



**SAN**

**50th Annual Report  
2019-20**

**San Engineering &  
Locomotive Co. Ltd.**



## DIRECTORS' REPORT

Your Directors present the Annual Report on the working of the Company together with the Audited Accounts for the year ended 31st March 2020.

(₹ in Crore)

Financial Results	Current Year 2019-20	Previous Year 2018-19
Net Sales and Other Income	147.92	160.26
Profit before Finance Cost, Depreciation and Taxes	26.02	28.72
Less: Interest & Finance Charges	1.63	0.86
Depreciation	5.75	4.53
Profit before Tax	18.64	23.33
Less: Tax Expenses	5.23	6.39
Profit for the year	13.41	16.94
Balance as per last Balance Sheet	19.92	21.57
<b>Amount available for appropriation</b>	<b>33.33</b>	<b>38.51</b>
<b>Appropriations</b>		
Transfer to General Reserve	10.00	10.00
Dividend on Equity shares (Including tax on dividends)	0.45	4.29

### Dividend

The Board has recommended a dividend of Rs 1 per equity share i.e., 10% of nominal value of Rs 10/- each for the financial year ended 31st March, 2020. The dividend if approved by the Members in the ensuing Annual General Meeting would involve a cash outflow of Rs 44.50 Lakh.

### Transfer to reserve

The Company proposes to transfer Rs 10 Crores to the General Reserve out of the amount available for appropriation.

### Performance of the Company

The Company posted a net Sales Turnover and Other Income of Rs 147.92 Crore for the year 2019-20 as compared to Rs 160.26 Crore of the year 2018-19. The corresponding profit before tax is Rs 18.64 Crore against Rs 23.33 Crore posted in the previous year. The highlights of the turnover is the supply of 10 nos. of High Speed Accident Relief Trains (HS SPART) to Railways and 14 nos. of shunting locomotives to various customers during the year under reference.

The turnover of the Company during the year 2019-20 was impacted as the approval of prototype Diesel Electric Tower Cars (DETC) by RDSO was under

process and the Company could not go ahead with the manufacturing of the same. Further, the orders received for the supply of HS SPART had staggered delivery schedule, due to which the Company could invoice only a part of it. However, the impact was contained to some extent by the sales of rolling stocks and spare parts. The prototype of DETC is now under oscillation test, which is the final testing process. It is hoped that the same would be approved soon and product would be taken up for regular production.

The R & D department has been further strengthened with the addition of few more testing equipments and various railway products.

### Current Year

The Company opened the financial year with an order backlog of Rs. 364 Crores. This includes the order for the supply of Diesel Electric Tower Cars (DETC), Rail Borne Maintenance Vehicles (RBMV) and Diesel Hydraulic Multiple Units (DHMU) for Indian Railways. These items are deliverable over a period of two to three years. While the Company has taken up an ambitious invoicing plan for the current financial year, the challenge in the light of economic slowdown due to Covid-19, would be to achieve the scheduled plan. The multiple lockdowns across the country, restricted use

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of manpower, disruption in supply chain and rescheduling of deliveries by customers are likely to affect the current year performance the company. Adhering to the government guidelines, the Company has resumed its operation in a phased manner and scaling up of its operations. The Company is also concentrating on controlling of costs and managing the resources to optimize its operations.

## Directors

Mr. Milind S Thakker will retire by rotation at the ensuing AGM and being eligible offer himself for reappointment.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on February 7, 2020, has co-opted Mr. Ramanathan Narayanan (DIN 06681365) as an Additional Director of the Company and appointed him as the Managing Director of the Company to hold an office for a period of three years from February 7, 2020 to February 6, 2023.

Mr. Apparao Mallavarapu, Mr. Udyant Malhoutra, Mr. Inder Mahadevan and Mr. Jasjiv Sahney were appointed as Additional Directors / Independent Directors of the Company effective from September 4, 2019 and they hold office up to the forthcoming Annual General Meeting. The Company has received notices in writing under Section 160 of the Companies Act, 2013 from a member proposing their appointment as Independent Directors effective from the above said date, for a term of five years. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors has proposed the reappointments of Independent Directors for a second term of five (5) consecutive years at the ensuing AGM for the approval of the Members by way of Special Resolution(s). Resolutions requiring the re-appointment(s) have been annexed to the Notice convening the ensuing AGM.

## Public Deposits

The Company has not accepted any public deposits from the public or the members during the year under review and no amount on account of principal or interest was outstanding as on the date of the balance sheet.

## Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013.

Details of loans, guarantees and investments made

under section 186 of the Companies Act, 2013 are given in the Note no. 36 to the Financial Statements.

## Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed together with proper explanation relating to material departure, if any;
- b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2020 and of the profit of the Company for the year;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the accounts for the year ended 31st March 2020 were prepared on going concern basis;
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Corporate Governance

### Constitution of the Board

The present strength of the Board of Directors of the Company is six directors. The Board comprises of one promoter director, one managing director and four independent directors.

### Board Meetings

The Board Meetings are conducted at least once every quarter to consider strategy and policy issues, matters relating to the operations of the Company and also review financial results and other reports. The Board met five times during the financial year under review. The meetings were held on June 26, 2019,

July 10, 2019, September 3, 2019, November 14, 2019 and February 7, 2020. Number of Board Meetings attended by directors is as under:

Name of Director	No of Board Meetings held	No of Board Meetings attended
Mr. Milind S Thakker	5	5
Mr. Inder Mahadevan	5	5
Mr. Jasjiv Sahney	5	5
Mr. Apparao Mallavarapu	5	4
Mr. Udayant Malhoutra	5	4
Mr. Ramanathan Narayanan	5	5

## Audit Committee

The composition of the Audit Committee is as under;

Mr. Milind S Thakker - Chairman  
Mr. Inder Mahadevan - Member  
Mr. Jasjiv Sahney - Member

During the year under review one audit committee meeting was held on July 10, 2019, to review the audited accounts of the Company.

## Corporate Social Responsibility Policy and its Report

The Corporate Social Responsibility (CSR) Policy of the Company primarily focuses on education, eradication of hunger, employment enhancing skill development, environment protection and health care. The Company aims to spend a minimum of 2% of its average net profits for the last three financial years on CSR activities and the Company is committed to uphold the interests of all stakeholders by implementing these objectives.

The Company has constituted a CSR Committee consisting of following Directors;

Mr. Milind S Thakker - Chairman  
Mr. Jasjiv Sahney - Member  
Mr. Apparao Mallavarapu - Member  
Mr. Udayant Malhoutra - Member

During the year under review the CSR committee meeting was held on July 10, 2019 to approve the CSR budget for the year and also monitored the implementation of CSR projects / initiatives.

The CSR policy adopted by the Board and the initiatives undertaken by the Company on CSR during the year

are available on the web site of the Company [www.san-engineering.com](http://www.san-engineering.com). The Annual Report on the CSR activities undertaken during the year 2019-20 is appended as Annexure A which forms part of this Report.

## Nomination and Remuneration Committee

The Company has in place a Nomination and Remuneration Committee in accordance with the requirements of Companies Act, 2013. The composition of the Nomination and Remuneration Committee is as under;

Mr. Apparao Mallavarapu - Chairman  
Mr. Udayant Malhoutra - Member  
Mr. Jasjiv Sahney - Member

During the year under review the Nomination and Remuneration Committee held its meeting on September 3, 2019 and February, 7, 2020 to consider the appointment of Independent Directors / Managing Director.

The Committee has formulated a policy on the appointment and remuneration of Directors and Key Managerial Personnel, Senior Management Personnel. There was no change in the Nomination and Remuneration Policy of the Company, during the year under review.

## Protection of women at workplace

The Company has formulated a policy on 'Protection of Women's Rights at Workplace' as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, and in compliance of the said provisions, an internal complaint committee has been constituted to address the grievances. There were no cases of sexual harassment complaints received by the Company in the financial year 2019-20.

## Report on the performance and financial position of Subsidiaries

The Company has two subsidiary companies namely M/s San Motors Ltd and M/s San Rolling Stock Services Ltd as at March 31, 2020. A report on the performance and financial position of these subsidiary companies is provided in the note no. 38 to the consolidated financial statements. Pursuant to the provisions of Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements

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of the Company's subsidiary in Form AOC-1 is appended as Annexure D to the financial statements of the Company, which forms part of this Report.

Pursuant to the provisions of Section 136 of the Act, the financial statements of the subsidiary company are available on the website of the Company [www.san-engineering.com](http://www.san-engineering.com). Any member desirous of having a copy of Financial Statements of subsidiary company can obtain the same from the Company by making a written request in this regard.

## Consolidated Financial Statements

In accordance with the provisions of Section 129(3) of the Act, the Consolidated Financial Statements of the Company including the financial details of the subsidiary companies, prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act is attached as a part of this Annual Report.

## Related party transactions

The transactions between the Company and its related parties during the year 2019-20 were in the ordinary course of business and based on the principles of arm's length. The details of material related party transactions at an aggregate level for the year ended March 31, 2020 in form AOC-2 is appended as Annexure B which forms part of this Report.

## Extracts of Annual Return

Extract of the annual return in the form MGT-9 as prescribed under Section 92(3) of the Companies Act, 2013 is available on the website of the Company [www.san-engineering.com](http://www.san-engineering.com).

## Internal financial controls with reference to financial statements

The Company has in place adequate internal financial controls with reference to financial statements during the year under review. Such controls were tested and no reportable material weakness in the design or operation were observed.

## Risk Management Framework

The Company has taken steps to strengthen its business process by setting up standard operating procedures in day to day business activities. Systems are established to create an environment for timely and

effective response by strengthening the internal control systems in the Company.

## Declaration by Independent directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence laid down in Section 149(6) of the Act.

## Auditors

At the AGM held on 21st August, 2017, M/s N R Rajagopalan & Co, Chartered Accountants were appointed as statutory auditors of the Company for a period of five years. Accordingly, they hold the office of Statutory Auditors till the conclusion of Annual General Meeting in the calendar year 2022.

## Cost Auditor and Cost Records

The provisions regarding the maintenance and audit of Cost Records as specified by the Central Government under Section (1) of Section 148 of the Companies Act, 2013 is applicable to the products manufactured by the Company and accordingly such accounts and records are made and maintained.

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors has appointed Mr. K Ramachandran, Cost Accountant in whole-time practice as the Cost Auditor for the year 2020-21. The remuneration payable to the cost auditor is placed for ratification by the members of the Company in terms of the said rules.

## Particulars of Employees

Information as per Rule 5(2) of Chapter XIII, of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure C which forms part of this report.

## Information required under Sec 134(m) of the Companies Act, 2013

### A) Conservation of Energy

#### i) The Steps taken or impact on conservation of energy:

The Company is making continuous efforts to conserve and optimize energy wherever practicable

by economizing on fuel and power.

The Company has taken several steps to reduce power consumption in all machines, especially in high consumption areas such as Heat Treatment by optimizing the loads and proper maintenance of furnaces. The Company has modernized the machine shop by installing several CNC machines in place of convention machines. These machines have low energy consumption compared to convention machines.

**ii) Steps taken by the Company for utilizing alternate sources of energy:**

No alternate source of energy was used during the financial year under review.

**iii) Capital investment on energy conservation equipment:**

No specific investment was made on energy conservation equipment during the year.

**(B) Research & Development and Technology Absorption**

**(i) Efforts made towards technology absorption:**

The Company continues to make technical efforts for development of products, process and improvement of quality through its in house R & D activities.

**(ii) Import of Technology:**

No import of technology was made in the previous three financial years and no foreign technical collaboration is in force as on the date.

**Research and Development**

The Company has a Research & Development Centre, which is recognized as an in-house R & D facility by the Ministry of Science and Technology, New Delhi. The R & D department is continuously engaged in the development of new range of products and improvement of existing products and processes.

**Specific areas in which R & D was carried out by the Company:**

During the year under review the Company carried R & D activities on various on going projects as well as development of new products.

**Ongoing projects:**

- Completed the Design & Development of Diesel Electric Tower Cars for Indian Railway
- Continued the Design & Development of Diesel Hydraulic Multiple Unit for Kalka - Shimla section of Indian Railways.
- Development of Worksite Tampers for Indian Railways
- Standardisation of locomotives and rail products.
- Development of gear boxes for standard and non-standard applications.
- Completed the Design & Development of gears and pinions for high speed railway application.

**New Products:**

- Design of Rail Borne Maintenance Vehicle for Indian Railways

Apart from the above, the R & D team also continued its work on standardization of various inputs and sub-assemblies of locomotives and rail vehicles.

**Benefits derived as a result of R & D:**

With orientation of R & D activities towards product development and cost reduction, the Company has been successfully achieving these objectives on a continuous basis. Value engineering activities are being undertaken for specific cost reduction.

Capital	: Rs. 0.92 Crore
Recurring	: Rs. 1.48 Crore
Total	: Rs. 2.40 Crore
Total R & D Expenditure as	:
Percentage of total turnover	1.66 %

**c) Foreign Exchange Earnings & Outflow:**

(₹ in crores)

i) Foreign Exchange Earned:	
Export of goods on FOB basis	0.39
ii) Out Flow of Foreign Exchange:	
Raw Material / Spares	14.10
Expenditure on Travelling/Others	0.22

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### **Significant orders by regulators/courts/tribunals**

There are no significant and material orders passed by the regulators or courts which would impact the going concern status of the company and its future.

### **Acknowledgement**

The Directors wish to place on record their sincere appreciation of the co-operation and the assistance extended by Company's bankers viz., State Bank of India and Canara Bank, during the year under review. The directors thank all the members for their confidence

reposed in the Company. The Directors also wish to place on record their appreciation of the dedicated services rendered by the executives, staff and workers at all levels.

For and on behalf of the Board

Bengaluru  
28th September 2020

**MILIND S THAKKER**  
*Chairman*  
DIN : 00617882

**Annexure A**

**Annual report on Corporate Social Responsibility (CSR) activities**

(Pursuant to Section 135 of the Companies Act, 2013)

**1) A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes**

The CSR policy of the Company aims at increased commitment of the organization in operating its business in an economically, socially and environmentally sustainable manner while recognizing the interests of all its stakeholders.

The CSR policy of the company sets the framework guiding the Company's CSR activity. The Company has continued to focus largely in the area of education, eradication of hunger, employment enhancing skill development, environment protection, health care and welfare activities to fulfill CSR objectives of the Company.

The Board has adopted a CSR policy of the Company, which is available on the web site of the company [www.san-engineering.com](http://www.san-engineering.com).

**2) Composition of the CSR Committee**

The Company has constituted a CSR committee consisting of the following directors:

Mr. Milind S Thakker (Chairperson)

Mr. Jasjiv Sahney

Mr. Apparao Mallavarapu

Mr. Udayant Malhoutra

The CSR committee reviews the CSR initiatives undertaken by the Company from time to time and also recommends annual CSR budget to the Board of Directors of the Company and also oversees implementation / monitoring of activities.

**3) Average net profit of the Company for the last three financial years:**

The average net profit of the Company for the last three financial years calculated as specified by the Companies Act, 2013 is ₹ 21.04 Crore

**4) Prescribed CSR Expenditure (two percent of the amount as in items 3 above)**

The prescribed CSR expenditure requirement for FY20 is ₹ 42.09 Lakh

**5) Details of CSR spent during the financial year**

**a) Total amount to be spent for the financial year:**

Total amount spent towards CSR during FY20 was ₹ 43.58 Lakh

**b) Amount unspent, if any**

Nil

**c) Manner in which the amount spent during the financial year is detailed below:**

The Statement showing the details of CSR spent is attached.

**6) Reasons for not spending the amount, if any**

Company has spent the amount budgeted for CSR activities.

**7) Responsibility statement of the CSR Committee:**

The CSR Committee hereby confirms that the implementation and monitoring of CSR activities is in compliance with the CSR objectives and the CSR policy of the Company.

**MILIND S THAKKER**

*Chairman*

*CSR Committee*

Date: 28th September 2020



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Enclosure to Annual Report on CSR activities

Manner in which the amount spent during the financial year is detailed below:

Sl. 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 of outlay (budget) project or programs wise (₹ lakhs)	Amount spent on the projects or programs		Cumulative expenditure up to the reporting period (₹ lakhs)	Amount spent Direct or through implementing agency
					Direct Expenditure on projects or programs (₹ lakhs)	Overhead (₹ lakhs)		
1	Mid-day meal programme for School Children	Hunger Eradication/ Malnutrition, Health Care	Bengaluru and Mysuru-Karnataka	16.84	6.27	NIL	6.27	Akshaya Patra Foundation
2	Support the treatment of poor cancer patients		Bengaluru - Karnataka		4.00	NIL	4.00	Manipal Foundation/ Manipal Hospital
3	Supporting Eye Care		Bengaluru - Karnataka		5.24	NIL	5.24	Shankara Eye Foundation
4	Others CSR activities		Tumkur Dist-Karnataka		1.56	NIL	1.56	Sunder Serendipity Foundation
5	Job oriented training programme for unemployed youth	Promoting Education including Employment enhancing skill development	Bengaluru - Karnataka	21.05	6.24	NIL	6.24	SGBS Trust - Unnati
6	Support with teachers at Government Schools		Mysuru - Karnataka		4.43	NIL	4.43	Direct
7	Self reliant training to blinds and physically challenged		Bengaluru - Karnataka		3.00	NIL	3.00	National Association for the Blind
8	Support the education of slum dwellers and nomad workmen		Bengaluru - Karnataka		2.10	NIL	2.10	Samriddhi Trust
9	Creating CD's & Braille books library and distribution of Daisy players for visually impaired.		Bengaluru - Karnataka		1.94	NIL	1.94	Mitra Jyothi
10	Self reliant & Employment oriented training of the blinds		Bengaluru - Karnataka		1.32	NIL	1.32	Prerana Resource Centre
11	Renovation of School building in Flood affected area		Belgaum District Karnataka		5.50	NIL	5.50	United Ways, Bengaluru

## SAN ENGINEERING & LOCOMOTIVE CO. LTD.,

Enclosure to Annual Report on CSR activities (Contd...)

Manner in which the amount spent during the financial year is detailed below:

Sl 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 (₹ lakhs)	Amount spent on the projects or programs		Cumulative expenditure up to the reporting period (₹ lakhs)	Amount spent Direct or through implementing agency
					Direct Expenditure on projects or programs (₹ lakhs)	Overhead (₹ lakhs)		
12	Tree planting	Ensuring Environment Sustainability	Bengaluru - Karnataka	2.10	1.25	NIL	1.25	Adamya Chetana
13	Others CSR activities	Education / Training / sports etc	Bengaluru / Other places	2.10	0.73	NIL	0.73	Direct

**Annexure 'B'**  
**Form No AOC-2**

(Pursuant to clause (h) of Sub-section (3) of section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

**1 Details of contracts or arrangements or transactions not at arm's length basis:**

The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year.

**2 Details of material contracts or arrangement or transaction at arm's length basis**

Sl. no.	Name(s) of related party or nature of relationship	Nature of the contracts / arrangements/ transactions	Duration of the contract / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
i	San Motors Ltd	Rent Contract	Three years	Lease of factory shed at Whitefield road, Bangalore on a rent of ₹ 1.00 lakh p.m.	1st June, 2017	NIL
		Purchase / sale of material	Ongoing	Sale of material & Purchase of fabricated items valued at ₹ 169.95 lakh during the year.	26th June, 2019	NIL
ii	San Rolling Stock Services Ltd	Rent Contract	Three years	Lease of office space at Whitefield Road, Bangalore on rent of ₹ 12,000 p.m.	1st June, 2017	NIL
		Sale/Purchase/ Service contract	Ongoing	Locomotive & Rail Vehicle Servicing Charges and Administrative Service Charges of ₹ 94.96 lakh during the year	26th June, 2019	NIL
iii	Sonmil Engineering Pvt Ltd	Supply of material	Ongoing	Sale of material valued at ₹ 168.63 lakh during the year.	26th June, 2019	NIL

**Annexure 'C'**

**Statement of particulars of employees**

(Pursuant to Sub rule 2 of rule 5 of Chapter XIII / Section 134 of the Companies Act, 2013)

Name of the employee/ (Age)	Designation	Remuneration Received	Nature of Employment	Qualification/ (Experience)	Date of Commencement	Last employment held	% of Equity shares held	Whether Employee is a relative of director / manager
Ramanathan Narayanan (61 Yrs)	Managing Director	₹ 117.02 lakhs	Contractual	B.E(Hons), PGDMM (39 Yrs)	19/02/2010	CEO, ICIL	NIL	No

## INDEPENDENT AUDITORS' REPORT

To the Members of San Engineering & Locomotive Co. Ltd.

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of M/S. SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED ("the Company"), which comprises the Balance Sheet as at 31 March 2020, and the statement of Profit and Loss (including Other Comprehensive Income), and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 state of affairs of the Company as at 31 March 2020, and Profit, and its cash flows 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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.

#### Emphasis of Matter

We draw your attention to Note No. 40 to the standalone financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required to be made for the financial results and carrying value of assets and liabilities as it does not have any impact for the current financial year. However, in view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is dependent upon circumstances as they evolve.

#### Other Information

The Company's Board of Directors are responsible for other informations. The other information comprises the information included in the Directors report but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the 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 in the 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 the Management and Those Charged with Governance for Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, or otherwise and to issue an auditors' 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 but not for the purpose of expressing our opinion under section 143(3)(i) of the Companies Act, 2013 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 auditors' 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying

transactions and events in a manner that achieves fair presentation.

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.

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.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' 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" 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of Accounts.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards 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 31 March 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of

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the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company does not have any pending litigations which would impact its financial position.
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(h) As required by Section 197(16) of the Act, we report that the remuneration paid by the company to its directors is in accordance with the prescribed provisions and the remuneration paid to every director is within the limit specified under Section 197.

For **N. R. RAJAGOPALAN & CO.**,  
Firm Registration No. 003400S  
Chartered Accountants

(R. NARASIMHAN)

Membership No. 018376

Partner

Place : Chennai

Date : 28 September, 2020

UDIN : 20018376AAAAAF1054

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## “ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 1 on ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED (“the Company”) on the financial statements as of and for the year ended 31 March 2020.

- (i) In respect of the Company’s property, plant and equipment:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.
  - (b) The Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain property, plant and equipment were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The title deeds of Bangalore & Mysore units are mortgaged to bankers and the title deeds of other properties of the Company are available with the company.
- (ii) The inventory, except goods in transit and stocks lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in the books of account.
- (iii) Based on our audit procedures & according to the information and explanation given to us, the Company has granted unsecured loans to two companies covered in the register maintained under Section 189 of the Act. There are no firms/Limited Liability Partnership/other parties covered in the register maintained under Section 189 of the Act.
  - (a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company’s interest.
  - (b) In respect of 2 loans, which is repayable on demand, we are informed that the amount of interest and principal demanded by the Company has been paid during the year and thus, there has been no default on the part of the parties to whom the money has been lent.
  - (c) There are no amounts overdue for more than ninety days at the balance sheet date.
- (iv) Based on our audit procedures & according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees, and securities, as applicable.
- (v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under sec.148[1] of the Companies Act,2013 for the products of the Company.

We have broadly reviewed the cost records maintained by the Company under the Act and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the accounts and records with a view to determine whether these are accurate or complete.

- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, except for few delays, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues were in arrears, as at 31 March 2020 for a period of more than six months from the date they became payable.

- (b) There are no dues relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax, Goods and Services Tax (GST) which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures & as per the information and explanation given by the Management, the Company has not defaulted in repayment of loans or borrowings to financial institution, bank or dues to debenture holders. The company has not borrowed any funds from the Government during the year.
- (ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.

- (x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.
- (xi) According to the information and explanations given to us, the managerial remuneration paid by the Company is within the limits prescribed under the provisions of Section 197 read with Schedule V of the Act.
- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.
- (xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable.
- (xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For **N. R. RAJAGOPALAN & CO.,**  
Firm Registration No. 003400S  
Chartered Accountants

(R. NARASIMHAN)

Membership No. 018376

Partner

Place : Chennai

Date : 28 September, 2020

UDIN : 20018376AAAAAF1054



## “ANNEXURE B” TO INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph 2(f) on ‘Report on Other Legal and Regulatory Requirements’ of our report of even date

### **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 M/S. SAN ENGINEERING AND LOCOMOTIVE COMPANY Ltd (‘the Company’) as at March 31,2020 in conjunction with our audit of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the respective 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 (the Guidance Note). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company’s policies, the safeguarding of its assets, the prevention and detection of frauds, and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **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 Standard on Auditing prescribed under section 143 (10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with the 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 auditors’ 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 control 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

## **Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Company have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over

financial reporting were operating effectively as at March 31, 2020, based on the internal 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 Control over financial reporting issued by the Institute of Chartered Accountants of India.

For **N. R. RAJAGOPALAN & CO.,**  
Firm Registration No. 003400S  
Chartered Accountants

(R. NARASIMHAN)

Place : Chennai

Date : 28 September, 2020

UDIN : 20018376AAAAAF1054

*Membership No. 018376*

*Partner*

# ANNUAL REPORT 2019 - 2020

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2020

Particulars	Note No.	(₹ in Lakhs)	As at 31 <sup>st</sup> March 2020 (₹ in Lakhs)	As at 31 <sup>st</sup> March 2019 (₹ in Lakhs)
<b>EQUITIES AND LIABILITIES :</b>				
<b>Shareholders' Funds :</b>				
Share Capital	2	445.00		445.00
Reserves and Surplus	3	18,474.68	18,919.68	17,562.98
				18,007.98
<b>Non Current Liabilities :</b>				
Deferred Tax Liability (Net)	4	49.20		-
Long Term Provisions	5	141.77	190.97	131.24
<b>Current Liabilities :</b>				
Short Term Borrowings	6	311.43		472.84
Trade Payables	7	2,402.94		1,379.25
Other Current Liabilities	8	531.23		717.41
Short Term Provisions	9	1,822.88		1,690.00
			5,068.48	4,259.50
TOTAL			<u>24,179.13</u>	<u>22,398.72</u>
<b>ASSETS :</b>				
<b>Non Current Assets</b>				
Property, Plant & Equipment	10			
Tangible Assets		5,226.81		3,936.29
Intangible Assets		43.74		44.25
Capital Work in progress		-		127.68
		5,270.55		4,108.22
Long Term Loans & Advances	11	2,770.42		2,748.63
Deferred Tax Asset (Net)	12	-		47.51
Non Current Investments	13	2,174.92		2,174.92
			10,215.89	9,079.28
<b>Current Assets</b>				
Current Investments	14	633.06		1,672.65
Inventories	15	4,022.65		2,776.67
Trade Receivables	16	7,296.36		6,792.83
Cash & Cash Equivalents	17	358.01		886.19
Short Term Loans & Advances	18	1,568.19		1,167.41
Other Current Assets	19	84.97		23.69
			13,963.24	13,319.44
TOTAL			<u>24,179.13</u>	<u>22,398.72</u>

Significant Accounting Policies 1  
The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For **N. R. RAJAGOPALAN & CO.,**  
Firm Registration No. 003400S  
Chartered Accountants

**MILIND S THAKKER**  
Chairman  
DIN : 00617882

**RAMANATHAN NARAYANAN**  
Managing Director  
DIN : 06681365

**R. NARASIMHAN**  
Membership No. 018376  
Partner

**KISHORE GOVINDE**  
Vice President (Finance) & Company Secretary  
M.No. F2333

Place : Chennai  
Dated : 28th September, 2020

Place : Bengaluru  
Dated : 28th September, 2020

# SAN ENGINEERING & LOCOMOTIVE CO. LTD.,

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	Note No.	Year Ended 31 <sup>st</sup> March 2020 (₹ in Lakhs)	Year Ended 31 <sup>st</sup> March 2019 (₹ in Lakhs)
<b>INCOME :</b>			
Revenue from Operations ( Gross )	20	<b>16,108.13</b>	16,954.89
Less : GST		<b>1,692.08</b>	1,264.48
Revenue from Operations ( Net )		<b>14,416.05</b>	15,690.41
Other Income	21	<b>376.08</b>	335.23
<b>TOTAL REVENUE</b>		<b>14,792.13</b>	16,025.64
<b>EXPENSES :</b>			
Cost of Materials Consumed	22	<b>7,813.94</b>	7,856.52
Changes in Inventories of Work in Progress	23	<b>(866.62)</b>	382.44
Employee Benefit Expenses	24	<b>2,767.98</b>	2,622.14
Finance Cost	25	<b>162.55</b>	86.09
Depreciation and Amortization		<b>575.00</b>	452.80
Other Expenses	26	<b>2,474.85</b>	2,292.93
<b>TOTAL EXPENSES</b>		<b>12,927.70</b>	13,692.92
<b>Profit before Tax</b>		<b>1,864.43</b>	2,332.72
Tax Expenses:			
Current Tax		<b>415.00</b>	647.00
Excess / (Short) provision relating to prior years		<b>11.83</b>	-
Deferred Tax		<b>96.71</b>	(7.80)
<b>Profit for the year</b>		<b>1,340.89</b>	1,693.52
Earnings per Equity Share	27		
Basic		<b>₹ 32.31</b>	₹ 37.88
Diluted		<b>₹ 32.31</b>	₹ 37.88

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For **N. R. RAJAGOPALAN & CO.,**  
Firm Registration No. 003400S  
Chartered Accountants

**MILIND S THAKKER**  
Chairman  
DIN : 00617882

**RAMANATHAN NARAYANAN**  
Managing Director  
DIN : 06681365

**R. NARASIMHAN**  
Membership No. 018376  
Partner

**KISHORE GOVINDE**  
Vice President (Finance) & Company Secretary  
M.No. F2333

Place : Chennai  
Dated : 28th September, 2020

Place : Bengaluru  
Dated : 28th September, 2020

# ANNUAL REPORT 2019 - 2020

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	(₹ in Lakhs)	2019-20 (₹ in Lakhs)	2018-19 (₹ in Lakhs)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>			
Net Profit before tax and extra ordinary items		<b>1,864.43</b>	2,332.72
Depreciation	<b>575.00</b>		452.80
Finance Cost	<b>162.55</b>		86.09
Interest Income	<b>(109.44)</b>		(86.57)
Dividend Income from Current Investments	<b>(249.63)</b>		(169.86)
Loss on Sale of Assets	<b>0.25</b>		0.19
Gain on Sale of Assets	<b>(0.70)</b>		(3.48)
		<b>378.03</b>	279.17
Operating Profit before Working Capital Changes		<b>2,242.46</b>	2,611.89
Adjustments for (Increase)/Decrease in Operating Assets			
Inventories	<b>(1,245.98)</b>		895.13
Trade Receivables	<b>(503.53)</b>		899.25
Short Term / Long Term Loans & Advances	<b>(422.57)</b>		(801.54)
Other Current Assets	<b>(61.28)</b>		(8.11)
		<b>(2,233.36)</b>	984.73
Adjustments for (Increase)/Decrease in Operating Liabilities			
Trade Payables	<b>1,023.69</b>		(2,018.20)
Short Term Borrowings / Provisions	<b>(28.53)</b>		690.16
Other Current & Long Term Provisions	<b>(175.65)</b>		(152.10)
		<b>819.51</b>	(1,480.14)
Cash Generated from Operations		<b>828.61</b>	2,116.48
Less : Direct Taxes Paid		<b>415.00</b>	647.00
Cash Inflow before Extra Ordinary Items		<b>413.61</b>	1,469.48
Add: Excess / (Short) provision of prior years		<b>(11.83)</b>	-
Net Cash Generated from Operating Activities (A)		<b>401.78</b>	1,469.48
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>			
Purchase of Fixed Assets		<b>(1,738.45)</b>	(708.96)
Investment in Subsidiaries		-	(2,074.92)
Proceeds from Sale of Fixed Assets		<b>1.58</b>	4.38
Proceeds from Sale / Redemption of Investments		<b>1,039.58</b>	1,554.88
Interest Income		<b>109.44</b>	86.57
Dividend Income from Current Investments		<b>249.63</b>	169.86
Net Cash used in Investing Activities (B)		<b>(338.22)</b>	(968.19)

# SAN ENGINEERING & LOCOMOTIVE CO. LTD.,

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	2019-20 (₹ in Lakhs)	2018-19 (₹ in Lakhs)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Finance Cost	(162.55)	(86.09)
Dividend Paid	(356.00)	(356.00)
Tax on Dividend	(73.19)	(73.19)
Net Cash used in Financing Activities (C)	<u>(591.74)</u>	<u>(515.28)</u>
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	(528.18)	(13.99)
Add: Cash & Cash Equivalents as at 1.4.2019	886.19	900.18
<b>CASH &amp; CASH EQUIVALENTS AS AT 31.3.2020**</b>	<u><b>358.01</b></u>	<u>886.19</u>
** Comprises :		
a. Cash on hand	7.32	5.93
b. Balances with Banks :		
In Current Accounts	14.68	6.11
Unpaid Dividend	11.67	11.14
In Deposit Accounts	18.96	595.40
In Margin Money Accounts	305.38	267.61
	<u><b>358.01</b></u>	<u>886.19</u>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For **N. R. RAJAGOPALAN & CO.,**  
Firm Registration No. 003400S  
Chartered Accountants

**R. NARASIMHAN**  
Membership No. 018376  
Partner

Place : Chennai  
Dated : 28th September, 2020

**MILIND S THAKKER**  
Chairman  
DIN : 00617882

**KISHORE GOVINDE**  
Vice President (Finance) & Company Secretary  
M.No. F2333

Place : Bengaluru  
Dated : 28th September, 2020

**RAMANATHAN NARAYANAN**  
Managing Director  
DIN : 06681365

## NOTES TO THE FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### a. Fixed Assets :

Fixed Assets are stated at cost of acquisition or construction less GST. They are stated at historical cost less accumulated depreciation.

#### b. Depreciation :

- i) Buildings, Plant & Machinery are depreciated under SLM and other Assets under WDV based on the useful life of asset as estimated by the Management, and in compliance with Schedule II of Company's Act 2013, by retaining 5% of cost as residual value.
- ii) Useful life of Patterns & Tools is determined as 5 years by the Management. The rate of depreciation is determined under WDV based on the remaining useful life on the carrying cost by retaining 5% of cost as residual value.

#### Impairment of Assets :

To provide for impairment loss, if any, to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

#### c. Investments :

Long Term Investments are stated at cost.

#### d. Inventories :

- i) Raw Materials, Spare Parts, Consumable Spares are valued at cost, including the cost incurred in bringing the inventories to their present location and condition or net realisable value, whichever is lower.
- ii) Process Stock is valued at cost including the cost of conversion. The cost of conversion includes direct costs including systematic allocation based on machine hours rate and administrative overheads. The guidelines on Accounting Standard 2 was considered and the value is exclusive of GST.
- iii) Obsolete, slow moving inventories carried over in the Books of Accounts are identified at the time of physical verification and are valued at net realisable value.

#### e. Revenue Recognition :

Sales and Services are recognised on delivery and on completion of service when all significant risks and rewards of ownership have been transferred to the Customers. Interest is accounted on time proportion basis. Gross Sales includes GST and excludes discounts and Sales Return wherever applicable.

#### f. Employee Benefits as per Accounting Standard 15 :

##### I. Short Term :

Short Term Employee Benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

##### II. Post Retirement :

Post Retirement benefits comprise of Provident Fund, Superannuation Fund and Gratuity which are accounted as follows :

- i) **Provident Fund** : The Company is making Provident Fund Contribution to the Provident Fund Organisation of the Central Government and charges to Revenue. The Company has no further obligations for future Provident Fund benefits other than annual contributions.
- ii) **Superannuation Fund** : This is a defined contribution plan. The Company contributes a sum equivalent to defined contribution plan for eligible employees' salary towards superannuation fund administered by the trustees and managed by Life Insurance Corporation of India. The Company has no further obligations for future Superannuation benefits other than its annual contributions and recognises such contributions as expense in the year incurred.
- iii) **Gratuity** : The Company has taken a Group Gratuity policy for future payment of gratuity with the Life Insurance Corporation of India. Payment of contribution as per the demand made by Life Insurance Corporation of India is charged to Revenue. This is a defined benefit plan and the Company's scheme is administered by Trustees and funds managed by LIC of India. The liability for gratuity to employees as at the Balance Sheet date is determined based on the Actuarial Valuation using the Projected Unit Credit method.
- iv) **Leave Encashment** : Liability for Leave Encashment is provided at current salary levels for the remaining leave balance standing to the credit of the Employees as at the date of the Balance Sheet in accordance with the said Accounting Standard 15. Leave accumulation is restricted to 75 days.

**g. GST Inputs :**

GST Inputs are taken into account at the time of purchase. GST Input on purchase of capital items wherever applicable are taken into account as and when the assets are acquired. GST Inputs so taken are utilised for payment of GST on goods manufactured / Output services. The unutilised GST credit is carried forward in the books.

**h. Foreign Currency Transactions :**

Transactions on account of Import of Raw Materials and other inputs are accounted at Standard / Original Rates of Exchange in force at the time the transactions are effected. Export sales realisations are accounted at actuals as per Accounting Standard 11.

**i. Research & Development :**

Research & Development expenditure of revenue nature is charged to revenue and capital nature is included as part of fixed assets and depreciation is charged on the same basis as other fixed assets.

**j. Contingent Liabilities :**

Contingent Liabilities are not recognised in the books of accounts but are disclosed in the Notes on accounts.

**k. Taxes on Income :**

- i) Current tax is the amount of Tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961.
- ii) Deferred Tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified by using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date and are capable of reversal in one or more subsequent periods.

- I. Accounting Standards prescribed under Section 133 of the Companies Act, 2013 have been followed wherever applicable.



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## NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2020		As at 31.03.2019	
	In Numbers	₹ in Lakhs	In Numbers	₹ in Lakhs
<b>2. SHARE CAPITAL</b>				
<b>Authorised :</b>				
Redeemable Preference Shares of ₹ 100/- each	25,000	25.00	25,000	25.00
Equity Shares of ₹ 10/- each	47,50,000	475.00	47,50,000	475.00
TOTAL		<u>500.00</u>		<u>500.00</u>
<b>Issued, Subscribed &amp; Paid up:</b>				
Equity Shares of ₹ 10/- each	44,50,000	445.00	44,50,000	445.00
<b>a. Reconciliation of the number of shares</b>				
Shares outstanding at the beginning of the year	44,50,000	445.00	44,50,000	445.00
Shares outstanding at the end of the year	44,50,000	445.00	44,50,000	445.00
<b>b. Details of Shareholders holding more than 5% shares in the Company</b>				
Name of the Shareholder	<b>Equity Shares</b>			
	As at 31.03.2020		As at 31.03.2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Milind S. Thakker	18,55,284	41.69	18,55,284	41.69
Sonmil Engineering Pvt. Ltd.,	15,32,252	34.43	15,32,252	34.43
Importex International Pvt. Ltd.,	415,343	9.33	415,343	9.33
Particulars	As at 31.03.2020		As at 31.03.2019	
	₹ in Lakhs		₹ in Lakhs	
<b>3. RESERVES AND SURPLUS</b>				
<b>Capital Reserve :</b>				
Surplus on re-issue of forfeited shares		0.09		0.09
Securities Premium Reserve		767.39		767.39
<b>General Reserve</b>				
Opening Balance	14,373.82		13,373.82	
Add : Transfer from Surplus in Statement of Profit and Loss	<u>1,000.00</u>		<u>1,000.00</u>	
		15,373.82		14,373.82
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>				
Opening Balance	2,421.68		2,157.35	
Add : Profit for the year	<u>1,340.89</u>		<u>1,693.52</u>	
	3,762.57		3,850.87	
Less : Appropriations				
Transferred to General Reserve	1,000.00		1,000.00	
Dividend	356.00		356.00	
Tax on Dividend	<u>73.19</u>		<u>73.19</u>	
	1,429.19		1,429.19	
Closing Balance		<u>2,333.38</u>		<u>2,421.68</u>
TOTAL		<u>18,474.68</u>		<u>17,562.98</u>
<small>(The Company has paid dividend of ₹ 8/- per share on the equity share of face value of ₹10/- each pertaining to FY 2018-19, post approval by the members in 49th AGM held on 3rd September, 2019. For the current year the Company has recommended a dividend of ₹ 1/- per share - Refer Note No. 39)</small>				

**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	As at 31.03.2020	As at 31.03.2019
	₹ in Lakhs	₹ in Lakhs
<b>4. DEFERRED TAX LIABILITY (NET)</b>		
<b>Deferred Tax Liability - Depreciation on Fixed Assets</b>		
Opening Balance	75.49	-
Add : Transfer from Statement of Profit and Loss	20.41	-
	<u>95.90</u>	-
Deferred Tax Asset - Depreciation on Fixed Assets		
Opening Balance	123.00	-
Less : Transfer from Statement of Profit and Loss	76.30	-
	<u>46.70</u>	-
TOTAL	<u>49.20</u>	-
<b>5. LONG TERM PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
Leave Encashment	141.77	131.24
TOTAL	<u>141.77</u>	<u>131.24</u>
<b>6. SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
<b>Working Capital Loan from Banks :</b>		
Canara Bank	114.38	353.65
State Bank of India	197.05	119.19
TOTAL	<u>311.43</u>	<u>472.84</u>
<p>(Working Capital facilities from Banks are primarily secured by hypothecation of Inventories and Book Debts of the Company and further secured by hypothecation of Plant &amp; Machineries and Equitable Mortgage of Immovable properties of Bengaluru and Mysuru Units)</p>		
<b>7. TRADE PAYABLES</b>		
Trade Payables	2,402.94	1,379.25
TOTAL	<u>2,402.94</u>	<u>1,379.25</u>
<b>8. OTHER CURRENT LIABILITIES</b>		
Advances from Customers	87.14	161.23
Accrued Salaries & Benefits	205.30	347.31
Unpaid Dividends	11.47	11.02
Statutory Dues	40.53	43.24
Provision for Expenses	94.21	109.13
Creditors for Capital Goods	86.33	31.68
Other Liabilities	6.25	13.80
TOTAL	<u>531.23</u>	<u>717.41</u>
<b>9. SHORT TERM PROVISIONS</b>		
Provision for Taxation	1,822.88	1,690.00
TOTAL	<u>1,822.88</u>	<u>1,690.00</u>

## NOTES TO THE FINANCIAL STATEMENTS

10. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS  
TANGIBLE ASSETS

(₹ in Lakhs)

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1.4.2019	Additions	Deductions 31.3.2020	Upto 31.3.2019	For the year	Withdrawn 31.3.2020	As at 31.3.2020	As at 31.3.2019
Land Freehold	339.55		339.55	-	-	-	339.55	339.55
Buildings	1,259.34	139.26	1,398.60	305.60	36.21	341.81	1,056.79	953.74
Plant and Machinery***	4,160.39	1,571.90	5,732.29	2,176.53	346.66	2,523.19	3,209.10	1,983.86
Computers	189.70	1.73	191.43	142.14	12.73	154.87	36.56	47.56
Furniture, Fixtures & Office Equipments	258.15	22.61	280.13	166.33	28.58	0.60	85.82	91.82
Electrical Installations	180.66	3.26	183.92	111.99	17.98	129.97	53.95	68.67
Patterns, Jigs & Fixtures	255.39	7.53	262.92	160.92	42.94	203.86	59.06	94.47
Vehicles	311.90	13.81	310.51	240.14	25.15	251.18	59.33	71.76
Tools	183.10	91.42	274.52	147.12	31.48	178.60	95.92	35.98
Test Track	286.72		286.72	37.84	18.15	55.99	230.73	248.88
	7,424.90	1,851.52	9,260.59	3,488.61	559.88	4,033.78	5,226.81	3,936.29
Capital Work in Progress	127.68		0.00			0.00	0.00	127.68
<b>Total</b>	7,552.58	1,851.52	9,260.59	3,488.61	559.88	4,033.78	5,226.81	4,063.97
Previous Year Total	7,484.71	1,060.41	7,552.58	3,665.81	440.58	3,488.61	4,063.97	

\*\*\* Assets worth of Rs.92.48 Lakhs included in additions to Plant &amp; Machinery have been incurred for Research &amp; Development.

## INTANGIBLE ASSETS

Description of Assets	GROSS BLOCK			AMORTIZATION			NET BLOCK	
	As at 1.4.2019	Additions	Deductions 31.3.2020	Upto 31.3.2019	For the year	Withdrawn 31.3.2020	As at 31.3.2020	As at 31.3.2019
Computers - Software	101.82	14.61	116.43	57.57	15.12	72.69	43.74	44.25
Previous Year Total	79.61	22.21	101.82	45.35	12.22	57.57	44.25	

**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	As at 31.03.2020	As at 31.03.2019
	₹ in Lakhs	₹ in Lakhs
<b>11. LONG TERM LOANS AND ADVANCES</b>		
Unsecured Considered Good		
Capital Advances	6.40	192.53
Intercorporate Loans - Bydesign India Pvt Ltd ***	180.00	180.00
Intercorporate Loans - Velankani Electronics Pvt Ltd ***	300.00	300.00
Security Deposits	190.27	150.71
Tender Deposits	87.44	91.92
Tax payments pending Adjustments	<u>2,006.31</u>	<u>1,833.47</u>
TOTAL	<u>2,770.42</u>	<u>2,748.63</u>
(***Refer Note 36 to Financial Statements)		
<b>12. DEFERRED TAX ASSET (NET)</b>		
Deferred Tax Asset - Depreciation on Fixed Assets		
Opening Balance	-	105.18
Add : Transfer from Statement of Profit and Loss	<u>-</u>	<u>17.82</u>
	-	123.00
Deferred Tax Liability - Depreciation on Fixed Assets		
Opening Balance	-	65.47
Add : Transfer from Statement of Profit and Loss	<u>-</u>	<u>10.02</u>
	-	75.49
TOTAL	<u>-</u>	<u>47.51</u>
<b>13. NON CURRENT INVESTMENTS</b>		
Investments in the Equity Shares of Subsidiary Company		
SAN Rolling Stock Services Ltd.,		
10,00,000 Equity Shares of ₹10/- each Fully paid up	100.00	100.00
( Market Value of Unquoted Investment ₹1,00,00,000/- Previous Year Rs.1,00,00,000/- ) The investment is a non-trade investment in nature.		
Investments in the Equity Shares of Subsidiary Company		
SAN Motors Ltd.,		
24,79,000 Equity Shares of ₹ 83.70 each Fully paid up	2,074.92	2,074.92
(Market Value of Unquoted Investment ₹ 20,74,92,300/- Previous Year Nil)		
The investment is a non-trade investment in nature.		
TOTAL	<u>2,174.92</u>	<u>2,174.92</u>

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## NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2020	As at 31.03.2019
	₹ in Lakhs	₹ in Lakhs
<b>14. CURRENT INVESTMENTS</b>		
<b>In Mutual Funds :</b>		
Canara Robeco Capital Protection Oriented Fund - Series 6 ( C Y Nil & P Y 4,99,990 Units @ ₹10/ each )	-	50.00
Canara Robeco Capital Protection Oriented Fund - Series 7 ( C Y Nil & P Y 5,00,000 Units @ ₹10/ each )	-	50.00
Canara Robeco Dynamic Bond Fund - Direct Growth ( C Y Nil & P Y 17,32,658 Units @ ₹17.3144 each )	-	300.00
Canara Robeco Income Fund - Direct Growth ( C Y Nil & P Y 6,11,959.525 Units @ ₹32.6819 each )	-	200.00
Canara Robeco Liquid - Direct Growth ( C Y & P Y 9,123.5380 Units @ ₹ 2055.8626 )	187.57	187.57
Canara Robeco Savings Plus Fund - Direct Daily Dividend ( C Y 7,294.951 @ ₹ 10.26 each P Y 1,48,200.199 @ ₹ 10.26 each )	0.75	15.21
Canara Robeco Liquid Fund ( C Y 84.988 Units @ ₹ 1005.5 each P Y 81.849 Units @ ₹ 1005.5 each )	0.85	0.82
HDFC Credit Risk Debt Fund / Corporate Debt Opportunity Fund ( C Y & P Y 1,33,112.50 Units @ ₹ 10.1459 each )	13.50	13.50
HDFC Balanced Advantage Fund / Prudence Fund Growth ( C Y & PY 16,874.354 Units @ ₹ 177.784 each )	30.00	30.00
HDFC Hybrid Equity Fund / Balanced Fund Growth ( C Y & P Y 40,339.076 @ ₹ 49.5797 each )	20.00	20.00
ICICI Prudential Credit Risk Fund - Growth ( C Y & P Y 3,64,846.301 Units @ ₹ 17.4896 each )	63.81	63.81
ICICI Prudential Balanced Advantage Fund Growth ( C Y & P Y 1,57,105.793 Units @ ₹30.4542 each )	47.84	47.84
ICICI Prudential Balanced Fund - Growth ( C Y & PY 41,667.29 Units @ ₹114.8269 each )	47.84	47.84

**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	As at 31.03.2020	As at 31.03.2019
	₹ in Lakhs	₹ in Lakhs
Reliance Equity Hybrid Fund - Growth ( C Y Nil & P Y 48,323.092 @ ₹ 51.7351 each )	-	25.00
State Bank of India - Debt Fund Series B 41 - Regular Growth ( C Y Nil & P Y 7,00,000 Units @ ₹ 10/- each )	-	70.00
State Bank of India - Debt Fund Series B 42 - Regular Growth ( C Y Nil & P Y 20,00,000 Units @ ₹ 10/- each)	-	200.00
State Bank of India - Debt Fund Series B 49 - Regular Growth ( C Y & P Y 10,00,000 Units @ ₹ 10/- each)	100.00	100.00
SBI Liquid Fund Reg Growth ( C Y 28.799 @ ₹ 3042.328 & P Y Nil )	0.88	-
SBI Magnum Medium Duration Fund ( C Y & P Y 2,09,090.174 Units @ ₹ 28.3886 each )	59.36	59.36
SBI Credit Risk Fund ( C Y & P Y 2,28,114.331 Units @ ₹ 26.3026 each )	60.00	60.00
State Bank of India - Magnum Low Duration Fund - Daily Dividend ( C Y 25.667 Units @ ₹ 2554.49 each & P Y 62.39 Units @ ₹ 1010.4649 each)	0.66	0.63
State Bank of India - Banking & PSU Fund - Daily Dividend ( C Y Nil & P Y 1027.532 Units @ ₹1025.2561 each)	-	10.54
State Bank of India - Premier Liquid Fund - Regular Plan - Daily Dividend ( C Y Nil & P Y 12,013.548 Units @ ₹ 1003.25 each )	-	120.53
<b>TOTAL</b>	<b>633.06</b>	<b>1,672.65</b>

# ANNUAL REPORT 2019 - 2020

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2020	As at 31.03.2019
	₹ in Lakhs	₹ in Lakhs
<b>15. INVENTORIES</b>		
Raw Materials & Components	1,714.01	1,219.13
Stores & Spares	100.42	54.57
Stock in Trade (Goods purchased for re-sale)	94.59	126.95
Goods in Transit	138.31	267.32
Work in Progress	1,975.32	1,108.70
TOTAL	<u>4,022.65</u>	<u>2,776.67</u>
<b>16. TRADE RECEIVABLES</b>		
Outstanding less than 6 Months from the date they are due for payment - Unsecured, Considered good	5,876.70	4,940.93
Outstanding for a period exceeding 6 Months from the date they are due for payment - Unsecured, Considered good	1,419.66	1,851.90
TOTAL	<u>7,296.36</u>	<u>6,792.83</u>
<b>17. CASH &amp; CASH EQUIVALENTS</b>		
Cash on hand	7.32	5.93
<b>Balances with Banks</b>		
Current Accounts	14.68	6.11
Unpaid Dividend	11.67	11.14
Deposit Accounts with maturity less than 12 months	18.96	595.40
Margin Money Accounts with maturity more than 12 months	305.38	267.61
TOTAL	<u>358.01</u>	<u>886.19</u>
<b>18. SHORT TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured considered good :</b>		
Prepaid Expenses	63.99	68.68
Advances & Loans to Employees	58.15	46.93
Balances with Government Authorities	1,333.29	948.73
Advances to Suppliers	103.40	88.75
Other Loans & Advances	9.36	14.32
TOTAL	<u>1,568.19</u>	<u>1,167.41</u>
<b>19. OTHER CURRENT ASSETS</b>		
Interest Accrued on Deposits	84.97	23.69
TOTAL	<u>84.97</u>	<u>23.69</u>

**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	Year Ended <b>31.03.2020</b>	Year Ended 31.03.2019
	₹ in Lakhs	₹ in Lakhs
<b>20. REVENUE FROM OPERATIONS</b>		
<b>GROSS REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Locomotives	4,119.65	3,447.04
Power Pack to HS Spart	5,960.20	6,021.25
Power Pack to DETC	-	1,126.54
Special Purpose Vehicles	125.39	661.32
Spare Parts	3,448.44	2,986.56
Engineering Products	1,558.99	1,636.42
	<u>15,212.67</u>	<u>15,879.13</u>
Sale of Services - Locomotive Services	891.89	1,072.51
Other Operating Revenue - Sale of Scrap	3.57	3.25
TOTAL	<u>16,108.13</u>	<u>16,954.89</u>
<b>NET REVENUE FROM OPERATIONS</b>		
<b>Sale of Products :</b>		
Locomotives	3,761.48	3,282.90
Power Pack to HS Spart	5,321.60	5,734.52
Power Pack to DETC	-	954.70
Special Purpose Vehicles	106.26	591.16
Spare Parts	3,067.33	2,755.25
Engineering Products	1,383.69	1,458.46
	<u>13,640.36</u>	<u>14,776.99</u>
Sale of Services - Locomotive Services	772.66	910.73
Other Operating Revenue - Sale of Scrap	3.03	2.69
TOTAL	<u>14,416.05</u>	<u>15,690.41</u>
<b>21. OTHER INCOME</b>		
Interest from Banks on Fixed Deposits	30.81	21.71
Interest - Others	78.63	64.86
Rent	13.44	13.44
Dividend on Mutual Funds	249.63	169.86
Gain on Sale of Assets	0.70	3.48
Other Operating Income	2.87	61.88
TOTAL	<u>376.08</u>	<u>335.23</u>



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## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
	₹ in Lakhs	₹ in Lakhs
<b>22. COST OF MATERIALS CONSUMED</b>		
Opening Stock	1,474.93	2,039.84
Add : Purchases	7,915.04	7,070.23
	<u>9,389.97</u>	<u>9,110.07</u>
Less : Closing Stock	1,849.87	1,474.93
Cost of Raw Materials consumed	<u>7,540.10</u>	<u>7,635.14</u>
Spare Parts Consumed (Trading)		
Opening Stock	133.51	77.00
Add : Purchases	235.79	277.89
	<u>369.30</u>	<u>354.89</u>
Less : Closing Stock	95.46	133.51
Cost of Spare Parts Consumed	<u>273.84</u>	<u>221.38</u>
<b>TOTAL</b>	<b><u>7,813.94</u></b>	<b><u>7,856.52</u></b>
<b>Details of Raw Materials &amp; Components Consumed</b>		
Bearings, Compressors & Electrical items	759.76	815.64
Castings & Forgings	1,445.53	821.46
DG Set, Tool & Supervisory Van	583.40	585.91
Engines	1,323.36	1,941.41
Main Frames, Bogie Frames & Cabin Frame	454.57	558.52
Transmissions	1,028.82	1,084.58
Others	1,944.66	1,827.62
	<u>7,540.10</u>	<u>7,635.14</u>
Spare Parts ( Trading )	273.84	221.38
<b>TOTAL</b>	<b><u>7,813.94</u></b>	<b><u>7,856.52</u></b>
<b>23. CHANGES IN INVENTORIES OF WORK IN PROGRESS</b>		
Closing Stock	1,975.32	1,108.70
Opening Stock	1,108.70	1,491.14
(Increase) / Decrease in Work in Progress	<u>(866.62)</u>	<u>382.44</u>
<b>24. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages & Bonus	2,352.65	2,260.88
Contribution to Provident & Other Funds	225.50	188.38
Staff Welfare Expenses	189.83	172.88
<b>TOTAL</b>	<b><u>2,767.98</u></b>	<b><u>2,622.14</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
	₹ in Lakhs	₹ in Lakhs
<b>25. FINANCE COST</b>		
Interest	30.30	19.24
Bank Charges	132.25	66.85
TOTAL	162.55	86.09
<b>26. OTHER EXPENSES</b>		
Consumption of Stores & Spares	286.80	240.37
Power & Fuel	206.22	172.27
Job Charges	553.66	328.14
Rent	30.64	25.99
Rates and Taxes	63.44	49.46
R & D Expenditure	147.75	151.33
Insurance	34.16	38.40
Freight Outwards	153.53	146.70
Vehicle Maintenance	85.93	91.70
Security Services	69.57	69.91
Professional Charges	43.59	72.91
Printing & Stationery	21.76	21.75
Travelling Expenses	289.03	305.38
Telephone Charges	16.99	22.40
Contribution towards CSR	43.58	51.20
Repairs & Maintenance		
Plant & Machinery	32.38	42.23
Buildings	47.05	75.08
Others	31.59	32.39
General Expenses	93.59	77.83
Payment to Auditors		
Statutory Audit	7.50	7.50
Taxation Matters	2.50	2.00
Certification Charges	0.50	0.50
Reimbursement of Expenses	1.61	0.42
Commission & Selling Expenses	144.48	228.41
Directors Sitting Fees	5.40	3.30
Bad Debts Written off	18.91	10.18
Liquidated Damages	42.69	25.18
TOTAL	2,474.85	2,292.93
<b>27. EARNING PER SHARE</b>		
Profit after Taxation	1,437.60	1,685.72
Number of Equity Shares Outstanding	44.50	44.50
Basic and Diluted earning per share in ₹	32.31	37.88
Face value of ₹ 10/- per share		
The Company does not have any diluted shares, hence basic and diluted earnings per share is same.		

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## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
	₹ in Lakhs	₹ in Lakhs
<b>28. Contingent Liabilities &amp; Commitments (To the extent not provided for)</b>		
<b>A. Contigent Liabilities</b>		
In respect of Bank Guarantees & Acceptances	<u>3,286.78</u>	1,494.93
TOTAL	<u>3,286.78</u>	<u>1,494.93</u>
<b>B. Commitments</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	-	-
TOTAL	<u>-</u>	<u>-</u>
29. The Company has never defaulted in payment of Loans and Interest.		
30. Income Tax Assessment is completed upto Assessment Year 2017-18.		
<b>31. Particulars of Consumption</b>		
Raw Materials		
- Imported	<u>1,494.22</u>	1,255.28
- Indigenous	<u>6,045.88</u>	6,379.86
TOTAL	<u>7,540.10</u>	<u>7,635.14</u>
Stock in Trade for re-sale		
- Imported	<u>6.82</u>	8.12
- Indigenous	<u>267.02</u>	213.26
TOTAL	<u>273.84</u>	<u>221.38</u>
<b>32. Value of Imports on CIF basis</b>		
Raw Materials, Stores and Spares	<u>1,403.87</u>	643.55
Stock in Trade for re-sale	<u>5.68</u>	8.75
TOTAL	<u>1,409.55</u>	<u>652.30</u>
<b>33. Payment made in Foreign Currency on account of</b>		
Travelling	<u>7.97</u>	10.00
Sales Promotion (Exhibition)	-	7.05
Membership Fee	<u>2.95</u>	2.77
Conference & Meeting Expenses	<u>10.91</u>	12.11
TOTAL	<u>21.83</u>	<u>31.93</u>
<b>34. Earnings in Foreign Currency</b>		
F.O.B Value of Exports	<u>39.00</u>	330.58
TOTAL	<u>39.00</u>	<u>330.58</u>

**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019	
	₹ in Lakhs	₹ in Lakhs	
<b>35. Employee Benefits under Defined Benefit Plans</b>			
<b>GRATUITY</b>			
<b>Details of Actuarial Valuation</b>			
<b>Change in Benefit Obligation</b>			
Fair Value of Assets as at Year Beginning	282.38	277.32	
Employer Contribution	58.44	35.00	
Expected Return on Assets	23.96	21.36	
Actuarial Gain / (Loss)	(3.72)	(5.14)	
Benefits Paid	(45.39)	(46.16)	
<b>Fair Value of Assets as at Year End</b>	<b>315.67</b>	<b>282.38</b>	
<b>Actual Return on Assets ( Net )</b>	<b>20.24</b>	<b>16.22</b>	
Fair Value of Plan Assets (FVA) as at Year End	315.67	282.38	
Present Value of Defined Benefits Obligation (DBO) as per Actuarial Valuation	383.43	292.30	
<b>Net Surplus</b>	<b>(67.76)</b>	<b>(9.92)</b>	
<b>Cost of the Defined Benefit Plan for the Year</b>			
Current Service Cost	33.63	32.53	
Interest Cost	2.24	2.47	
<b>Net Cost Recognised in the Profit and Loss Account</b>	<b>35.87</b>	<b>35.00</b>	
<b>Net Cost as per Actuarial Valuation</b>	<b>(31.89)</b>	<b>44.92</b>	
<b>Net Surplus Recognised at the end of the period</b>	<b>(67.76)</b>	<b>(9.92)</b>	
<b>Actuarial Assumptions</b>			
Discount Rate	7%	8%	
Future Salary Increase	7%	7%	
Attrition Rate	5%	5%	
Rate of Return on Plan Assets	8%	8%	
Notes : i. The entire Plan Assets are managed by Life Insurance Corporation of India (LIC).			
ii. The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.			
iii. Actuarial Valuation obtained for Gratuity based on requirements of Accounting Standard 15.			
<b>36. Disclosure as required under Sec 186 (4) of the Companies Act, 2013</b>			
Particulars	31.03.2020 ₹ in Lacs	31.03.2019 ₹ in Lacs	Purpose
i) Loans Outstanding			
- Velankani Electronics Pvt. Ltd.,	300.00	300.00	Business
- Bydesign India Pvt. Ltd.,	180.00	180.00	Business
ii) Investments in Mutual Funds	633.07	1,672.65	Investment of Surplus Funds

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## NOTES TO THE FINANCIAL STATEMENTS

### 37. Disclosure in respect of related parties pursuant to Accounting Standard 18 :

Names of Related Party	Nature of Relationship
Mr. Milind S Thakker, Chairman	M/s SAN Motors Ltd., - Subsidiary M/s SAN Rolling Stock Services Ltd., - Subsidiary M/s Sonmil Engineering Pvt. Ltd., - Shareholder
Mr. Ramanathan Narayanan, Managing Director	M/s SAN Rolling Stock Services Ltd.,

### 38. Transactions during the year with related Parties / Key Managerial Personnel are as under :

Related Parties	Nature of Transaction	2019-20	2018-19
		₹ in Lakhs	₹ in Lakhs
Sonmil Engineering Pvt. Ltd.,	Sale of Materials	168.63	169.25
SAN Motors Ltd.,	Rent Received	14.16	14.16
SAN Motors Ltd.,	Sale / Purchase of Materials	169.95	139.22
SAN Rolling Stock Services Ltd.,	Rent Received	1.70	1.70
SAN Rolling Stock Services Ltd.,	Purchase of Materials	76.91	-
SAN Rolling Stock Services Ltd.,	Service Charges Received	18.05	18.05
Mr. Ramanathan Narayanan	Managerial Remuneration	117.02	113.22

39. The Board of Directors of the Company has recommended a dividend of ₹ 1/- per share for the year ended 31st March, 2020 and the same is subject to approval by the shareholders at the ensuing Annual General Meeting. In terms of notification dated 30.03.2016 and amended AS4 of Companies (Accounting Standard) Rules 2016, the proposed dividends will not be recorded as liability as at March 31, 2020 being Contingencies and Events occurring after the Balance Sheet date. However, the dividend shall be considered as liability on approval of shareholders at the AGM. The cash outflow on account of this would be ₹ 44.50 Lakhs.

### 40. Impact of Covid-19 pandemic on business :

The outbreak of Covid-19 pandemic, has affected the business to a large scale. The Central and State Governments have taken series of measures to contain the outbreak, which includes imposing multiple lockdowns across the country and also restricted the usage of full manpower in the production facility. The pandemic has impacted the business of the Company since March 23, 2020,

- by way of interruption in production due to closure / lockdown of product facilities,
- unavailability of personnel
- disruption in supply chain and also
- customers rescheduling deliveries

## NOTES TO THE FINANCIAL STATEMENTS

Adhering to the government guidelines, the Company resumed its operations in a phased manner with limited availability of employees and the process of scaling up its operations continues. While the impact on Company's business for the financial year ending March 31, 2020 was marginal, the interruption of production due to series of lockdowns in the last few months is likely to affect the current year sales and profitability of the Company.

41. The Company's main business segment is manufacturing Locomotives, Gears & Gear Boxes. Hence, there is no separate reportable segment as per Accounting Standard 17 (AS - 17).
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As per our report of even date attached.

For **N. R. RAJAGOPALAN & CO.,**  
Firm Registration No. 003400S  
*Chartered Accountants*

**R. NARASIMHAN**  
Membership No. 018376  
*Partner*

Place : Chennai  
Dated : 28th September, 2020

**MILIND S THAKKER**  
*Chairman*  
DIN : 00617882

**KISHORE GOVINDE**  
*Vice President (Finance) & Company Secretary*  
M.No. F2333

Place : Bengaluru  
Dated : 28th September, 2020

**RAMANATHAN NARAYANAN**  
*Managing Director*  
DIN : 06681365

## INDEPENDENT AUDITORS' REPORT

To the Members of San Engineering & Locomotive Co. Ltd.

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying Consolidated financial statements of M/S. SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of Profit and Loss (including Other Comprehensive Income), and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 state of affairs of the Company as at 31 March 2020, and Profit, and its cash flows 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors report but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the 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 in the 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 the Management and Those Charged with Governance for Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 judgements 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 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.

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

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 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 but not for the purpose of expressing our opinion under section 143(3)(i) of the Companies Act, 2013 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 auditors' 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

## Other Matters

We have audited the financial statements of its direct subsidiary company M/S. SAN ROLLING STOCKS SERVICES LIMITED whose financial statements reflect total assets of Rs.1,20,35,944/- as at March 31, 2020, total revenues of Rs.90,53,562/- for the year ended on that date, as considered in the consolidated financial statements.

We have also audited the financial statements of its direct subsidiary company M/s. SAN MOTORS LIMITED whose financial statements reflect total assets of Rs.10,02,67,965/- as at March 31, 2020 and total revenues of Rs.2,56,22,156/- for the year ended on that date, as considered in the consolidated financial statements.

Our opinion is not qualified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of Accounts.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards 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 31 March 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".



# ANNUAL REPORT 2019 - 2020

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- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company does not have any pending litigations which would impact its financial position.
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (h) As required by Section 197(16) of the Act, we report that the remuneration paid by the company to its directors is in accordance with the prescribed provisions and the remuneration paid to every director is within the limit specified under Section 197.

For **N. R. RAJAGOPALAN & CO.**,  
Firm Registration No. 003400S  
Chartered Accountants

(R. NARASIMHAN)  
Membership No. 018376  
Partner

Place : Chennai  
Date : 28th September, 2020  
UDIN : 20018376AAAAAE3334

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## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph (f) under "Report on other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of M/S. SAN ENGINEERING AND LOCOMOTIVE COMPANY Ltd ('the Company') as at March 31, 2020 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended and as on that date.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the respective 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 (the Guidance Note). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds, and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### 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 Standard on Auditing prescribed under section 143 (1) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with the 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 auditors' 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 control 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion

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

## **Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Company have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **N. R. RAJAGOPALAN & CO.**,  
Firm Registration No. 003400S  
Chartered Accountants

(R. NARASIMHAN)

*Membership No. 018376*  
*Partner*

Place : Chennai  
Date : 28th September, 2020  
UDIN : 20018376AAAAAE3334

# ANNUAL REPORT 2019 - 2020

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2020

Particulars	Note No.	(₹ in Lakhs)	As at 31 <sup>st</sup> March 2020 (₹ in Lakhs)	As at 31 <sup>st</sup> March 2019 (₹ in Lakhs)
<b>EQUITIES AND LIABILITIES :</b>				
<b>Shareholders' Funds :</b>				
Share Capital	2	445.00		445.00
Reserves and Surplus	3	18,549.30		17,630.30
<b>Owners Equity</b>			<b>18,994.30</b>	<b>18,075.30</b>
<b>Minority Interest Share of Equity</b>			<b>7.14</b>	<b>7.12</b>
<b>Non Current Liabilities :</b>				
Deferred Tax Liability (Net)	4	51.96		-
Long Term Provisions	5	167.87		157.95
			<b>219.83</b>	<b>157.95</b>
<b>Current Liabilities :</b>				
Short Term Borrowings	6	311.43		472.84
Trade Payables	7	2,432.99		1,408.77
Other Current Liabilities	8	551.64		742.54
Short Term Provisions	9	1,902.64		1,770.95
			<b>5,198.70</b>	<b>4395.10</b>
<b>TOTAL</b>			<b>24,419.97</b>	<b>22,635.47</b>
<b>ASSETS :</b>				
<b>Non Current Assets</b>				
Property, Plant & Equipment	10			
Tangible Assets		5,270.77		3,982.99
Intangible Assets		43.74		44.25
Capital Work in progress		-		127.68
		5,314.51		4,154.92
Intangible Assets - Goodwill		1,292.72		1,292.72
Long Term Loans & Advances	11	2,915.49		2,897.15
Deferred Tax Asset (Net)	12	-		45.19
			<b>9,522.72</b>	<b>8,389.98</b>
Non Current Investments	13		<b>0.10</b>	<b>0.10</b>
<b>Current Assets</b>				
Current Investments	14	1,301.09		2,343.72
Inventories	15	4,076.89		2,823.85
Trade Receivables	16	7,334.00		6,845.60
Cash & Cash Equivalents	17	528.18		971.13
Short Term Loans & Advances	18	1,569.60		1,234.58
Other Current Assets	19	85.55		23.75
			<b>14,895.31</b>	<b>14,242.63</b>
Miscellaneous Expenses to the Extent not Written off			<b>1.84</b>	<b>2.76</b>
<b>TOTAL</b>			<b>24,419.97</b>	<b>22,635.47</b>
Significant Accounting Policies	1			
The accompanying notes are an integral part of the financial statements.				
As per our report of even date attached.				
For <b>N. R. RAJAGOPALAN &amp; CO.</b> , Firm Registration No. 003400S Chartered Accountants	<b>MILIND S THAKKER</b> Chairman DIN : 00617882		<b>RAMANATHAN NARAYANAN</b> Managing Director DIN : 06681365	
<b>R. NARASIMHAN</b> Membership No. 018376 Partner	<b>KISHORE GOVINDE</b> Vice President (Finance) & Company Secretary M.No. F2333			
Place : Chennai Dated : 28th September, 2020	Place : Bengaluru Dated : 28th September, 2020			

# SAN ENGINEERING & LOCOMOTIVE CO. LTD.,

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	Note No.	Year Ended 31 <sup>st</sup> March 2020 (₹ in Lakhs)	Year Ended 31 <sup>st</sup> March 2019 (₹ in Lakhs)
<b>INCOME :</b>			
Revenue from Operations ( Gross )	20	<b>16201.71</b>	17,238.99
Less : GST		<b>1708.01</b>	1,285.64
Revenue from Operations ( Net )		<b>14493.70</b>	15,953.35
Other Income	21	<b>395.34</b>	368.78
<b>TOTAL REVENUE</b>		<b>14889.04</b>	16,322.13
<b>EXPENSES :</b>			
Cost of Materials Consumed	22	<b>7745.06</b>	7,874.32
Changes in Inventories of Work in Progress	23	<b>(873.06)</b>	385.69
Employee Benefit Expenses	24	<b>2890.99</b>	2,755.39
Finance Cost	25	<b>162.61</b>	86.13
Depreciation and Amortization		<b>579.57</b>	458.29
Other Expenses	26	<b>2507.82</b>	2,347.53
<b>TOTAL EXPENSES</b>		<b>13012.99</b>	13,907.35
<b>Profit before Tax</b>		<b>1876.05</b>	2,414.78
Tax Expenses:			
Current Tax		<b>416.86</b>	661.80
Short / (Excess) provision relating to prior years		<b>13.83</b>	-
Deferred Tax		<b>97.15</b>	(7.58)
<b>Profit for the year before Share of Profit from Minority Interest</b>		<b>1348.21</b>	1,760.56
Share of Minority Interest		<b>0.02</b>	0.50
<b>Profit for the year - Owners Share</b>		<b>1348.19</b>	1,760.06
Earnings per Equity Share	27		
Basic		<b>₹ 32.48</b>	₹ 39.39
Diluted		<b>₹ 32.48</b>	₹ 39.39

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For **N. R. RAJAGOPALAN & CO.,**  
Firm Registration No. 003400S  
Chartered Accountants

**MILIND S THAKKER**  
Chairman  
DIN : 00617882

**RAMANATHAN NARAYANAN**  
Managing Director  
DIN : 06681365

**R. NARASIMHAN**  
Membership No. 018376  
Partner

**KISHORE GOVINDE**  
Vice President (Finance) & Company Secretary  
M.No. F2333

Place : Chennai  
Dated : 28th September, 2020

Place : Bengaluru  
Dated : 28th September, 2020

# ANNUAL REPORT 2019 - 2020

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	(₹ in Lakhs)	2019-20 (₹ in Lakhs)	2018-19 (₹ in Lakhs)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>			
Net Profit before tax and extra ordinary items		<b>1,876.05</b>	2,414.78
Depreciation	<b>579.57</b>		458.29
Finance Cost	<b>162.61</b>		86.13
Interest Income	<b>(111.29)</b>		(91.58)
Dividend Income from Current Investments	<b>(280.47)</b>		(207.67)
Loss on Sale of Assets	<b>0.25</b>		0.18
Gain on Sale of Assets	<b>(0.70)</b>		(3.48)
		<b>349.97</b>	241.87
Operating Profit before Working Capital Changes		<b>2,226.02</b>	2,656.65
Adjustments for (Increase)/Decrease in Operating Assets			
Inventories	<b>(1,253.04)</b>		847.95
Trade Receivables	<b>(488.40)</b>		846.48
Short Term / Long Term Loans & Advances	<b>(353.36)</b>		(1,016.72)
Other Current Assets	<b>(61.80)</b>		(5.78)
Miscellaneous Expenses not Written Off	<b>0.92</b>		0.92
		<b>(2,155.68)</b>	672.85
Adjustments for (Increase)/Decrease in Operating Liabilities			
Trade Payables	<b>1,024.22</b>		(1,988.68)
Short Term Borrowings / Provisions	<b>(29.72)</b>		770.84
Other Current & Long Term Provisions	<b>(180.98)</b>		(101.86)
		<b>813.52</b>	(1,319.70)
Cash Generated from Operations		<b>883.86</b>	2,009.80
Less : Direct Taxes Paid		<b>416.86</b>	661.80
Cash Inflow before Extra Ordinary Items		<b>467.00</b>	1,348.00
Less : Excess / (Short) Provision of prior years		<b>(13.83)</b>	0.00
Net Cash Generated from Operating Activities (A)		<b>453.17</b>	1,348.00
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>			
Purchase of Fixed Assets		<b>(1,740.28)</b>	(764.43)
Acquisition of Subsidiary Companies, net of Cash acquired		-	(1,280.80)
Proceeds from Sale of Fixed Assets		<b>1.57</b>	4.38
Proceeds from Sale / Redemption of Investments		<b>1,042.63</b>	883.80
Interest Income		<b>111.29</b>	91.58
Dividend Income from Current Investments		<b>280.47</b>	207.67
Net Cash used in Investing Activities (B)		<b>(304.32)</b>	(857.80)

# SAN ENGINEERING & LOCOMOTIVE CO. LTD.,

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	2019-20 (₹ in Lakhs)	2018-19 (₹ in Lakhs)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Finance Cost	(162.61)	(86.13)
Dividend Paid	(356.00)	(356.00)
Tax on Dividend	(73.19)	(73.19)
Net Cash used in Financing Activities (C)	<u>(591.80)</u>	<u>(515.32)</u>
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	(442.95)	(25.12)
Add: Cash & Cash Equivalents as at 1.4.2019	971.13	996.25
<b>CASH &amp; CASH EQUIVALENTS AS AT 31.3.2020**</b>	<u><b>528.18</b></u>	<u>971.13</u>
** Comprises :		
a. Cash on hand	9.55	6.31
b. Balances with Banks :		
In Current Accounts	112.62	70.67
Unpaid Dividend	11.67	11.14
In Deposit Accounts	88.96	615.40
In Margin Money Accounts	305.38	267.61
	<u><b>528.18</b></u>	<u>971.13</u>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For **N. R. RAJAGOPALAN & CO.,**  
Firm Registration No. 003400S  
Chartered Accountants

**R. NARASIMHAN**  
Membership No. 018376  
Partner

Place : Chennai  
Dated : 28th September, 2020

**MILIND S THAKKER**  
Chairman  
DIN : 00617882

**KISHORE GOVINDE**  
Vice President (Finance) & Company Secretary  
M.No. F2333

Place : Bengaluru  
Dated : 28th September, 2020

**RAMANATHAN NARAYANAN**  
Managing Director  
DIN : 06681365

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Company Information

The Company has incorporated wholly owned subsidiary in India namely "M/S. SAN ROLLING STOCK SERVICES LIMITED" on April 19, 2017, for carrying the business of servicing, repairing, commissioning and operation & maintenance of Rolling Stock and Rail Vehicles as well as for hiring and leasing of these products. The Company also invested 99.16% in Equity Share Capital of M/s SAN Motors Ltd., thereby M/s SAN Motors Ltd., has become subsidiary of M/s SAN Engineering & Locomotive Co. Ltd.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### a. Basis of Consolidation

The consolidated financial statements relate to the Company and its subsidiary companies. The Company and its subsidiaries constitute the Group using AS 21 and AS 27 of Accounting Standards.

#### b. Basis of accounting and preparation of financial statements

The Financial Statements are prepared in accordance with Accounting Standards under the historical costs convention on accrual basis complying with the provisions of Companies Act, 2013 (The Act). The Accounting Standards are prescribed under section 133 of the Act as applicable under Companies (Accounting Standards), Rules 2006.

#### Method of Accounting

The financial accounts, unless otherwise stated, are prepared at historical cost under the accrual method of accounting, on a consistent and on going concern basis.

#### c. Principles of Consolidation

The consolidated financial statements have been prepared on the following basis :

- i) The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard on Consolidated Financial Statements.
- ii) The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses have been fully eliminated. The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.
- iii) The financial statements of the subsidiaries used for the purpose of consolidation are drawn up to the same reporting date as of the Company.
- iv) The difference between the Cost of Investment in the subsidiaries, over the Company's Share of equity at the time of acquisition of the shares in the subsidiaries is recognised in the financial statements as Goodwill.

#### d. Consolidated Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**e. Fixed Assets :**

Fixed Assets are stated at cost of acquisition or construction less GST. They are stated at historical cost less accumulated depreciation.

**f. Depreciation :**

- i) Buildings, Plant & Machinery are depreciated under SLM and other Assets under WDV based on the useful life of asset as estimated by the Management, and in compliance with Schedule II of Companies Act 2013, by retaining 5% of cost as residual value.
- ii) Useful life of Patterns & Tools is determined as 5 years by the Management. The rate of depreciation is determined under WDV based on the remaining useful life on the carrying cost by retaining 5% of cost as residual value.

**Impairment of Assets :**

To provide for impairment loss, if any, to the extent, the carrying amount of assets exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

**g. Investments :**

Long Term Investments are stated at cost.

**h. Inventories :**

- i) Raw Materials, Spare Parts, Consumable Spares are valued at cost, including the cost incurred in bringing the inventories to their present location and condition or net realisable value, whichever is lower.
- ii) Process Stock is valued at cost including the cost of conversion. The cost of conversion includes direct costs including systematic allocation based on machine hours rate and administrative overheads. The guidelines on Accounting Standard 2 was considered and the value is exclusive of GST.
- iii) Obsolete, slow moving inventories carried over in the Books of Accounts are identified at the time of physical verification and are valued at net realisable value.

**i. Revenue Recognition :**

Sales and Services are recognised on delivery and on completion of service when all significant risks and rewards of ownership have been transferred to the Customers. Interest is accounted on time proportion basis. Gross Sales includes GST and excludes discounts and Sales Return wherever applicable.

**j. Employee Benefits as per Accounting Standard 15 :**

**i. Short Term :**

Short Term Employee Benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

**ii. Post Retirement :**

Post Retirement benefits comprise of Provident Fund, Superannuation Fund and Gratuity which are accounted as follows :

- i) **Provident Fund** : The Company is making Provident Fund Contribution to the Provident Fund



Organisation of the Central Government and charges to Revenue. The Company has no further obligations for future Provident Fund benefits other than annual contributions.

- ii) **Superannuation Fund** : This is a defined contribution plan. The Company contributes a sum equivalent to defined contribution plan for eligible employees' salary towards superannuation fund administered by the trustees and managed by Life Insurance Corporation of India. The Company has no further obligations for future Superannuation benefits other than its annual contributions and recognises such contributions as expense in the year incurred.
- iii) **Gratuity** : The Company has taken a Group Gratuity policy for future payment of gratuity with the Life Insurance Corporation of India. Payment of contribution as per the demand made by Life Insurance Corporation of India is charged to Revenue. This is a defined benefit plan and the Company's scheme is administered by Trustees and funds managed by LIC of India. The liability for gratuity to employees as at the Balance Sheet date is determined based on the Actuarial Valuation and on the basis of demand from LIC.
- iv) **Leave Encashment** : Liability for Leave Encashment is provided at current salary levels for the remaining leave balance standing to the credit of the Employees as at the date of the Balance Sheet in accordance with the said Accounting Standard 15. Leave accumulation is restricted to 75 days.

**k. GST Inputs :**

GST Inputs are taken into account at the time of purchase. GST Input on purchase of capital items wherever applicable are taken into account as and when the assets are acquired. GST Inputs so taken are utilised for payment of GST on goods manufactured / Output services. The unutilised GST credit is carried forward in the books.

**l. Foreign Currency Transactions :**

Transactions on account of Import of Raw Materials and other inputs are accounted at Standard / Original Rates of Exchange in force at the time the transactions are effected. Export sales realisations are accounted at actuals as per Accounting Standard 11

**m. Research & Development :**

Research & Development expenditure of revenue nature is charged to revenue and capital nature is included as part of fixed assets and depreciation is charged on the same basis as other fixed assets.

**n. Contingent Liabilities :**

Contingent Liabilities are not recognised in the books of accounts but are disclosed in the Notes on accounts.

**o. Taxes on Income :**

- i) Current tax is the amount of Tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961.
- ii) Deferred Tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified by using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date and are capable of reversal in one or more subsequent periods.

**p. Accounting Standards prescribed under section 133 of the Companies Act, 2013 have been followed wherever applicable.**

# SAN ENGINEERING & LOCOMOTIVE CO. LTD.,

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31.03.2020		As at 31.03.2019	
	In Numbers	₹ in Lakhs	In Numbers	₹ in Lakhs
<b>2. SHARE CAPITAL</b>				
<b>Authorised :</b>				
Redeemable Preference Shares of ₹ 100/- each	25,000	25.00	25,000	25.00
Equity Shares of ₹ 10/- each	47,50,000	475.00	47,50,000	475.00
TOTAL		<u>500.00</u>		<u>500.00</u>
<b>Issued, Subscribed &amp; Paid up:</b>				
Equity Shares of ₹ 10/- each	44,50,000	445.00	44,50,000	445.00
<b>a. Reconciliation of the number of shares</b>				
Shares outstanding at the beginning of the year	44,50,000	445.00	44,50,000	445.00
Shares outstanding at the end of the year	44,50,000	445.00	44,50,000	445.00
<b>b. Details of Shareholders holding more than 5% shares in the Company</b>				
Name of the Shareholder	<b>Equity Shares</b>			
	As at 31.03.2020		As at 31.03.2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Milind S. Thakker	18,55,284	41.69	18,55,284	41.69
Sonmil Industries Pvt. Ltd.,	15,32,252	34.43	15,32,252	34.43
Importex International Pvt. Ltd.,	415,343	9.33	415,343	9.33
<b>3. RESERVES AND SURPLUS</b>				
<b>Capital Reserve :</b>				
Surplus on re-issue of forfeited shares		0.09		0.09
Securities Premium Reserve		767.39		767.39
<b>General Reserve</b>				
Opening Balance	14,373.82		13,373.82	
Add : Transfer from Surplus in Statement of Profit and Loss	<u>1,000.00</u>		<u>1,000.00</u>	
		15,373.82		14,373.82
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>				
Opening Balance	2,489.00		2,158.13	
Add : Profit for the year	<u>1,348.19</u>		<u>1,760.06</u>	
		3,837.19		3,918.19
Less : Appropriations				
Transferred to General Reserve	1,000.00		1,000.00	
Dividend	356.00		356.00	
Tax on Dividend	<u>73.19</u>		<u>73.19</u>	
	1,429.19		1,429.19	
Closing Balance		<u>2,408.00</u>		<u>2,489.00</u>
TOTAL		<u>18,549.30</u>		<u>17,630.30</u>
<small>(The Company has paid dividend of ₹ 8/- per share on the equity share of face value of ₹10/- each pertaining to FY 2018-19, post approval by the members in 49th AGM held on 3rd September, 2019. For the current year the Company has recommended a dividend of ₹ 1/- per share - Refer Note No. 41)</small>				

# ANNUAL REPORT 2019 - 2020

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31.03.2020	As at 31.03.2019
	₹ in Lakhs	₹ in Lakhs
<b>4. DEFERRED TAX LIABILITY ( NET )</b>		
<b>Deferred Tax Liability - Depreciation on Fixed Assets</b>		
Opening Balance	77.81	-
Add : Transfer from Statement of Profit and Loss	20.85	-
	<u>98.66</u>	<u>-</u>
<b>Deferred Tax Asset - Depreciation on Fixed Assets</b>		
Opening Balance	123.00	-
Less : Transfer from Statement of Profit and Loss	76.30	-
	<u>46.70</u>	<u>-</u>
TOTAL	<u><b>51.96</b></u>	<u><b>-</b></u>
<b>5. LONG TERM PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
Leave Encashment	<u>167.87</u>	<u>157.95</u>
TOTAL	<u><b>167.87</b></u>	<u><b>157.95</b></u>
<b>6. SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
<b>Working Capital Loan from Banks :</b>		
Canara Bank	<u>114.38</u>	<u>353.65</u>
State Bank of India	<u>197.05</u>	<u>119.19</u>
TOTAL	<u><b>311.43</b></u>	<u><b>472.84</b></u>
(Working Capital facilities from Banks are primarily secured by hypothecation of Inventories and Book Debts of the Company and further secured by hypothecation of Plant & Machineries and Equitable Mortgage of Immovable properties of Bangalore and Mysuru Units)		
<b>7. TRADE PAYABLES</b>		
Trade Payables	<u>2,432.99</u>	<u>1,408.77</u>
TOTAL	<u><b>2,432.99</b></u>	<u><b>1,408.77</b></u>
<b>8. OTHER CURRENT LIABILITIES</b>		
Advances from Customers	<u>87.92</u>	<u>161.23</u>
Accrued Salaries & Benefits	<u>205.81</u>	<u>355.53</u>
Unpaid Dividends	<u>11.47</u>	<u>11.02</u>
Statutory Dues	<u>41.41</u>	<u>44.79</u>
Provision for Expenses	<u>97.56</u>	<u>115.72</u>
Creditors for Capital Goods	<u>86.33</u>	<u>31.68</u>
Other Liabilities	<u>21.14</u>	<u>22.57</u>
TOTAL	<u><b>551.64</b></u>	<u><b>742.54</b></u>
<b>9. SHORT TERM PROVISIONS</b>		
Provision for Taxation	<u>1,902.64</u>	<u>1,770.95</u>
TOTAL	<u><b>1,902.64</b></u>	<u><b>1,770.95</b></u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 10. PROPERTY, PLANT &amp; EQUIPMENT AND INTANGIBLE ASSETS

## TANGIBLE ASSETS

(₹ in Lakhs)

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 1.4.2019	Additions	Deductions	As at 31.3.2020	Upto 31.3.2019	For the year	Withdrawn	Upto 31.3.2020	As at 31.3.2020	As at 31.3.2019
Land Freehold	339.55	-	-	339.55	-	-	-	-	339.55	339.55
Buildings	1,259.34	139.26		1,398.60	305.60	36.21		341.81	1,056.79	953.74
Plant and Machinery***	4,387.91	1,573.73		5,961.64	2,363.93	349.00		2,712.93	3,248.71	2,023.98
Computers	189.70	1.73		191.43	142.14	12.73		154.87	36.56	47.56
Furniture, Fixtures & Office Equipments	263.59	22.61	0.63	285.57	170.69	28.61	0.60	198.70	86.87	92.90
Electrical Installations	180.66	3.26		183.92	111.99	17.98		129.97	53.95	68.67
Patterns, Jigs & Fixtures	255.39	7.53		262.92	160.92	42.94		203.86	59.06	94.47
Vehicles	327.54	13.81	15.20	326.15	250.28	27.35	14.11	263.52	62.63	77.26
Tools	183.10	91.42		274.52	147.12	31.48		178.60	95.92	35.98
Test Track	286.72			286.72	37.84	18.15		55.99	230.73	248.88
Capital Work in Progress	7,673.50	1,853.35	15.83	9,511.02	3,690.51	564.45	14.71	4,240.25	5,270.77	3,982.99
	127.68		127.68	0.00				0.00	0.00	127.68
<b>Total</b>	<b>7,801.18</b>	<b>1,853.35</b>	<b>143.51</b>	<b>9,511.02</b>	<b>3,690.51</b>	<b>564.45</b>	<b>14.71</b>	<b>4,240.25</b>	<b>5,270.77</b>	<b>4,110.67</b>
Previous Year Total	7,730.37	1,063.35	992.54	7,801.18	3,862.22	446.07	617.78	3,690.51	4,110.67	

\*\*\* Assets worth of Rs.92.48 Lakhs included in additions to Plant &amp; Machinery have been incurred for Research &amp; Development.

## INTANGIBLE ASSETS

Description of Assets	GROSS BLOCK			AMORTIZATION			NET BLOCK			
	As at 1.4.2019	Additions	Deductions	As at 31.3.2020	Upto 31.3.2019	For the year	Withdrawn	Upto 31.3.2020	As at 31.3.2020	As at 31.3.2019
Computers - Software	101.82	14.61		116.43	57.57	15.12		72.69	43.74	44.25
Previous Year Total	79.61	22.21		101.82	45.35	12.22		57.57	44.25	

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31.03.2020	As at 31.03.2019
	₹ in Lakhs	₹ in Lakhs
<b>11. LONG TERM LOANS AND ADVANCES</b>		
Unsecured Considered Good		
Capital Advances	6.40	192.53
Intercorporate Loans - Bydesign India Pvt Ltd ***	180.00	180.00
Intercorporate Loans - Velankani Electronics Pvt Ltd ***	300.00	300.00
Security Deposits	190.37	150.80
Tender Deposits	87.44	96.92
Tax payments pending Adjustments	2,151.28	1,976.90
TOTAL	2,915.49	2,897.15
(Refer Note 36 to Financial Statements)		
<b>12. DEFERRED TAX ASSET (NET)</b>		
Deferred Tax Asset - Depreciation on Fixed Assets		
Opening Balance	-	105.18
Add : Transfer from Statement of Profit and Loss	-	17.82
	-	123.00
Deferred Tax Liability - Depreciation on Fixed Assets		
Opening Balance	-	65.47
Add : Opening Balance of Subsidiary acquired during the year	-	2.10
Add : Transfer from Statement of Profit and Loss	-	10.24
	-	77.81
TOTAL	-	45.19
<b>13. NON CURRENT INVESTMENTS</b>		
Investment in NSC	0.10	0.10
TOTAL	0.10	0.10

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	As at 31.03.2020	As at 31.03.2019
	₹ in Lakhs	₹ in Lakhs
<b>14. CURRENT INVESTMENTS</b>		
Canara Robeco Capital Protection Oriented Fund - Series 6 ( C Y Nil & P Y 4,99,990 Units @ ₹ 10/ each )	-	50.00
Canara Robeco Capital Protection Oriented Fund - Series 7 ( C Y Nil & P Y 5,00,000 Units @ ₹ 10/ each )	-	50.00
Canara Robeco Dynamic Bond Fund - Direct Growth ( C Y Nil & P Y 17,32,658 Units @ ₹ 17.3144 each )	-	300.00
Canara Robeco Income Fund - Direct Growth ( C Y Nil & P Y 6,11,959.525 Units @ ₹ 32.6819 each )	-	200.00
Canara Robeco Liquid - Direct Growth ( C Y & P Y 9,123.5380 Units @ ₹ 2055.8626 )	<b>187.57</b>	187.57
Canara Robeco Savings Plus Fund - Direct Daily Dividend ( C Y 7,294.951 @ ₹ 10.26 each P Y 1,48,200.199 @ ₹ 10.26 each )	<b>0.75</b>	15.21
Canara Robeco Liquid Fund ( C Y 84.988 Units @ ₹ 1005.5 each P Y 81.849 Units @ ₹ 1005.5 each )	<b>0.86</b>	0.82
HDFC Credit Risk Debt Fund / Corporate Debt Opportunity Fund ( C Y & P Y 1,33,112.50 Units @ ₹ 10.1459 each )	<b>13.50</b>	13.50
HDFC Balanced Advantage Fund / Prudence Fund Growth ( C Y & PY 16,874.354 Units @ ₹ 177.784 each )	<b>30.00</b>	30.00
HDFC Hybrid Equity Fund / Balanced Fund Growth ( C Y & P Y 40,339.076 @ ₹ 49.5797 each )	<b>20.00</b>	20.00
ICICI Prudential Credit Risk Fund - Growth ( C Y & P Y 3,64,846.301 Units @ ₹ 17.4896 each )	<b>63.81</b>	63.81
ICICI Prudential Balanced Advantage Fund Growth ( C Y & P Y 1,57,105.793 Units @ ₹ 30.4542 each )	<b>47.84</b>	47.84
ICICI Prudential Balanced Fund - Growth ( C Y & PY 41,667.29 Units @ ₹ 114.8269 each )	<b>47.84</b>	47.84
ICICI Prudential Mutual Fund ( C Y Nil & P Y 8187.190 Units @ ₹ 105.7629 each )	-	8.66
Reliance Equity Hybrid Fund - Growth ( C Y Nil & P Y 48,323.092 Units @ ₹ 51.7351 each )	-	25.00
State Bank of India - Debt Fund Series B 41 - Regular Growth ( C Y Nil & P Y 7,00,000 Units @ ₹ 10/- each )	-	70.00

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31.03.2020	As at 31.03.2019
	₹ in Lakhs	₹ in Lakhs
State Bank of India - Debt Fund Series B 42 - Regular Growth ( C Y Nil & P Y 20,00,000 Units @ ₹ 10/- each)	-	200.00
State Bank of India - Debt Fund Series B 49 - Regular Growth ( C Y & P Y 10,00,000 Units @ ₹ 10/- each)	100.00	100.00
SBI Liquid Fund Reg Growth ( C Y 28.799 Units @ ₹ 3042.328 & P Y Nil )	0.88	-
SBI Magnum Medium Duration Fund ( C Y & P Y 2,09,090.174 Units @ ₹ 28.3886 each )	59.36	59.36
SBI Credit Risk Fund ( C Y & P Y 2,28,114.331 Units @ ₹ 26.3026 each )	60.00	60.00
State Bank of India - Magnum Low Duration Fund - Daily Dividend ( C Y 25.667 Units @ ₹ 2554.49 each & P Y 62.39 Units @ ₹ 1010.4649 each)	0.66	0.63
State Bank of India - Magnum Low Duration Fund - Daily Dividend ( C Y 33447.371 Units @ ₹ 1675.03 each & P Y 31907.443 Units @ ₹ 1675.03 each )	560.25	534.46
State Bank of India - Banking & PSU Fund - Daily Dividend ( C Y Nil & P Y 1027.532 Units @ ₹ 1025.2561 each)	-	10.54
State Bank of India - Premier Liquid Fund - Regular Plan - Daily Dividend ( C Y 10741.842 @ ₹ 1003.25 each & P Y 24,767.541 Units @ ₹ 1003.25 each )	107.77	248.48
TOTAL	1,301.09	2,343.72

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	As at 31.03.2020	As at 31.03.2019
	₹ in Lakhs	₹ in Lakhs
<b>15. INVENTORIES</b>		
Raw Materials & Components	1,731.49	1,235.98
Stores & Spares	100.42	54.57
Stock in Trade (Goods purchased for re-sale)	94.59	126.95
Goods in Transit	138.31	267.33
Work in Progress	2,012.08	1,139.02
TOTAL	<u>4,076.89</u>	<u>2,823.85</u>
<b>16. TRADE RECEIVABLES</b>		
Outstanding less than 6 Months from the date they are due for payment - Unsecured, Considered good	5,894.65	4,988.99
Outstanding for a period exceeding 6 Months from the date they are due for payment - Unsecured, Considered good	1,439.35	1,856.61
TOTAL	<u>7,334.00</u>	<u>6,845.60</u>
<b>17. CASH &amp; CASH EQUIVALENTS</b>		
Cash on hand	9.55	6.31
<b>Balances with Banks</b>		
Current Accounts	112.62	70.67
Unpaid Dividend	11.67	11.14
Deposit Accounts with maturity less than 12 months	88.96	615.40
Margin Money Accounts with maturity more than 12 months	305.38	267.61
TOTAL	<u>528.18</u>	<u>971.13</u>
<b>18. SHORT TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured considered good :</b>		
Prepaid Expenses	63.99	68.68
Advances & Loans to Employees	58.15	46.93
Balances with Government Authorities	1,334.70	950.31
Advances to Suppliers	103.40	154.34
Other Loans & Advances	9.36	14.32
TOTAL	<u>1,569.60</u>	<u>1,234.58</u>
<b>19. OTHER CURRENT ASSETS</b>		
Interest Accrued on Deposits	85.55	23.75
TOTAL	<u>85.55</u>	<u>23.75</u>



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
	₹ in Lakhs	₹ in Lakhs
<b>20. REVENUE FROM OPERATIONS</b>		
<b>GROSS REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Locomotives	4,119.65	3,447.04
Power Pack to HS Spart	5,960.20	6,021.25
Power Pack to DETC	-	1,126.54
Special Purpose Vehicles	125.39	661.32
Spare Parts	3,448.44	2,980.97
Engineering Products	1,558.99	1,636.42
Fabrication / FRP Components	88.01	270.15
	<u>15,300.68</u>	<u>16,143.69</u>
Sale of Services - Locomotive Services	897.46	1,092.05
Other Operating Revenue - Sale of Scrap	3.57	3.25
<b>TOTAL</b>	<u><b>16,201.71</b></u>	<u><b>17,238.99</b></u>
<b>NET REVENUE FROM OPERATIONS</b>		
<b>Sale of Products :</b>		
Locomotives	3,761.48	3,282.90
Power Pack to HS Spart	5,321.60	5,734.52
Power Pack to DETC	-	954.70
Special Purpose Vehicles	106.26	591.16
Spare Parts	3,067.33	2,750.52
Engineering Products	1,383.69	1,458.46
Fabrication / FRP Components	72.93	251.11
	<u>13,713.29</u>	<u>15,023.37</u>
Sale of Services - Locomotive Services	777.38	927.29
Other Operating Revenue - Sale of Scrap	3.03	2.69
<b>TOTAL</b>	<u><b>14,493.70</b></u>	<u><b>15,953.35</b></u>
<b>21. OTHER INCOME</b>		
Interest from Banks on Fixed Deposits	32.66	26.72
Interest - Others	78.63	64.86
Dividend on Mutual Funds	280.47	207.67
Gain on Sale of Assets	0.70	3.48
Other Operating Income	2.88	66.05
<b>TOTAL</b>	<u><b>395.34</b></u>	<u><b>368.78</b></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
	₹ in Lakhs	₹ in Lakhs
<b>22. COST OF MATERIALS CONSUMED</b>		
Opening Stock	1,486.77	2,049.70
Add : Purchases	<u>7,788.25</u>	<u>7,090.01</u>
	9,275.02	9,139.71
Less : Closing Stock	<u>1,863.80</u>	<u>1,486.77</u>
Cost of Raw Materials consumed	<u>7,411.22</u>	<u>7,652.94</u>
Spare Parts Consumed (Trading)		
Opening Stock	133.51	77.00
Add : Purchases	<u>295.79</u>	<u>277.89</u>
	429.30	354.89
Less : Closing Stock	<u>95.46</u>	<u>133.51</u>
Cost of Spare Parts Consumed	<u>333.84</u>	<u>221.38</u>
TOTAL	<u>7,745.06</u>	<u>7,874.32</u>
<b>Details of Raw Materials &amp; Components Consumed</b>		
Bearings, Compressors & Electrical items	759.76	815.64
Castings & Forgings	1,445.53	821.46
DG Set, Tool & Supervisory Van	583.40	585.91
Engines	1,323.36	1,941.41
Main Frames, Bogie Frames & Cabin Frame	454.57	558.52
Transmissions	1,028.82	1,084.58
FRP Components	81.41	135.68
Others	<u>1,734.37</u>	<u>1,709.73</u>
	7,411.22	7,652.93
Spare Parts ( Trading )	<u>333.84</u>	<u>221.39</u>
TOTAL	<u>7,745.06</u>	<u>7,874.32</u>
<b>23. CHANGES IN INVENTORIES OF WORK IN PROGRESS</b>		
Closing Stock	2,012.08	1,139.02
Opening Stock	<u>1,139.02</u>	<u>1,524.71</u>
(Increase) / Decrease in Work in Progress	<u>(873.06)</u>	<u>385.69</u>
<b>24. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages & Bonus	2,445.57	2,383.78
Contribution to Provident & Other Funds	254.90	198.58
Staff Welfare Expenses	<u>190.52</u>	<u>173.03</u>
TOTAL	<u>2,890.99</u>	<u>2,755.39</u>

# ANNUAL REPORT 2019 - 2020

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
	₹ in Lakhs	₹ in Lakhs
<b>25. FINANCE COST</b>		
Interest	30.30	19.24
Bank Charges	132.31	66.89
TOTAL	<u>162.61</u>	<u>86.13</u>
<b>26. OTHER EXPENSES</b>		
Consumption of Stores & Spares	298.39	257.01
Power & Fuel	213.79	179.89
Job Charges	546.39	328.59
Rent	30.64	25.99
Rates and Taxes	63.75	50.17
R & D Expenditure	147.75	151.33
Insurance	34.64	39.41
Freight Outwards	154.30	146.70
Vehicle Maintenance	86.00	92.23
Security Services	69.57	69.91
Priliminary Expenses	0.92	0.92
Professional Charges	49.30	76.35
Printing & Stationery	22.37	22.35
Travelling Expenses	293.83	313.98
Telephone Charges	17.56	23.05
Contribution towards CSR	43.58	51.20
Repairs & Maintenance		
Plant & Machinery	33.16	42.31
Buildings	47.05	75.08
Others	32.06	40.31
General Expenses	95.97	80.00
Payment to Auditors		
Statutory Audit	9.20	9.30
Taxation Matters	2.50	2.00
Certification Charges	0.50	0.50
Reimbursement of Expenses	1.69	0.58
Commission & Selling Expenses	144.48	228.41
Directors Sitting Fees	6.60	4.60
Bad Debts Written off	19.14	10.18
Liquidated Damages	42.69	25.18
TOTAL	<u>2,507.82</u>	<u>2,347.53</u>
<b>27. EARNING PER SHARE</b>		
Profit after Taxation	1,445.36	1,752.98
Number of Equity Shares Outstanding	44.50	44.50
Basic and Diluted earning per share in ₹	32.48	39.39
Face value of ₹ 10/- per share		
The Company does not have any diluted shares, hence basic and diluted earnings per share is same.		

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
	₹ in Lakhs	₹ in Lakhs
<b>28. Contingent Liabilities &amp; Commitments (To the extent not provided for)</b>		
<b>A. Contigent Liabilities</b>		
In respect of Bank Guarantees & Acceptances	<u>3,286.78</u>	1,494.93
TOTAL	<u>3,286.78</u>	<u>1,494.93</u>
<b>B. Commitments</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	-	-
TOTAL	<u>-</u>	<u>-</u>
<b>29.</b> The Company has never defaulted in payment of Loans and Interest.		
<b>30.</b> Income Tax Assessment is completed upto Assessment Year 2017-18.		
<b>31. Particulars of Consumption</b>		
Raw Materials		
- Imported	<u>1,494.22</u>	1,255.28
- Indigenous	<u>5,917.00</u>	6,397.66
TOTAL	<u>7,411.22</u>	<u>7,652.94</u>
Stock in Trade for re-sale		
- Imported	<u>6.82</u>	8.12
- Indigenous	<u>327.02</u>	213.26
TOTAL	<u>333.84</u>	<u>221.38</u>
<b>32. Value of Imports on CIF basis</b>		
Raw Materials, Stores and Spares	<u>1,403.87</u>	643.55
Stock in Trade for re-sale	<u>5.68</u>	8.75
TOTAL	<u>1,409.55</u>	<u>652.30</u>
<b>33. Payment made in Foreign Currency on account of</b>		
Travelling	<u>7.97</u>	10.00
Sales Promotion (Exhibition)	-	7.05
Membership Fee	<u>2.95</u>	2.77
Conference & Meeting Expenses	<u>10.91</u>	12.11
TOTAL	<u>21.83</u>	<u>31.93</u>
<b>34. Earnings in Foreign Currency</b>		
F.O.B Value of Exports	<u>39.00</u>	330.58
TOTAL	<u>39.00</u>	<u>330.58</u>

# ANNUAL REPORT 2019 - 2020

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
	₹ in Lakhs	₹ in Lakhs
<b>35. Employee Benefits under Defined Benefit Plans</b>		
<b>GRATUITY</b>		
<b>Details of Actuarial Valuation</b>		
<b>Change in Benefit Obligation</b>		
Fair Value of Assets as at Year Beginning	282.38	277.32
Employer Contribution	58.44	35.00
Expected Return on Assets	23.96	21.36
Actuarial Gain / (Loss)	(3.72)	(5.14)
Benefits Paid	(45.39)	(46.16)
<b>Fair Value of Assets as at Year End</b>	<b>315.67</b>	<b>282.38</b>
<b>Actual Return on Assets ( Net )</b>	<b>20.24</b>	<b>16.22</b>
Fair Value of Plan (FVA) Assets as at Year End	315.67	282.38
Present Value of Defined Benefits Obligation (DBO) as per Actuarial Valuation	383.43	292.30
<b>Net Surplus</b>	<b>(67.76)</b>	<b>(9.92)</b>
<b>Cost of the Defined Benefit Plan for the Year</b>		
Current Service Cost	33.63	32.53
Interest Cost	2.24	2.47
<b>Net Cost Recognised in the Profit and Loss Account</b>	<b>35.87</b>	<b>35.00</b>
<b>Net Cost as per Actuarial Valuation</b>	<b>(31.89)</b>	<b>44.92</b>
<b>Net Surplus Recognised at the end of the period</b>	<b>(67.76)</b>	<b>(9.92)</b>
<b>Actuarial Assumptions</b>		
Discount Rate	7%	8%
Future Salary Increase	7%	7%
Attrition Rate	5%	5%
Rate of Return on Plan Assets	8%	8%

Notes : i. The entire Plan Assets are managed by Life Insurance Corporation of India (LIC).

ii. The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.

iii. Actuarial Valuation obtained for Gratuity based on requirements of Accounting Standard 15.

### 36. Disclosure as required under Sec 186 (4) of the Companies Act, 2013

Particulars	31.03.2020 ₹ in Lacs	31.03.2019 ₹ in Lacs	Purpose
i) Loans Outstanding			
- Velankani Electronics Pvt. Ltd.,	300.00	300.00	Business
- Bydesign India Pvt. Ltd.,	180.00	180.00	Business
ii) Investments in Mutual Funds	1,301.09	2,343.72	Investment of Surplus Funds

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**37. Additional Information as required in Schedule III of Companies Act, 2013 for the year ended March 31, 2020 :**

Name of the Entity	Net Assets (Total Assets - Total Liabilities)		Share in Profit or (Loss)	
	As % of Consolidated Net Assets	Amount ₹ in Lakhs	As % of Consolidated Profit or (Loss)	Amount ₹ in Lakhs
<b>Parent - Indian :</b>				
SAN Engineering & Locomotive Co. Ltd.,	99.57	18,919.67	99.46	1,340.89
<b>Subsidiaries - Indian</b>				
SAN Motors Ltd.,	0.32	60.56	0.15	1.99
SAN Rolling Stock Services Ltd.,	0.07	14.07	0.39	5.31
Minority Interest	0.04	7.14	-	0.02
<b>Total</b>	<b>100.00</b>	<b>19,001.44</b>	<b>100.00</b>	<b>1,348.21</b>

**38. Performance and financial position of Subsidiaries**

**M/s SAN Motors Ltd (SML)**

The Company acquired SML during the financial year 2018-19 and it holds 99.16% of shares in this subsidiary. SML has earned net revenue of Rs.256.22 Lakh from its Operations and Other Income as against Rs.415.42 Lakh of the previous year.

It has earned Profit Before Tax of Rs.4.46 Lakh and after considering tax expenses of Rs.2.45 Lakh the Net Profit of the Company is Rs. 2.01 Lakh. The Net Sales of SML comprise of Rs.107.84 Lakh from Fiber Glass Reinforced Plastic (FRP) division and Rs.117.52 Lakh from Fabrication division. The current year performance of SML was impacted due to the reduction of FRP business from automotive sector.

SML has supported the Company by supplying fabricated parts, machined items and sub-assemblies for rolling stock and rail vehicle application. The Company has plans to grow its FRP product line to cater to Railway application.

SML became subsidiary during FY 2018-19 and accordingly consolidated financial statement for the year ended as on 31st March 2020 includes the figures of SML.

**M/s San Rolling Stock Services Ltd (SRSSL)**

SRSSL was incorporated by the Company as a wholly owned subsidiary in the year 2017-18 in order to focus on the business activity relating to Service and Maintenance contracts of rolling stock and rail vehicles supplied by the Company.

SRSSL has earned Rs.90.54 Lakh from its Operations and Other Income during the year 2019-20 as against Rs. 36.87 Lakh earned during the previous year. The Profit Before Tax was Rs.7.15 Lakh against Rs.11.03 Lakh of the previous year. After considering the current tax provision of Rs.1.85 Lakh the Company's net profit for the year was Rs.5.30 Lakh.

SRSSL has supported the Company by taking Commissioning and Operation & Maintenance Contracts for the products supplied by the Company. This activity is likely to grow further in the coming years and contribute to overall performance of the Company.

# ANNUAL REPORT 2019 - 2020

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 39. Disclosure in respect of related parties pursuant to Accounting Standard 18 :

Names of Related Party	Nature of Relationship
Mr. Milind S Thakker, Chairman	M/s SAN Motors Ltd., - Subsidiary M/s SAN Rolling Stock Services Ltd., - Subsidiary M/s Sonmil Engineering Pvt. Ltd., - Shareholder
Mr. Ramanathan Narayanan, Managing Director	M/s SAN Rolling Stock Services Ltd.,

### 40. Transactions during the year with related Parties / Key Managerial Personnel are as under :

Related Parties	Nature of Transaction	2019-20	2018-19
		₹ in Lakhs	₹ in Lakhs
Sonmil Engineering Pvt. Ltd.,	Sale of Materials	168.63	169.25
SAN Motors Ltd.,	Rent Received	14.16	14.16
SAN Motors Ltd.,	Sale / Purchase of Materials	169.95	139.22
SAN Rolling Stock Services Ltd.,	Rent Received	1.70	1.70
SAN Rolling Stock Services Ltd.,	Purchase of Materials	76.91	-
SAN Rolling Stock Services Ltd.,	Service Charges Received	18.05	18.05
Mr. Ramanathan Narayanan	Managerial Remuneration	117.02	113.22

41. The Board of Directors of the Company has recommended a dividend of ₹ 1/- per share for the year ended 31st March, 2020 and the same is subject to approval by the shareholders at the ensuing Annual General Meeting. In terms of notification dated 30.03.2016 and amended AS4 of Companies (Accounting Standard) Rules 2016, the proposed dividends will not be recorded as liability as at March 31, 2020 being Contingencies and Events occurring after the Balance Sheet date. However, the dividend shall be considered as liability on approval of shareholders at the AGM. The cash outflow on account of this would be ₹ 44.50 Lakhs.

### 42. Impact of Covid-19 pandemic on business :

The outbreak of Covid-19 pandemic, has affected the business to a large scale. The Central and State Governments have taken series of measures to contain the outbreak, which includes imposing multiple lockdowns across the country and also restricted the usage of full manpower in the production facility. The pandemic has impacted the business of the Company since March 23, 2020,

- by way of interruption in production due to closure / lockdown of product facilities,
- unavailability of personnel
- disruption in supply chain and also
- customers rescheduling deliveries

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Adhering to the government guidelines, the Company resumed its operations in a phased manner with limited availability of employees and the process of scaling up its operations continues. While the impact on Company's business for the financial year ending March 31, 2020 was marginal, the interruption of production due to series of lockdowns in the last few months is likely to affect the current year sales and profitability of the Company.

43. The Company's main business segment is manufacturing Locomotives, Gears & Gear Boxes. Hence, there is no separate reportable segment as per Accounting Standard 17 ( AS - 17 ).

**Annexure 'D'**

**Form AOC - 1**

Annexure pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014.

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

Part "A" : Subsidiaries

Amts in Rs/lakhs

Sl No	Name of the Subsidiary Company	The date since when subsidiary was acquired	Reporting Period	Reporting Currency	Share Capital	Reserves & Surplus	Total Liabilities	Total Assets	Turnover	Profit / Loss before Taxation	Tax Expenses / Credit	Profit / Loss after Taxation	Proposed Dividend	Percentage of holding
1	San Rolling Stock Services Ltd	19-04-2017	Apr - Mar	INR	100.00	14.07	6.29	120.36	90.54	7.15	1.85	5.30	Nil	100.00%
2	San Motors Ltd	16-08-2018	Apr - Mar	INR	250.00	599.90	152.78	1002.68	256.22	4.46	2.45	2.01	Nil	99.16%

As per our report of even date attached.

For **N. R. RAJAGOPALAN & CO.,**  
Firm Registration No. 003400S  
Chartered Accountants

**MILIND S THAKKER**  
Chairman  
DIN : 00617882

**RAMANATHAN NARAYANAN**  
Managing Director  
DIN : 06681365

**R. NARASIMHAN**  
Membership No. 018376  
Partner

**KISHORE GOVINDE**  
Vice President (Finance) & Company Secretary  
M.No. F2333

Place : Chennai  
Dated : 28th September, 2020

Place : Bengaluru  
Dated : 28th September, 2020



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# SAN ENGINEERING & LOCOMOTIVE CO. LTD

Registered Office : P.O. Box No.4802, Whitefield Road, Bengaluru – 560 048  
Tel :080-42449200, Fax :080-28452195 E-mail :comsec@san-engineering.com  
Web :www.san-engineering.com CIN : U74210KA1973PLC002424

## PROXY FORM

Name of the member (s):  
Registered address:  
E-mail Id:  
Folio No/ Client Id:  
DP ID:

I/We, being the member (s) of .....Shares of the above named company, hereby appoint:

1) Name: .....Address: .....

Email Id:..... Signature: .....or failing him;

2) Name: .....Address:.....

Email Id:..... Signature: ..... or failing him;

3) Name: .....Address: .....

Email Id:..... Signature: .....

as my /our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the Registered Office of the Company on Tuesday, the 1st December 2020 and at any adjournment thereof in respect of such resolution as stated below.

RESOLUTION NUMBER	PARTICULARS OF RESOLUTION
Resolution 1 (Ordinary Resolution)	Adoption of Audited Financial Statements for the year ended 31st March 2020
Resolution 2 (Ordinary Resolution)	Declaration of Dividend
Resolution 3 (Ordinary Resolution)	Re-appointment of Mr. Milind S. Thakker, who retires by rotation
Resolution 4 (Ordinary Resolution)	Appointment of Mr. Ramanathan Narayanan as additional director of the Company
Resolution 5 (Ordinary Resolution)	Appointment of Mr. Ramanathan Narayanan as Managing Director of the Company
Resolution 6 (Special Resolution)	Appointment of Mr. Apparao Mallavarapu (DIN: 00286308) as Independent Director of the Company
Resolution 7 (Special Resolution)	Appointment of Mr. Udayant Malhoutra (DIN: 0053714) as Independent Director of the Company
Resolution 8 (Special Resolution)	Appointment of Mr. Inder Mahadevan (DIN: 02471263) as Independent Director of the Company
Resolution 9 (Special Resolution)	Appointment of Mr. Jasjiv Sahney (DIN: 00022886) as Independent Director of the Company
Resolution 10 (Special Resolution)	Adoption of New set of Articles of Association in accordance with the provisions of the Companies Act, 2013
Resolution 11 (Ordinary Resolution)	Appointment of Mr. K Ramachandran, Cost Accountant in practice (Membership No. M-10308) for auditing of cost records of the Company for the financial year ending 31st March 2021.

.....  
Signature of Shareholder/Proxy

Signed this ..... day of December, 2020

Folio Number .....No. of Shares held .....

Affix  
₹1  
Revenue  
Stamp

Note : This form of Proxy to be effective should be duly completed and deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.



# SAN ENGINEERING & LOCOMOTIVE CO. LTD

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Web :www.san-engineering.com CIN : U74210KA1973PLC002424

## ATTENDANCE SLIP

(To be handed over at the Entrance of the Meeting Hall)

Name of the Shareholder .....

Name of the Proxy .....

Folio Number ..... No. of Shares held .....

DPID/ Client ID No. ....

I/We certify that I/We, am/are a Member of the Company/Proxy/Authoriseed Representative for the member.

I/We hereby record my/our presence at the 50th Annual General Meeting held on 1st December 2020.

Signature(s) of the Shareholder(s) or Proxy or Authorized Representative .....

Please Note: Members are requested to bring their copy of the Annual Reports to the Meeting.

## Route Map

For the venue of 50th AGM of SAN Engineering & Locomotive Co. Ltd., at the Registered Office of the Company at Whitefield Road, Bengaluru - 560 048.







