Contribution to ESIC	18,07,694	16,96,615
	54,45,645	51,00,738

Particulars	31st March 2019	31st March 2018
b) Current/ non-current classification		
Gratuity		
Current	18,71,140	12,67,236
Non-current	14,36,685	13,090
	33,07,825	12,80,326

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Note 37 : Segment reporting as required under Indian Accounting Standard 108, "Operating Segments"

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Operating Segments

Wire and Cables
Lighting & Fittings
Accessories & Others

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of inventory, Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

(a) Summary of segment Information as at and for the year ended 31st March,2019 and 31st March,2018 is as follows:

Particulars	Amount in ₹	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Segment Revenue		
Wire & Cables	39,96,48,397	56,15,25,749
Lighting & Fittings	35,47,81,687	32,52,43,788
Accessories & Others	33,49,35,368	35,01,09,000
Total Revenue	1,08,93,65,452	1,23,68,78,537
Segment Results		
Wire & Cables	5,27,09,437	14,00,80,971
Lighting & Fittings	11,90,08,359	8,54,67,172
Accessories & Others	7,23,13,544	15,45,56,327
	24,40,31,340	38,01,04,470
Less : Unallocable Expenses	12,28,80,139	9,96,28,000
Less : Depreciation	1,29,64,808	1,48,06,302
Operating Profit	10,81,86,393	26,56,70,167
Less : Finance Cost	3,87,35,459	2,73,98,321
Add : Other Income	6,63,65,236	6,04,44,175
Profit Before Tax & Exceptional Items	13,58,16,170	29,87,16,021
Profit Before Tax	13,58,16,170	29,87,16,021
Less : Tax expense (Net)	4,25,16,012	9,83,07,770
Profit After Tax	9,33,00,158	20,04,08,251

Particulars	As at 31st March, 2019	As at 31st March, 2018
Segments Assets		
Wire & Cables	16,21,98,975	12,26,50,407
Lighting & Fittings	25,93,81,160	13,31,58,882
Accessories & Others	15,43,13,194	16,05,20,875
Unallocated	1,35,80,23,255	1,38,62,68,249
Total Capital Employed	1,93,39,16,584	1,80,25,98,414
D. Segments Liabilities		
Wire & Cables	65,14,650	56,29,452
Lighting & Fittings	2,16,04,924	1,72,12,838
Accessories & Others	3,91,48,059	3,60,58,685
Unallocated	45,22,61,098	46,25,56,768
	51,95,28,731	52,14,57,743

Veto Switchgears and Cables Limited

Note 38 : Related party disclosures as required under Indian Accounting Standard 18, “Related party disclosures” are given below:

a) Names of related parties and nature of relationship (to the extent of transactions entered into during the year except for control relationships where all parties are disclosed)

Nature of relationship	Nature of the party
(i) Key Managerial Personnel	
Akshay Gurnani	Managing Director Whole time Director & Chief Financial Officer
Naraindas Gurnani	Director
Jyoti Gurnani	Company Secretary Cum Compliance Officer (From 15.12.2018)
Ms. Bhavna Giamalani	
(ii) Holding Company	Veto Electropower (India) Private Limited
(iii) Ultimate Holding Company	Gurnani Holdings Private Limited
(iv) Subsidiary Companies	Veto Electricals Private Limited Veto Overseas Private FZE
(v) Enterprises owned or significantly influenced by Key Managerial Personnel and or their relatives	Vimal Power Cables Private Limited Pinkcity Buildhome Private Limited Tulsi Palace Resort Private Limited Pink Square Real Estate Private Limited

b) Transactions carried out with related parties referred to above, in ordinary course of business and balances outstanding:

b. Transactions with Related Parties :

Name of Party	Nature of Transaction	Year ended March 31, 2019	Year ended March 31, 2018
Akshay Gurnani	Remuneration	15,00,000	15,00,000
	Sales (Net)	-	10,380
Naraindas Gurnani	Remuneration	4,67,142	12,00,000
Shilpi Keshwani	Remuneration	2,44,233	2,92,305
Jyoti Gurnani	Remuneration	6,00,000	6,00,000
	Advance Remuneration	-	1,03,313
	Sales (Net)	-	18,182
Veto Electricals Pvt. Ltd.	Interest Income	1,79,76,066	1,00,49,100
	Advance Granted	20,08,87,752	10,31,50,000
	Loan Received Back	17,68,00,000	1,80,00,000
Vimal Power Cables Private Limited	Purchases	73,24,564	-
	Rent	9,00,000	-
Pinkcity Buildhome Private Limited	Sales (Net)	-	2,69,133
	Service Taken	-	2,70,587
Veto Electropower (India) Private Limited	Rent	98,800	-
	Loan Granted	1,71,73,636	10,12,18,246
Veto Overseas Private FZE	Interest Income	2,64,94,872	1,80,13,117
	Loan Received Back	7,55,60,000	-
Pink Square Real Estate Private Limited	Sales (Net)	-	338
	Expenses	2,94,866	-
Anjali Packaging	Sales (Net)	-	46,592
	Purchase of Packing Material	21,790	-

c. Balance Outstanding of Related Parties :

Name of Party	Receivable / Payable	Year ended March 31, 2019	Year ended March 31, 2018
Akshay Gurnani	Remuneration Payable	1,25,000	85,000
	Trade Receivables	-	44,681
	ESOP Outstanding	-	6,69,855(in Nos.)
Naraindas Gurnani	Remuneration Payable	1,00,000	1,00,000
Shilpi Keshwani	Remuneration Payable	-	38,950
Jyoti Gurnani	Remuneration Payable	50,000	-
	Advance Remuneration	-	1,03,313
	ESOP Outstanding	-	900 (in Nos.)
Pinkcity Buildhome Private Limited	Trade Receivables	-	93,689
Tulsi Palace Resort Pvt. Ltd. Jaipur	Trade Receivables	35,035	6,07,089
Veto Electrical Private Limited	Loans Receivable	16,73,83,221	14,41,54,760
	Trade Receivables	-	19,838
Veto Overseas FZE	Loans Receivable	23,30,57,222	26,49,48,713

Veto Switchgears and Cables Limited

Note 39 : Disclosure with regards to section 186 of the Companies Act, 2013

During the year, the Company has granted Unsecured loan to its Subsidiary Companies for General Corporate Purposes. Details as stated below :

Name of the Subsidiary	Opening Balance	Loan given During	Closing Balance	Amount in ₹
				Interest Rate
Veto Electricals Private Limited	14,41,54,760	20,08,87,752	16,73,83,221	10%
Veto Overseas FZE	26,49,48,713	1,71,73,636	23,30,57,222	10%
TOTAL	40,91,03,473	21,80,61,389	40,04,40,443	

Note 40 : Disclosure with regards to regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015

Amount of Loans & Advances in nature of loans outstanding from subsidiaries as at 31st March, 2019 :

Name of the Subsidiary	Closing Balance	Amount in ₹
		Maximum Outstanding
Veto Electricals Private Limited	16,73,83,221	16,73,83,221
Veto Overseas FZE	23,30,57,222	23,30,57,222

Note 41 : Expenditure on Corporate Social Responsibility Activities

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013.

Details of CSR Expenditure:

a) Gross amount required to be spent by the Company during the year,

Particulars	As at 31st March 2019	As at 31st March 2018	Amount in ₹
Amount required to be spent by the Company	36,72,131	23,34,767	
	36,72,131	23,34,767	

b) Amount spent during the year

Particulars	Amount Spent		Amount yet to be Spent		Total 31st March 2019	Total 31st March 2018
	31st March 2019	31st March 2018	31st March 2019	31st March 2018		
Contribution to trust	23,16,383	13,30,432	12,12,948	9,79,135	35,29,331	23,09,567
Others	1,42,800	25,200	-	-	1,42,800	25,200
	24,59,183	13,55,632	12,12,948	9,79,135	36,72,131	23,34,767

Note 42 : Share Base Payment

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

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

During the period upto March 31, 2019, the Company has granted options on the following dates:

Grant date	No of options
23-May-19	7,87,855
Total	7,87,855

The Options shall vest in 1 year from the date of Grant. The exercise period shall be 3 years after vesting period. As per the scheme, the exercise price is determined by the Compensation Committee. The fair value of the option is determined at the Market Price based on latest available closing price on a recognised stock exchange on the date immediately prior to the grant date expected forfeiture rate is assumed to be 1%.

Particulars	For the year ended 31st March 2019		For the year ended 31st March 2018	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
Outstanding at beginning of the year	7,91,955	50.00	8,16,355	50.00
Granted during the year	-	-	-	-
Forfeited during the year	4,100	50.00	24,400	50.00
Exercised during the year	7,87,855	50.00	Not Applicable	
Outstanding at the end of the year	-	-	7,91,955	50.00
Vested and exercisable at the end of the year	-	-	7,91,955	-

Expenses Arising from share based payment transactions

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Employee share based payment expense	2,49,447	59,41,225

Note 43: Fair Value Measurement

(i) Financial instruments by category

Particulars	Refer note	31st March 2019			31st March 2018			Amount in ₹
		Carring Amount	FVPL	FVOCl	Amortised Cost	Carring Amount	FVPL	
Financial Assets:								
Investments	4	1,91,71,000	51,000	-	1,91,20,000	1,92,69,000	1,49,000	-
Investments in equity shares	5	40,04,40,443	-	-	40,04,40,443	40,91,03,474	-	40,91,03,474
Loans	6	1,55,35,018	-	-	1,55,35,018	1,69,98,577	-	1,69,98,577
Others financial assets	11	45,80,44,547	-	-	45,80,44,547	53,95,96,019	-	53,95,96,019
Trade receivables	12	12,27,22,569	-	-	12,27,22,569	2,00,75,610	-	2,00,75,610
Cash and cash equivalents	13	43,30,918	-	-	43,30,918	35,88,267	-	35,88,267
Other Bank balances		1,02,02,44,495	51,000	-	1,02,01,93,495	1,00,86,30,947	1,49,000	-
Total Financial Assets								1,00,84,81,947
Financial Liabilities:								
Borrowings	17 & 18	37,95,62,168	-	-	37,95,62,168	35,39,33,342	-	35,39,33,342
Trade payables	20	7,81,41,659	-	-	7,81,41,659	7,24,81,311	-	7,24,81,311
Other financial liabilities	21	5,49,41,971	-	-	5,49,41,971	3,71,34,405	-	3,71,34,405
Total Financial Liabilities		51,26,45,798	-	-	51,26,45,798	46,35,49,059	-	46,35,49,059

The Company has not disclosed the fair values for financial instruments for loans (non current), other non current financial assets, trade receivables, cash and cash equivalents and bank balances other than cash and cash equivalents.Borrowings (current and non current). Trade payables, other current financial liabilities because their carrying amounts are reasonably approximation of fair value.

Veto Switchgears and Cables Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Note 44 : Financial risk management objectives and policies

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

(i) Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

Ageing of Accounts receivables :

Particulars	Amount in ₹	
	As at 31-03-2019	As at 31-03-2018
Not Due	-	-
0 - 6 months	34,12,13,815	47,93,84,521
6 - 12 months	8,23,98,334	5,78,87,806
Beyond 12 months	6,36,04,872	2,58,19,555
Total	48,72,17,021	56,30,91,882

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

The movement of the allowance for lifetime expected credit loss is stated below:

Particulars	Amount in ₹	
	31 March 2019	31 March 2018
Balance at the beginning of the year	1,12,97,876	57,90,819
Addition/(Reversal during the year)	56,76,610	55,07,057
Balance at the end of the year	1,69,74,486	1,12,97,876

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

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.

Veto Switchgears and Cables Limited

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, 2019	Amount in ₹			
	On Demand	Less than 1 year	1 to 5 years	Total
Borrowings	37,17,84,911	-	77,77,257	37,95,62,168
Other non current financial liabilities	-	5,49,41,971	-	5,49,41,971
Trade payables	-	7,81,41,659	-	7,81,41,659
Other current financial liabilities	-	35,75,108	-	35,75,108
	37,17,84,911	13,66,58,738	77,77,257	51,62,20,906

As at March 31, 2018	Amount in ₹			
	On Demand	Less than 1 year	1 to 5 years	Total
Borrowings	32,14,23,158	-	3,25,10,184	35,39,33,342
Other non current financial liabilities	-	3,71,34,405	-	3,71,34,405
Trade payables	-	7,24,81,311	-	7,24,81,311
Other current financial liabilities	-	34,95,461	-	34,95,461
	32,14,23,158	11,31,11,178	3,25,10,184	46,70,44,520

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, 2019		31st March 2018	
	USD	AED	USD	AED
Financial Asset				
Non Current Loans	-	1,23,38,055	-	1,49,53,056
Trade Receivables	-	98,002	4,21,311	-
Exposure for assets (a)	-	1,24,36,057	4,21,311	1,49,53,056
Financial Liabilities				
Trade Payables	-	-	2,13,030	-
Exposure for liabilities (b)	-	-	2,13,030	-
Net exposure (a-b)	-	1,24,36,057	2,08,281	1,49,53,056

Particulars	Amount in ₹			
	31st March, 2019		31st March 2018	
	USD	AED	USD	AED
Financial Asset				
Non Current Loans	-	23,30,65,859	-	26,49,68,152
Trade Receivables	-	18,51,262	2,74,02,072	-
Exposure for assets (a)	-	23,49,17,121	2,74,02,072	26,49,68,152
Financial Liabilities				
Trade Payables	-	-	1,38,55,446	-
Exposure for liabilities (b)	-	-	1,38,55,446	-
Net exposure (a-b)	-	23,49,17,121	1,35,46,626	26,49,68,152

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars and AED at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

Impact of movement on Profit or (loss) and Equity :

Effect in INR (before tax)	31st March, 2019				31st March 2018		Amount in ₹	
	Profit or (loss) and Equity				Profit or (loss) and Equity			
	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening		
1% movement								
USD					13,547	(13,547)		
AED	(2,34,917)	2,34,917	2,64,968	(2,64,968)				
	(2,34,917)	2,34,917	2,78,515	(2,78,515)				

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 as follows.

Particulars	Amount in ₹	
	As at 31-03-2019	As at 31-03-2018
Total Borrowings	40,16,33,991	37,65,96,633
	40,16,33,991	37,65,96,633

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates :

Cash flow sensitivity (net)	Amount in ₹	
	Profit or (loss) 50 bp increase	50 bp decrease
31st March 2019		
Variable-rate loan instruments	(2,00,81,700)	2,00,81,700
Cash flow sensitivity (net)	(2,00,81,700)	2,00,81,700
31st March 2018		
Variable-rate loan instruments	(1,88,29,832)	1,88,29,832
Cash flow sensitivity (net)	(1,88,29,832)	1,88,29,832

iii) Other price risk

The Company is not exposed to the other price risk.

Note 45 : 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.

Veto Switchgears and Cables Limited

Particulars	Amount in ₹	
	As at March 31, 2019	As at March 31, 2018
Borrowings	40,16,33,991	37,65,96,633
Net Debt	40,16,33,991	37,65,96,633
Equity	1,41,43,87,854	1,28,11,40,671
Total Capital	1,41,43,87,854	1,28,11,40,671
Capital and Net Debt	1,81,60,21,845	1,65,77,37,304
Gearing ratio (Net Debt/Capital and Net Debt)	28%	23%

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

As per our report of even date attached

For and on behalf of the Board

For CAS & CO
(formerly known as K. M. Tulsian & Associates)
 Chartered Accountants
 Firm Registration No. 111075W

Nitesh Musahib
 Partner
 Membership No. : 131146

Narain Das Gurnani
 Whole Time Director & CFO
 DIN : 01970599

Akshay Kumar Gurnani
 Managing Director
 DIN : 06888193

Bhavna Giomalani
 Company Secretary

Place: Mumbai
 Date : 22nd May, 2019

Place: Jaipur
 Date : 22nd May, 2019

Veto Switchgears and Cables Limited

Financial Analysis of Veto Switchgears and Cables Limited

Particulars	I GAAP								IND AS		
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	Gross Sales/ Revenue from Operations	3892.45	4700.40	5314.89	6860.29	7413.99	9447.72	9730.22	11209.48	12033.93	12368.78
Other Income	335.69	164.92	6.19	9.53	27.80	87.46	53.64	78.10	444.70	604.44	663.65
Total Revenue	4228.14	4865.32	5308.15*	6869.82	7441.79	9535.18	9783.86	11287.58	12478.628	12973.22	11556.96
Earning Before Interest and Tax	341.88	478.85	612.62	996.65	995.53	1027.71	1359.2	1557.80	1,935.31	3212.09	1730.93
Profit Before Tax	269.44	408.89	491.91	753.92	761.72	843.63	975.56	994.04	1,534.63	2987.16	1358.16
Profit After Tax	221.33	364.86	603.51	722.41	587.64	608.97	714.54	765.54	1,218.65	2004.08	933.00
Net Worth	684.46	1280.06	1982.76	2710.15	5944.66	6553.67	7266.33	7565.53	8,989.12	12811.41	14143.87
No. of Equity Shares	26.91	49.99	53.32	58.30	116.60	183.27	183.27	183.27	183.27	183.27	191.14
Paid up Equity to Capital	269.14	499.90	533.23	538.21	1666.10	1832.71	1832.71	1832.71	1,832.71	1832.71	1911.49
Dividend Paid	0	0	0	0	0	0	0	366.54**	183.27	183.27	0
Book Value	25.44	25.61	37.19	46.49	50.98	35.76	39.65	41.28	49.05	69.90	74.00
EPS	8.22	9.85	12.07	6.47	4.47	3.32	3.90	4.18	6.65	10.88	4.91
<u>Secured Loan</u> Term Loan	303.91	227.00	191.8	23.25	14.54	605.54	600	563.75	571.02	298.95	60.00
Working Capital	385.30	727.67	1053.54	1865.09	362.79	2909.94	2834.53	3401.43	2335.6	3214.23	7027.19
Hire Purchase Loan	15.97	21.29	17.45	47.36	48.92	29.4	26.64	37.78	15.91	26.15	17.77

* 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 2018-19.



WE ARE AVAILABLE AT

Rajasthan • Madhya Pradesh • Gujarat • Maharashtra
Himachal Pradesh • Delhi • Uttarakhand • Uttar Pradesh
Punjab • Haryana • Jharkhand • Assam • Kerala

VETO SWITCHGEARS AND CABLES LTD.

Corp. Office : Plot No. 10, Days Hotel, Airport Plaza, Behind Raddison Blu Hotel, Durgapura, Tonk Road, Jaipur
Regd. Office. : 506, 5th Floor, Landmark Building, Link Road, Andheri (W), Mumbai - 400 053 (India)
Factory : (Haridwar) Plot, No. 65-67, 74-77, Sector-2E, Sidcual, Ranipur, Haridwar - 24403 (UK) India
Website : www.vetoswitchgears.com • Email : info@vetoswitchgears.com