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52nd ANNUAL REPORT 2021-22



San Engineering & Locomotive Co. Ltd.

BOARD OF DIRECTORS	:	MILIND S THAKKER Chairman INDER MAHADEVAN JASJIV SAHNEY APPARAO MALLAVARAPU UDAYANT MALHOUTRA RAMANATHAN NARAYANAN Managing Director
COMPANY SECRETARY	:	KISHORE GOVINDE
BANKERS	:	STATE BANK OF INDIA CANARA BANK
AUDITORS	:	M/s. N.R. RAJAGOPALAN & CO., CHENNAI – 600 018
REGISTERED OFFICE	:	WHITEFIELD ROAD BENGALURU – 560 048
FACTORIES AT	:	WHITEFIELD ROAD BENGALURU – 560 048 HEBBAL INDUSTRIAL AREA MYSURU – 570 018

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SAN ENGINEERING & LOCOMOTIVE CO LTD

CIN: U74210KA1973PLC002424

Registered Office: Whitefield Road, Bengaluru – 560 048, Karnataka

Telephone: (080) 4244 9200 : FAX: (080) 2845 2260

E-mail: comsec@san-engineering.com Website: www.san-engineering.com

NOTICE CONVENING ANNUAL GENERAL MEETING

NOTICE is hereby given that the 52nd Annual General Meeting of the Members of SAN ENGINEERING & LOCOMOTIVE CO. LTD., will be held on Tuesday, the 30th August, 2022, at 11.30 A.M. at the Registered Office of the Company at Whitefield Road, Bengaluru - 560 048 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2022 and the Reports of the Auditors and Board of Directors thereon.
2. To declare a Dividend of Rs 3/- per share for the financial year ended March 31, 2022.
3. To appoint a Director in place of Mr. Milind S Thakker (DIN: 00617882), who retires by rotation and being eligible, offers himself for re-appointment.
4. To approve the appointment of Statutory Auditors To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

RESOLVED THAT, pursuant to Sections 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the audit committee and the Board of Directors of the Company, M/s N R Rajagopalan & Co., Chartered Accountants (Firm Registration No 003400S) be and are hereby reappointed as the Statutory Auditors of the Company for the second term of five consecutive years, who shall hold office from the conclusion of this 52nd AGM till the conclusion of the 57th AGM to be held in the year 2027, at such remuneration as may be determined by the Board of Directors of the Company (including its committees thereof).

RESOLVED FURTHER THAT, the Board of Directors of the Company, (including its committees thereof), be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto.

RESOLVED FURTHER THAT, the Board of Directors of the Company, (including its committees thereof), be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto.

SPECIAL BUSINESS:

5. Ratification of remuneration of the Cost Auditors

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, consent of the Company be and is hereby accorded for the payment of remuneration of Rs. 1.00 lakh (Rs one lakh only) plus taxes and out of pocket expenses to Company's Cost Auditor M/s S Arun Kumar & Co., Cost Accountants (Registration No. 002780), for auditing of cost records maintained by the Company for the financial year ending 31st March, 2023“

By Order of the Board

KISHORE GOVINDE
Vice President (Finance)
& Company Secretary

Bengaluru
16th July, 2022

NOTES:

1. Relevant Explanatory Statement pursuant to Sec 102(1) of the Companies Act, 2013 (the Act), for item No 5 is annexed hereto.
2. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting.
3. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Members shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged with the Company, at any time during the business hours of the Company, provided not less than three days' notice in writing of the intention to inspect is given to the Company.
5. Members who wish to claim Dividends that remain unclaimed are requested to correspond with the Registrar and Share Transfer Agents. Members are requested to note that Dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and applicable Rules. The list of unclaimed dividend is available on the website www.san-engineering.com of the Company.
6. Members/proxies should bring the attendance slip enclosed herewith, duly filled in for attending the Meeting.
7. Route-map to the venue of the Meeting is provided in the attendance slip attached to this Annual Report.
8. The provisions of Section 108 of the Companies Act, 2014 and rules there on, with regarding to providing e-voting facility are not applicable to the Company. As such no e-voting facility is provided.
9. Members may also note that the Notice of the 52nd Annual General Meeting (AGM) and the Annual Report 2021-22 will be available on Company's website www.san-engineering.com.
10. Corporate members intending to send their authorized representatives to attend the meeting in terms of Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
11. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. Shareholders holding shares in physical mode are requested to convert the same into demat mode as the transfer of securities would henceforth be carried out only in dematerialized form. Please contact the Registrars and Share Transfer Agents of the Company for any assistance in this regard.
13. Members who have not registered their e-mail ID are requested to update the same with the Registrar and Share Transfer Agents of the Company, if held in physical form, or to the Depository, if held in demat mode.
14. Members who have not provided their Bank account details for dividend payment are requested to furnish the same to the Registrars and Share Transfer Agents of the Company.
15. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 72 of the Act, read with Rules made there under are requested to send the prescribed Form SH-13 to the Registered Office of the Company. Any change or cancellation of the nomination already given is to be given in Form SH-14. The forms are available on the Company's website www.san-engineering.com. for download.

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16. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.
17. The Register of Members and Share Transfer books of the Company will remain closed from 27th August, 2022 to 30th August, 2022, both days inclusive.
18. Dividend, if declared, will be payable on or before 28th September, 2022 to the member whose names appear in the register of members of the Company as on 28th August, 2022.
19. The Company has appointed M/S Canbank Computer Services Ltd, R & T Centre, No 218, J P Royale, 1st Floor, 2nd Main, Sampige Road, Malleswaram, Bengaluru 560 003, (Phone nos: 080 23469661-64, Fax 080 23469667; Email canbankrta@csl.co.in) as the Registrar and Share Transfer Agents. The members are requested to communicate with the Registrar and Share Transfer Agents regarding share matters, change of address, nomination, dividend and other matters in respect of their shareholdings.
20. Pursuant to section 101 and 136 of the Companies Act, 2013 read with Rule 18 (1) of the Companies (Management and Administration) Rules, 2014, the Notice calling AGM along with the Annual Report for the 52nd ANNUAL REPORT for the financial year ended 31st March, 2022 would be sent by electronic mode on the email addresses as obtained from the Registrar and Share Transfer Agent, unless the members have requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode. Members are requested to support this green initiative by registering/updating their e-mail addresses with the depository participant (in case of share held in dematerialized form) or with M/S Canbank Computer Services Ltd (in case of shares held in physical form). Even after registering for ecommunication, Members are entitled to receive such communication in printed form, upon making a request for the same. For any communication, the members may also send request to the Company's investor email ID comsec@san-engineering.com Members may also note that the notice of the AGM and the Annual Report for the Financial Year ended 31st March, 2022 will also be hosted on the Company's website www.san-engineering.com.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to section 102 of the Companies Act, 2013

As required by Section 102 of the Companies Act, 2013 (“the Act”), the following Explanatory Statement sets out material facts relating to the special business under items 5 in the Notice.

Item No 5

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to maintain cost records for the products manufactured by the company and also appoint a cost auditor to audit these cost records. Accordingly, the Board of Directors of the Company at its meeting held on 16th July, 2022 has considered the recommendations of audit committee and appointed M/s S Arun Kumar & Co, Cost Accountants (Registration No: 002780) as the Cost Auditor of the Company for the financial year 2022-23 at a remuneration of Rs 1.00 lakh plus applicable taxes

and out of pocket expenses that may be incurred by the Cost Auditor.

In terms of the said Rules, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company in the general meeting. Accordingly, the Board recommends the ordinary resolution given at item no. 5 for the approval of the members of the Company.

None of the directors, Key Managerial Personnel of the Company or their relatives is in anyway, concerned or interested, financially or otherwise, in the said resolution.

By Order of the Board

KISHORE GOVINDE
Vice President (Finance)
& Company Secretary

Bengaluru
16th July, 2022

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DIRECTORS' REPORT

Your Directors present the Annual Report on the performance of the Company together with the Audited Accounts for the year ended 31st March 2022

(₹ in Crore)

Financial Results	Current Year 2021-22	Previous Year 2020-21
Net Sales and Other Income	137.33	125.14
Profit before Finance Cost, Depreciation and Taxes	17.92	13.60
Less: Interest & Finance Charges	1.08	1.08
Depreciation	5.73	6.08
Profit before Tax	11.11	6.44
Less: Tax Expenses	2.93	1.73
Profit for the year	8.18	4.71
Balance as per last Balance Sheet	22.60	22.89
Amount available for appropriation	30.78	27.60
Appropriations		
Transfer to General Reserve	10.00	5.00
Dividend on Equity shares	1.34	0.45

Dividend

The Board has recommended a dividend of Rs 3/- per equity share i.e., 30% of nominal value of Rs 10/- each for the financial year ended 31st March, 2022. The dividend if approved by the Members in the ensuing Annual General Meeting would involve a cash outflow of Rs 1.34 Crores..

Change in Nature of Business:

During the year under review, there were no changes in nature of business of the company.

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 137.33 Crore for the year 2021-22 as compared to Rs 125.14 Crore of the year 2020-21. The corresponding profit before tax was Rs 11.11 Crore against Rs 6.44 Crore posted in the previous year. The highlight of the performance of the year 2021-22 was the supply of 17 nos shunting locomotives, 4 nos. of power packs for High Speed Accident Relief Trains (HS SPART) to ICF and 3 nos of Camp Coaches to LORAM

to be used along with the Rail grinders in Indian Railways.

The performance of the Company was impacted to some extent due to interruptions in production activity on account of the lockdown and other measures imposed by the Government to contain the spread of second wave of Covid-19. The disruption in supply chain including imports and rescheduling of deliveries by Customers' continued to affect the operations of the Company even after ease of the lockdown.

Current Year

The Company opened the financial year with an order backlog of over Rs. 400 Crores. This includes the order for the supply of Diesel Electric Tower Cars (DETC), Rail Borne Maintenance Vehicles (RBMV), Worksite Tampers, Diesel Hydraulic Multiple Units (DHMU) and Inspection Vehicles for Indian Railways and also Camp coaches for rail application. These products are deliverable over a period of two to three years. Out of these orders, the testing of prototype of DETC by RDSO has been completed and the same has been taken up for production. The Company commenced the supply of Camp Coaches in the previous year and the supply of remaining coaches is likely to be complete in the first half of current year. The design and development of other products are under progress.

Directors

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

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. 38 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, 2022 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 2022 were prepared on going concern basis;
- e) the directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- f) 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 held generally conducted once a 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 four times during the financial year under review. The meetings were held on 28th July, 2021, 23rd November, 2021, 25th January, 2021 and 31st March, 2022. 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	4	4
Mr. Inder Mahadevan	4	3
Mr. Jasjiv Sahney	4	4
Mr. Apparao Mallavarapu	4	4
Mr. Udayant Malhoutra	4	4
Mr. Ramanathan Narayanan	4	4

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 28th July, 2021, 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 stakeholders by implementing these objectives.

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The CSR policy adopted by the Board and the constitution of CSR committee are available on the web site of the Company www.san-engineering.com. During the year under review the CSR committee meeting was held on 23rd November, 2021 to review CSR activities. The Annual Report on the CSR activities containing CSR Policy, Composition of Committee and CSR activities, meeting held and attended by members, projects undertaken and the amount spent during the year 2021-22 is appended as Annexure A to 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

Policy on Appointment and Remuneration of Directors

Pursuant to Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Company has formulated a policy on board nominations as well as 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. The Remuneration policy of the Company is available on the website of the Company www.san-engineering.com.

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 2021-22.

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 31st March, 2022. A report on the performance

and financial position of these subsidiary companies is provided in the note no. 40 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 of the Company's subsidiary in Form AOC-1 is appended as Annexure D to the financial statements of the Company.

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.

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 2021-22 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 31st March, 2022 in form AOC-2 is appended as Annexure B which forms part of this Report.

Annual Return

In accordance with Section 92(3) and Sec 134(3)(a) of the Companies Act, 2013, the annual return of the Company as on 31st March, 2022, in the prescribed format is available on the website of the Company 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 was 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

M/s N R Rajagopalan & Co, Chartered Accountants, appointed as statutory auditors of the Company for a period of five years in the AGM held in the year 2017, due for retirement in the ensuing Annual General Meeting, have been re-appointed by the Board of directors at their meeting held on 16th July, 2022. The reappointment is effective for a further term of five years effective from the conclusion of 52nd Annual General Meeting until the conclusion of 57th Annual General Meeting of the Company to be held in the year 2027. The appointment and remuneration payable, is placed for ratification by the members of the Company.

The Company has received a certificate from the Auditors to the effect that their appointment, if made, will be in accordance with the conditions prescribed under the Act and the auditors satisfy the criteria provided in Section 141 of the Act.

Audit remarks and frauds reported by the auditor u/s. 143(12) of the companies act, 201:

There are no qualifications, reservations or adverse remarks except emphasis of matters made by the Auditors in their report for the financial year ending March 31, 2022. No frauds have been reported by the Auditors in the Report under sub-section (12) of section 143 made by Auditors for the financial year ending March 31, 2022.

Explanations or Comments by the Board on qualification, reservation or adverse remark or disclaimer made by the auditor in their report

As there were no instances of qualifications, reservations or adverse remarks except emphasis of Matters made by the Auditors in their report to the Members for the financial year ending March 31, 2022, comments by the Board do not arise.

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 M/s S Arun Kumar & Co, Cost Accountants (Registration No: 002780) as the Cost Auditors for the year 2022-23. 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 ongoing projects as well as development of new products.

Ongoing projects:

- Continued the Design & Development of Diesel Hydraulic Multiple Unit for Kalka - Shimla section of Indian Railways.
- Continued the Development of Worksite Tampers for Indian Railways
- Standardisation of locomotives and rail products.
- Completed the development of Camp Coaches and taken up its production.
- Development of gear boxes for standard and non-standard applications.

New Products under development:

- Design of Rail Borne Maintenance Vehicle for Indian Railways
- Rail Inspection Vehicles for dedicated freight corridors

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.

Expenditure on R & D:

Capital	:	Rs. 0.52 Crore
Recurring	:	Rs. 1.41 Crore
Total	:	Rs. 1.93 Crore
Total R & D Expenditure as Percentage of total turnover	:	1.41 %

(C) Foreign Exchange Earnings & Outflow: (Rs/Crore)

i) Foreign Exchange Earned: Export of goods on FOB basis	0.04
ii) Out Flow of Foreign Exchange: Raw Material / Spares Expenditure on Traveling & others	4.63 0.05

Secretarial Standards:

The Company complied with the Secretarial Standards on Meetings of Board of Directors (SS-1) and General Meetings (SS-2).

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

MILIND S THAKKER
Chairman
DIN : 00617882

Bengaluru
16th July, 2022

Annexure - A to Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR policy of the Company

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.

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Milind S Thakker	Chairperson Non Independent Non-Executive	1	1
2	Mr. Jasjiv Sahney	Member Independent Non-Executive	1	1
3	Mr. Apparao Mallavarapu	Member Independent Non-Executive	1	1
4	Mr. Udayant Malhoutra	Member Independent Non-Executive	1	1

3. Provide the Website/web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company :

The information is available on the Company's website www.san-engineering.com.

4. Provide the details of impact assessment of CSR projects carried out in pursuance of Sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014, if applicable

Not Applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial year (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
-	-	NIL	NIL

6. Average net profit of the Company as per Section 135(5): Rs 16.12 Crore.

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7. (a) Two percent of average net profit of the Company as per Section 135(5): Rs 32.24 lacs
 (b) Surplus arising out of the CSR Projects or programmes or activities of the previous financial year: NIL
 (c) Amount required to be set-off for the financial year if any: NIL
 (d) Total CSR obligation for the financial year (7a+7b-7c): Rs 32.24 lacs

8. (a) **CSR amount spend or unspent for the financial year:**

Total amount spent for the Financial Year (Rs/lacs)	Amount Unspent (Rs/lacs)				
	Total Amount transferred to Unspent CSR account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provision to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
32.73	NIL	-	-	NIL	-

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

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

1	2	3	4	5		6	7	8	
Sl. No.	Name of the project	Item from the list of Activities In schedule VII of the Act	Local Area (Yes / No)	Location of the Project		Amount Spent for the project (Rs/ lacs)	Mode of Implementation (Direct Yes/ No)	Mode of implementation – Through agency	
				State	District			Names of Agency	CSR Regn. No.
1	Education including Special education and employment enhancing vocational training	(ii)	Yes	Karnataka	Bangalore	11.33	No	SSGBS Trust SOS Children's Villages Social Assn for Help Mitrajyothi	CSR00011765 CSR00000692 CSR00007500 CSR00000779
2	Education: Teachers to government schools	(ii)	Yes	Karnataka	Bangalore	1.06	Yes	Directly by the Company	N.A.
3	Eradication of hunger: Distribution food kits & meals	(i)	Yes	Karnataka	Bangalore	12.90	No	Akshaya Patra Foundation Prasanna Trust Girija Shastry Memorial Trust (Adanya Chetana)	CSR00000286 CSR00003636 CSR00005727
4	Support for treatment of cancer patients and cataract surgeries	(i)	Yes	Karnataka	Bangalore	3.00	No	Sankara Eye Foundation	CSR00003159
5	Tree planting and Agro forestry	(iv)	Yes	Karnataka	Bangalore & Mysore	4.44	No	Isha Outreach Girija Shastry Memorial Trust (Adanya Chetana)	CSR00009670 CSR00005727

(d) **Amount spent in Administration overheads: NIL**

(e) **Amount spent on Impact Assessment, if any: NIL**

(f) **Total amount spent for the Financial year (8a+8b+8c+8d): Rs 32.73 lacs**

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

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

Unspent CSR amount for the preceding any fund specified under Schedule VII as per Section 135(6), if any: NIL
Amount remaining to be spent in succeeding financial year: NIL

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

(a) Date of creation or acquisition of the capital asset(s): None

(b) Amount of CSR spent for creation or acquisition of Capital asset: Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, then address etc: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of capitalAsset: Not Applicable

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5):

Not applicable

On behalf of the Board,

MILIND S THAKKER

Chairman of CSR Committee

DIN: 00617882

RAMANATHAN NARAYANAN

Managing Director

DIN : 06681365

Bengaluru

16th July, 2022

Annexure B to Board's Report Form No AOC-2

(Pursuant to clause (h) of Sub-section (3) of section 134 of the Companies Act 2013 and Rule 8(2) Rule 82) 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 aunder 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 2021-22.

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	Rent received for the factory shed Whitefield Road, Bangalore ₹ 14.16 lakh	24th June, 2020	NIL
		Purchase / sale of material	On going	Sale of material & Purchase of fabricated items valued at ₹ 310.69 lakh during the year.	23rd March, 2021	NIL
ii	San Rolling Stock Services Ltd	Rent Contract	Three years	Rent received for office space at Whitefield Road, Bangalore on rent of ₹ 1.70 lakh	24th June, 2020	NIL
		Sale/Purchase/ Service contract	On going	Purchase of material, commissioning & maintenance service valued at ₹ 84.48 lakh	23rd March, 2021	NIL
iii	Sonmil Engineering Pvt Ltd	Supply of material	On going	Sale of material valued at ₹ 104.48 lakh during the year.	24th June, 2020	NIL
iv	Importex International Pvt Ltd	Supply of material	On going	Service contracts valued at ₹ 3.54 lakh during the year.	23rd November, 2021	NIL

SAN ENGINEERING & LOCOMOTIVE CO. LTD.,

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 (63 Yrs)	Managing Director	₹ 120.30 lakhs	Contractual	B.E(Hons), PGDMM (40 Yrs)	19/02/2010	CEO, ICIL	NIL	No

INDEPENDENT AUDITORS' REPORT

To the Members of SAN ENGINEERING & LOCOMOTIVE COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **M/S. SAN ENGINEERING & LOCOMOTIVE COMPANY LIMITED** ("the Company"), which comprise the balance sheet as at 31 March 2022, 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 2022, 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 the 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.

Emphasis of Matter

We draw your attention to Note No.42 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 is 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 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 is 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 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)(l) 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

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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 (Auditor's Report) order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of Companies Act 2013, we give in the "Annexure-A" a statement on the matters specified in paragraph 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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the 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 : 16th July, 2022
UDIN : 22018376ANFXSN4954

ANNEXURE ‘A’ TO THE INDEPENDENT AUDITORS’ REPORT ON FINANCIAL STATEMENTS

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

Report as required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 (Refer to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date) With reference to the Annexure A referred to in the Independent Auditors’ Report to the members of SAN Engineering & Locomotive Co. Ltd., on the financial statements for the year ended March 31, 2022,

We report the following:

- | | |
|---|--|
| <p>(i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.</p> <p>(B) The Company has maintained proper records showing full particulars of intangible assets.</p> <p>(b) In our opinion Property, Plant and Equipment have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification during the year.</p> <p>(c) The Title deeds of all the properties are held in the name of the Company.</p> <p>(d) The company has not re-valued its Property, Plant and Equipment during the year. Therefore, the provisions of Clause (i)(d) of paragraph 3 of the order are not applicable to the company.</p> <p>(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, the provisions of Clause (i)(e) of paragraph 3 of the order are not applicable to the company.</p> <p>(ii) (a) In our opinion, physical verification of inventory has been conducted at reasonable intervals by the management and the</p> | <p>coverage and procedure of such verification by the management is appropriate. No material discrepancies were noticed on such verification.</p> <p>(b) The Company has the working capital limits of Rs.67.50 Crores with Bank on the basis of security of current assets being Stock and Book debts. The quarterly returns filed by the Company with Banks are in agreement with the books of accounts of the Company.</p> <p>(iii) Based on our audit procedures and 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. Total outstanding as on 31st March, 2022 is Rs.4.80 Crores. There are no firms/Limited Liability Partnership/other parties covered in the register maintained under Section 189 of the Act.</p> <p>(iv) Based on our audit procedures and according to the information and explanation given to us, the Company has complied with provision of section 185 and 186 of the Companies Act 2013 in respect of grant of loans, making investments and providing guarantees, and securities as applicable.</p> <p>(v) Based on our audit procedures and 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 rules made thereunder and hence Clause 3(v) of the Order is not applicable.</p> <p>(vi) The maintenance of cost records has been</p> |
|---|--|

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specified by the Central Government under Section 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 and 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, Sales Tax, Wealth tax, Service tax, Duty of Customs, duty of Excise, Value Added Tax, GST, Cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanations 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, Sales Tax, Wealth tax, Service tax, Duty of Customs, duty of Excise, Value Added Tax, GST, Cess and any other statutory were in arrears as at 31st March, 2022 for a period of more than 6 months from the date they became payable. Therefore the provisions of Clause 3 (vii) (a) of the order are not applicable to the Company.

b. There are no dues relating to Income tax/Sales Tax / Service Tax / Duty of customs / Duty of Excise / Value added Tax, GST which have not been deposited on account of any dispute. Therefore the provisions of Clause 3 (vii) (b) of the order are not applicable to the Company.

- (viii) In our opinion and according to the information and explanations given to us, there is no transaction not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any loan or other borrowings or any interest due thereon to any lender.
- (b) In our opinion and according to the information and explanations given to us, the company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.
- (d) In our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been utilised for long term purposes.
- (e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). Therefore, the provisions of Clause (x)(a) of paragraph 3 of the order are not applicable to the Company.
- (b) Since the Company has not raised any money by way of preferential allotment or private placement of shares during the year, the provisions of Clause (x)(b) of paragraph 3 of the order are not applicable to the Company.

SAN ENGINEERING & LOCOMOTIVE CO. LTD.,

- (xi) (a) We have not noticed any case of fraud by the company or any fraud on the Company by its officers or employees during the year. The management has also not reported any case of fraud during the year.
- (b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As auditor, we did not receive any whistleblower complaint during the year.
- (xii) The company is not a Nidhi Company. Therefore, the provisions of Clause (xii) of paragraph 3 of the order are not applicable to the Company.
- (xiii) As per the information and explanations received by us all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act were applicable, and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards. Identification of related parties were made and provided by the management of the company.
- (xiv) The company is not covered by section 138 of the Companies Act, 2013, related to appointment of internal auditor of the company. Therefore, the provisions of Clause (xiv) of paragraph 3 of the order are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him for the year under review. Therefore, the provisions of Clause (xv) of paragraph 3 of the order are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) As per the information and explanations received, the group does not have any CIC as part of the group.
- (xvii) The company has not incurred cash loss in current financial year as well as in the immediately preceding financial year.
- (xviii) There has been no resignation of the previous statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) There is no unspent amount towards Corporate Social Responsibility (CSR) on ongoing projects and hence the requirement of transfer to a Fund specified in Schedule VI of the Companies Act are not applicable to the Company.
- (xxi) The company has invested in subsidiary companies and the auditors have no qualification or there have been no adverse remarks by the respective auditor in Company Audit Report Order (CARO) of the Company included in the consolidated financial statements.

for **N R RAJAGOPALAN & Co.,**
Firm Registration No.003400S
Chartered Accountants

(R.NARASIMHAN)

Membership No. 018376
Partner

Place : Chennai
Date : 16th July, 2022
UDIN : 22018376ANFXSN4954

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

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 31,2022 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. 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

for **N R RAJAGOPALAN & Co.,**
Firm Registration No.003400S
Chartered Accountants

(R.NARASIMHAN)
Membership No. 018376
Partner

Place : Chennai
Date : 16th July, 2022
UDIN : 22018376ANFXSN4954

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BALANCE SHEET AS AT 31 MARCH 2022

Particulars	Note No.	(₹ in Lakhs)	As at 31 st March 2022 (₹ in Lakhs)	As at 31 st March 2021 (₹ in Lakhs)
EQUITY AND LIABILITIES :				
Shareholders' Funds :				
Share Capital	2	445.00		445.00
Reserves and Surplus	3	<u>1,9674.98</u>		<u>1,8901.39</u>
			20,119.98	19,346.39
Non Current Liabilities :				
Deferred Tax Liabilities (Net)	4	11.69		47.87
Long Term Provisions	5	<u>166.03</u>		<u>157.55</u>
			177.72	205.42
Current Liabilities :				
Short Term Borrowings	6	7.40		50.81
Trade Payables	7			
Total outstanding dues of Micro & Small Enterprises		488.21		658.76
Total outstanding dues of creditors other than Micro & Small Enterprises		1,395.91		2,077.17
Other Current Liabilities	8	2,654.91		2,401.32
Short Term Provisions	9	<u>918.00</u>		<u>1,236.00</u>
			5,464.43	6,424.06
TOTAL			<u>25,762.13</u>	<u>25,975.87</u>
ASSETS :				
Non Current Assets				
Property, Plant & Equipment, Intangible Assets	10			
Property Plant & Equipment		4,408.80		4,812.23
Intangible Assets		37.57		46.68
Capital Work in Progress		<u>2.50</u>		<u>-</u>
		4,448.87		4,858.91
Long Term Loans & Advances	11	1,630.97		1,959.48
Other Non Current Assets	12	217.90		210.45
Non Current Investments	13	<u>2,174.92</u>		<u>2,174.92</u>
			8,472.66	9,203.76
Current Assets				
Current Investments	14	3,378.42		1,308.93
Inventories	15	6,094.72		4,971.81
Trade Receivables	16	6,400.50		8,812.24
Cash & Cash Equivalents	17	435.04		369.22
Short Term Loans & Advances	18	809.68		1,197.66
Other Current Assets	19	<u>171.11</u>		<u>112.25</u>
			17,289.47	16,772.11
TOTAL			<u>25,762.13</u>	<u>25,975.87</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.,	MILIND S THAKKER	RAMANATHAN NARAYANAN		
Firm Registration No. 003400S	Chairman	Managing Director		
Chartered Accountants	DIN : 00617882	DIN : 06681365		
R NARASIMHAN	KISHORE GOVINDE			
Membership No. 018376	Vice President (Finance) & Company Secretary			
Partner	M.No. F2333			
Place : Chennai	Place : Bengaluru			
Date : 16 th July, 2022	Date : 16 th July, 2022			

SAN ENGINEERING & LOCOMOTIVE CO. LTD.,

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	Note No.	Year Ended 31 st March 2022 (₹ In Lakhs)	Year Ended 31 st March 2021 (₹ in Lakhs)
INCOME :			
Revenue from Operations (Gross)	20	15,842.39	13,924.97
Less : GST		<u>2,258.51</u>	<u>1,690.75</u>
Revenue from Operations (Net)		13,583.88	12,234.22
Other Income	21	<u>148.70</u>	<u>279.87</u>
TOTAL INCOME		<u>13,732.58</u>	<u>12,514.09</u>
EXPENSES :			
Cost of Materials Consumed	22	7,415.61	6,279.34
Changes in Inventories of Work in Progress	23	(920.23)	46.30
Employee Benefit Expenses	24	2,985.01	2,802.58
Finance Costs	25	107.86	107.55
Depreciation and Amortization Expense		573.14	608.38
Other Expenses	26	<u>2,460.28</u>	<u>2,025.51</u>
TOTAL EXPENSES		<u>12,621.67</u>	<u>11,869.66</u>
Profit before Tax		1,110.91	644.43
Tax Expense :			
Current Tax		329.00	174.00
Excess / (Short) provision relating to prior years		-	0.55
Deferred Tax		<u>(36.18)</u>	<u>(1.33)</u>
Profit for the year		<u>818.09</u>	<u>471.21</u>
Earnings per Equity Share			
Basic	27	₹ 17.57	₹ 10.56
Diluted		₹ 17.57	₹ 10.56
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 Date : 16th July, 2022	MILIND S THAKKER Chairman DIN : 00617882 KISHORE GOVINDE Vice President (Finance) & Company Secretary M.No. F2333 Place : Bengaluru Date : 16th July, 2022	RAMANATHAN NARAYANAN Managing Director DIN : 06681365	

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

	(₹ in Lakhs)	2021-22 (₹ in Lakhs)	2020-21 (₹ in Lakhs)
A) CASH FLOW FROM OPERATING ACTIVITIES :			
Net Profit before tax and extra ordinary items		1,110.91	644.43
Depreciation	573.14		608.38
Finance Cost	107.86		107.55
Interest Income	(84.54)		(87.52)
Dividend Income from Current Investments	(19.49)		(106.12)
Gain on Sale of Assets	(24.83)		(2.00)
		<u>552.14</u>	<u>520.29</u>
Operating Profit before Working Capital Changes		1,663.05	1,164.72
Adjustments for (Increase) / Decrease in Operating Assets			
Inventories	(1,122.91)		(949.17)
Trade Receivables	2,411.74		(1,515.88)
Short Term / Long Term Loans & Advances	709.04		971.02
Other Current Assets	(58.86)		(27.28)
		<u>1,939.01</u>	<u>(1,521.31)</u>
Adjustments for (Increase) / Decrease in Operating Liabilities			
Trade Payables	(851.81)		332.99
Short Term Borrowings / Provisions	(361.41)		(847.50)
Other Current & Long Term Provisions	262.07		1,885.87
		<u>(951.15)</u>	<u>1,371.36</u>
Cash Generated from Operations		2,650.91	1,014.77
Less : Direct Taxes Paid		329.00	174.00
Cash Inflow before Extra Ordinary Items		<u>2,321.91</u>	<u>840.77</u>
Add: Excess / (Short) provision of prior years		-	(0.55)
Net Cash Generated from Operating Activities (A)		<u>2,321.91</u>	<u>840.22</u>
B) CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of Property, Plant & Equipment		(176.52)	(197.55)
Proceeds from Sale of Property, Plant & Equipment		38.25	2.82
Proceeds from Sale / Redemption of Investments		(2,069.49)	(675.87)
Interest Income		84.54	87.52
Dividend Income from Current Investments		19.49	106.12
Net Cash used in Investing Activities (B)		<u>(2,103.73)</u>	<u>(676.96)</u>

SAN ENGINEERING & LOCOMOTIVE CO. LTD.,

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

	2021-22 (₹ in Lakhs)	2020-21 (₹ in Lakhs)
C) CASH FLOW FROM FINANCING ACTIVITIES :		
Finance Cost	(107.86)	(107.55)
Dividend Paid	(44.50)	(44.50)
Net Cash used in Financing Activities (C)	(152.36)	(152.05)
Net Increase / (Decrease) in Cash and Cash equivalents (A + B + C)	65.82	11.21
Add : Cash & Cash Equivalents as at 1.4.2021	369.22	358.01
CASH & CASH EQUIVALENTS AS AT 31.3.2022 **	435.04	369.22
** Comprises :		
a. Cash on hand	2.22	2.57
b. Balances with Banks :		
In Current Accounts	7.96	2.58
Unpaid Dividend	9.42	10.88
In Deposit Accounts	-	22.19
In Margin Money Accounts	415.44	331.00
	435.04	369.22

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
Date : 16th July, 2022

MILIND S THAKKER
Chairman
DIN : 00617882

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

Place : Bengaluru
Date : 16th July, 2022

RAMANATHAN NARAYANAN
Managing Director
DIN : 06681365

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

a. Property, Plant & Equipment :

Property, Plant & Equipment are stated at cost of acquisition or construction less GST. They are stated at historical cost less accumulated depreciation.

b. Depreciation & Amortisation :

- 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 90 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 Property, Plant & Equipment and depreciation is charged on the same basis as other Property, Plant & Equipment.

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 31.03.2022		As at 31.03.2021	
	In Numbers	₹ in Lakhs	In Numbers	₹ in Lakhs
2. SHARE CAPITAL				
Authorised :				
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>
Issued, Subscribed & Paid up:				
Equity Shares of ₹ 10/- each	44,50,000	445.00	44,50,000	445.00
a. Reconciliation of the number of shares				
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. Details of Shareholders holding more than 5% shares in the Company				
	Equity Shares			
Name of the Shareholder	As at 31.03.2022		As at 31.03.2021	
	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
c. Details of Shares held by Promoters at the end of the year				
	Equity Shares			
Name of the Promoter / Promoter Group	As at 31.03.2022		As at 31.03.2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Milind S Thakker	18,55,284	41.69	18,55,284	41.69
Anjana M Thakker	1,50,871	3.39	1,50,871	3.39
Karan M Thakker	1,47,893	3.32	1,47,893	3.32
Arjun M Thakker	1,47,893	3.32	1,47,893	3.32
Sonmil Engineering Pvt Ltd	15,32,252	34.43	15,32,252	34.43
Importex International Pvt Ltd	4,15,343	9.33	4,15,343	9.33
There is no change in the % of Shareholding held by Promoters during the year				

SAN ENGINEERING & LOCOMOTIVE CO. LTD.,

Particulars	As at 31.03.2022	As at 31.03.2021
	₹ in Lakhs	₹ in Lakhs
3. RESERVES AND SURPLUS		
Capital Reserve		
Surplus on re-issue of forfeited shares	0.09	0.09
Securities Premium	767.39	767.39
General Reserve		
Opening Balance	15,873.82	15,373.82
Add : Transfer from Surplus in Statement of Profit & Loss	<u>1,000.00</u>	<u>500.00</u>
	16,873.82	15,873.82
Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	2,260.09	2,333.38
Add : Profit for the year	<u>818.09</u>	<u>471.21</u>
	3,078.18	2,804.59
Less : Appropriations		
Transferred to General Reserve	1,000.00	500.00
Dividend	<u>44.50</u>	<u>44.50</u>
	1,044.50	544.50
Closing Balance	<u>2,033.68</u>	<u>2,260.09</u>
TOTAL	<u>19,674.98</u>	<u>18,901.39</u>
<p>(The Company has paid dividend of Rs.1/- per share on the equity share of face value of Rs.10/- each pertaining to FY 2020-21, post approval by the members in 51st AGM held on 28th August, 2021. For the current year the Company has recommended a dividend of Rs. 3/- per share - Refer Note No. 41)</p>		
4. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability - Depreciation on Property, Plant & Equipment		
Opening Balance	86.33	70.24
Add / (Less) : Transfer to Statement of Profit and Loss	<u>10.66</u>	<u>16.09</u>
	75.67	86.33
Deferred Tax Asset - Depreciation on Property, Plant & Equipment		
Opening Balance	38.46	21.04
Add / (Less) : Transfer from Statement of Profit and Loss	<u>25.52</u>	<u>17.42</u>
	<u>63.98</u>	<u>38.46</u>
TOTAL	<u>11.69</u>	<u>47.87</u>
5. LONG TERM PROVISIONS		
Provision for Employee Benefits		
Leave Encashment	166.03	157.55
TOTAL	<u>166.03</u>	<u>157.55</u>

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NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2022	As at 31.03.2021
	₹ in Lakhs	₹ in Lakhs
6. SHORT TERM BORROWINGS		
Secured		
Working Capital Loan from Banks :		
Canara Bank	-	28.20
State Bank of India	<u>7.40</u>	<u>22.61</u>
TOTAL	<u><u>7.40</u></u>	<u><u>50.81</u></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 & Machineries and Equitable Mortgage of Immovable properties of Bengaluru and Mysuru Units. There are no material discrepancies between the quarterly returns / statement of current assets filed by the Company with the Banks)</p>		
7. TRADE PAYABLES		
Total outstanding dues of Micro & Small Enterprises	488.21	658.76
Total outstanding dues of Creditors other than Micro & Small Enterprises	1,395.91	2,077.17
TOTAL	<u><u>1,884.12</u></u>	<u><u>2,735.93</u></u>
Details of Dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006		
Principal Amount due to suppliers registered under MSMED Act and remaining unpaid as at year end	488.21	658.76
Interest due to suppliers registered under the MSMED Act and due thereon and remaining unpaid as at year end	-	-
Principal Amount paid to suppliers registered under MSMED Act, beyond the appointed day during the year	-	-
Interest paid by the Company in terms of Section 16 of the MSMED Act, 2006	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest	-	-
Interest accrued and remaining unpaid at the end of accounting year	-	-
Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure u/s 23 of MSMED Act, 2006	-	-

SAN ENGINEERING & LOCOMOTIVE CO. LTD.,

For the year ending 31st March 2022

₹

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
i) MSME	255.68	231.29	1.24	-	-	488.21
ii) Others	630.67	715.39	15.94	18.71	15.20	1,395.91
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-	-
Total	886.35	946.68	17.18	18.71	15.20	1,884.12

For the year ending 31st March 2021

₹

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
i) MSME	201.18	437.49	20.09	-	-	658.76
ii) Others	984.20	1,057.29	9.73	10.31	15.64	2,077.17
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-	-
Total	1,185.38	1,494.78	29.82	10.31	15.64	2,735.93

Particulars	As at 31.03.2022	As at 31.03.2021
	₹ in Lakhs	₹ in Lakhs
8. OTHER CURRENT LIABILITIES		
Advances from Customers	2,063.95	1,795.85
Accrued Salaries & Benefits	388.44	439.05
Unpaid Dividends	9.04	10.59
Statutory Dues	42.37	45.79
Provision for Expenses	142.60	87.94
Creditors for Capital Goods	-	16.25
Other Liabilities	8.51	5.85
TOTAL	<u>2,654.91</u>	<u>2,401.32</u>
9. SHORT TERM PROVISION		
Provision for Taxation	918.00	1,236.00
	<u>918.00</u>	<u>1,236.00</u>

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NOTES TO THE FINANCIAL STATEMENTS 10. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Description of Assets	GROSS BLOCK		DEPRECIATION			NET BLOCK		
	As at 1.4.2021	Additions Deductions 31.03.2022	As at 31.03.2022	Upto 31.03.2021	For the year Withdrawn 31.03.2022	Upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land Freehold	339.55		339.55	-	-	-	339.55	339.55
Buildings	1,398.60	18.39	1,416.99	378.97	37.21	416.18	1,000.81	1,019.63
Plant and Machinery***	5,809.85	74.64	5,811.38	2,924.76	394.92	3,248.49	2,562.89	2,885.09
Computers	193.13	0.13	193.26	164.86	7.69	172.55	20.71	28.27
Furniture, Fixtures & Office Equipments	284.53	10.73	295.26	217.40	20.35	237.75	57.51	67.13
Electrical Installations	231.79	8.59	240.38	146.71	18.53	165.24	75.14	85.08
Patterns, jigs & Fixtures	266.97	6.76	273.73	228.35	14.43	242.78	30.95	38.62
Vehicles	323.75	21.26	296.47	252.30	22.32	228.69	67.78	71.45
Tools	287.59	29.82	291.41	222.76	26.73	232.38	59.03	64.83
Test Track	286.72		286.72	74.14	18.15	92.29	194.43	212.58
Total	9,422.48	170.32	9,445.15	4,610.25	560.33	5,036.35	4,408.80	4,812.23
Capital Work in Progress < 1 year		2.50	2.50				2.50	
Previous Year Total	9,260.59	181.17	9,422.48	4,033.78	594.93	4,610.25	4,812.23	

*** Assets worth of Rs. 51.88 Lakhs included in additions to Plant & Machinery have been incurred for Research & Development.

INTANGIBLE ASSETS

Description of Assets	GROSS BLOCK		AMORTIZATION			NET BLOCK		
	As at 1.04.2021	Additions Deductions 31.03.2022	As at 31.03.2022	Upto 31.03.2021	For the year Withdrawn 31.03.2022	Upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
Computers - Software	132.81	3.70	136.51	86.13	12.81	98.94	37.57	46.68
Previous Year Total	116.43	16.38	132.81	72.69	13.44	86.13	46.68	

SAN ENGINEERING & LOCOMOTIVE CO. LTD.,

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2022	As at 31.03.2021
	₹ in Lakhs	₹ in Lakhs
11. LONG TERM LOANS AND ADVANCES		
Unsecured Considered Good		
Capital Advances	3.15	0.29
Intercompany Loans - Bydesign India Pvt Ltd *	180.00	180.00
Intercompany Loans - Velankani Electronics Pvt Ltd *	300.00	300.00
Tender Deposits	23.49	69.61
Tax payments pending Adjustments	1,124.33	1,409.58
TOTAL	<u>1,630.97</u>	<u>1,959.48</u>
(* Refer Note 38 to Financial Statements)		
12. OTHER NON CURRENT ASSETS		
Security Deposits	217.90	210.45
TOTAL	<u>217.90</u>	<u>210.45</u>
13. NON CURRENT INVESTMENTS		
Investments in the Equity Shares of Subsidiary Company SAN Rolling Stock Services Ltd., 10,00,000 Equity Shares of Rs.10/- each Fully paid up (Market Value of Unquoted Investment Rs.1,00,00,000/-) The investment is a non-trade investment in nature.		
	100.00	100.00
Investments in the Equity Shares of Subsidiary Company SAN Motors Ltd., 24,79,000 Equity Shares of Rs.83.70 each Fully paid up (Market Value of Unquoted Investment Rs.20,74,92,300/-) The investment is a non-trade investment in nature.		
	2,074.92	2,074.92
TOTAL	<u>2,174.92</u>	<u>2,174.92</u>
14. CURRENT INVESTMENTS		
In Mutual Funds :		
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 7,939.926 @ ₹ 10.26 each P Y 7,674.223 @ ₹ 10.26 each)	0.81	0.78
Canara Robeco Liquid Fund (C Y 90.2690 Units @ ₹ 1005.5 each P Y 87.427 Units @ ₹ 1005.5 each)	0.91	0.88
SBI Liquid Fund Reg Growth (C Y 82919.117 Units @ 3242.2812 P Y 35234.991 @ ₹ 3175.9350)	2,688.47	1,119.04
SBI Arbitrage Opportunities Fund (C Y 18,36,691.418 Units @ ₹ 27.2228 each P Y Nil)	500.00	-
State Bank of India - Magnum Low Duration Fund - Daily Dividend (C Y & P Y 25.667 Units @ ₹ 2554.49 each)	0.66	0.66
TOTAL	<u>3,378.42</u>	<u>1,308.93</u>

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Particulars	As at 31.03.2022	As at 31.03.2021
	₹ in Lakhs	₹ in Lakhs
15. INVENTORIES		
Raw Materials & Components	2,932.59	2,750.65
Stores & Spares	126.91	120.98
Stock in Trade (Goods purchased for re-sale)	4.89	53.86
Goods in Transit	181.08	117.31
Work in Progress	2,849.25	1,929.01
TOTAL	6,094.72	4,971.81
16. TRADE RECEIVABLES		
Unsecured, Considered good	6,400.50	8,812.24
TOTAL	6,400.50	8,812.24

For the year ending 31st March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed Trade receivables - Considered Good	3,784.08	1,007.16	494.35	438.53	406.45	269.93	6,400.50
ii) Undisputed Trade Receivables - Considered doubtful	-	-	-	-	-	-	-
iii) Disputed Trade receivables - Considered Good	-	-	-	-	-	-	-
iv) Disputed Trade receivables Considered Good	-	-	-	-	-	-	-
Total	3,784.08	1,007.16	494.35	438.53	406.45	269.93	6,400.50

For the year ending 31st March 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed Trade receivables - Considered Good	2,847.46	2,953.16	1,338.83	1,099.83	299.02	273.94	8,812.24
ii) Undisputed Trade Receivables - Considered doubtful	-	-	-	-	-	-	-
iii) Disputed Trade receivables - Considered Good	-	-	-	-	-	-	-
iv) Disputed Trade receivables Considered Good	-	-	-	-	-	-	-
Total	2,847.46	2,953.16	1,338.83	1,099.83	299.02	273.94	8,812.24

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2022	As at 31.03.2021
	₹ in Lakhs	₹ in Lakhs
17. CASH & CASH EQUIVALENTS		
Cash on hand	2.22	2.57
Balances with Banks		
Current Accounts	7.96	2.58
Unpaid Dividend	9.42	10.88
Margin Money Accounts - maturity < 12 months	-	22.19
Margin Money Accounts - maturity > 12 months	415.44	331.00
TOTAL	<u>435.04</u>	<u>369.22</u>
18. SHORT TERM LOANS & ADVANCES		
Unsecured considered good :		
Prepaid Expenses	72.17	37.64
Advances & Loans to Employees	27.54	32.58
Balances with Government Authorities	559.83	1,046.84
Advances to Suppliers	129.48	80.35
Other Loans & Advances	20.66	0.25
TOTAL	<u>809.68</u>	<u>1,197.66</u>
19. OTHER CURRENT ASSETS		
Interest Accrued on Deposits	171.11	112.25
TOTAL	<u>171.11</u>	<u>112.25</u>
20. REVENUE FROM OPERATIONS		
GROSS REVENUE FROM OPERATIONS		
Sale of Products		
Locomotives	4,948.66	5,049.42
Power Pack to HS Spart	1,992.04	2,297.67
Power Pack to Others	583.44	1,246.53
Special Vehicles	1,759.18	-
Spare Parts	3,492.99	2,567.28
Engineering Products	2,098.54	1,743.23
	<u>14,874.85</u>	<u>12,904.13</u>
Sale of Services - Locomotive Services	962.35	1,018.17
Other Operating Revenue - Sale of Scrap	5.19	2.67
TOTAL	<u>15,842.39</u>	<u>13,924.97</u>
NET REVENUE FROM OPERATIONS		
Sale of Products :		
Locomotives	4,251.08	4,508.41
Power Pack to HS Spart	1,749.51	2,051.49
Power Pack to Others	494.44	1,060.87
Special Vehicles	1,490.83	-
Spare Parts	2,982.87	2,230.81
Engineering Products	1,790.35	1,506.82
	<u>12,759.08</u>	<u>11,358.40</u>
Sale of Services - Locomotive Services	820.40	873.56
Other Operating Revenue - Sale of Scrap	4.40	2.26
TOTAL	<u>13,583.88</u>	<u>12,234.22</u>

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NOTES TO THE FINANCIAL STATEMENTS

Particulars	Year Ended	Year Ended
	31 st March 2022 (₹ In Lakhs)	31 st March 2021 (₹ in Lakhs)
21. OTHER INCOME		
Interest from Banks on Fixed Deposits	20.10	20.14
Interest - Others	64.44	67.38
Rent	13.44	13.44
Gain on Investments	19.49	106.12
Gain on Sale of Assets	24.83	2.00
Other Operating Income	6.40	70.79
TOTAL	<u>148.70</u>	<u>279.87</u>
22. COST OF MATERIALS CONSUMED		
Opening Stock	2,859.92	1,849.87
Add : Purchases	7,616.13	7,226.20
	<u>10,476.05</u>	<u>9,076.07</u>
Less : Closing Stock	3,109.41	2,859.92
Cost of Raw Materials consumed	<u>7,366.64</u>	<u>6,216.15</u>
Spare Parts Consumed (Trading)		
Opening Stock	53.86	95.46
Add : Purchases	-	21.59
	<u>53.86</u>	<u>117.05</u>
Less : Closing Stock	4.89	53.86
Cost of Spare Parts consumed	<u>48.97</u>	<u>63.19</u>
TOTAL	<u>7,415.61</u>	<u>6,279.34</u>
Details of Materials Consumed		
Bearings, Compressors & Electrical items	546.15	595.04
Castings & Forgings	1,560.96	1,280.49
DG Set, Tool & Supervisory Van	197.55	227.36
Engines	918.33	1,248.97
Transmissions	386.75	343.20
Others	3,756.90	2,521.09
	<u>7,366.64</u>	<u>6,216.15</u>
Spare Parts (Trading)	48.97	63.19
TOTAL	<u>7,415.61</u>	<u>6,279.34</u>
23. CHANGES IN INVENTORIES OF WORK IN PROGRESS		
Closing Stock	2,849.25	1,929.02
Opening Stock	1,929.02	1,975.32
(Increase) / Decrease in Work in Progress	<u>(920.23)</u>	<u>46.30</u>
24. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages & Bonus	2,526.49	2,384.34
Contribution to Provident & Other Funds	228.27	227.00
Staff Welfare Expenses	230.25	191.24
TOTAL	<u>2,985.01</u>	<u>2,802.58</u>

NOTES TO THE FINANCIAL STATEMENTS

Particulars	Year Ended	Year Ended
	31 st March 2022 (₹ In Lakhs)	31 st March 2021 (₹ in Lakhs)
25. FINANCE COST		
Interest	4.57	27.06
Bank Charges	103.29	80.49
TOTAL	<u>107.86</u>	<u>107.55</u>
26. OTHER EXPENSES		
Consumption of Stores & Spares	368.84	246.63
Power & Fuel	233.38	205.03
Job Charges	537.05	425.92
Rent	37.45	32.31
Rates and Taxes	65.78	34.58
R & D Expenditure	140.88	149.26
Insurance	25.09	28.26
Freight Outwards	225.23	111.07
Vehicle Maintenance	79.22	74.92
Security Services	85.05	74.38
Professional Charges	88.39	51.92
Printing & Stationery	14.43	13.84
Travelling Expenses	168.88	154.33
Telephone Charges	15.46	16.42
Contribution towards CSR	32.73	46.38
Repairs & Maintenance		
Plant & Machinery	29.96	26.19
Buildings	12.76	8.13
Others	32.50	30.04
General Expenses	39.43	47.14
Payment to Auditors		
Statutory Audit	8.00	8.00
Taxation Matters	2.50	2.50
Certification Charges	0.50	0.50
Reimbursement of Expenses	0.29	-
Commission & Selling Expenses	124.42	135.37
Directors Sitting Fees	3.90	4.35
Bad Debts Written off	34.10	50.12
Liquidated Damages	54.06	47.92
TOTAL	<u>2,460.28</u>	<u>2,025.51</u>
27. Earning per Share		
Profit after Taxation	781.91	469.88
Number of Equity Shares Outstanding	44.50	44.50
Basic and Diluted earning per share in Rupee	₹ 17.57	₹ 10.56
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	Year Ended
	31 st March 2022 (₹ In Lakhs)	31 st March 2021 (₹ in Lakhs)
28. Contingent Liabilities & Commitments (To the extent not provided for)		
A. Contingent Liabilities		
In respect of Bank Guarantees & Acceptances	4,017.21	3,172.87
In respect of EPCG License from DGFT	330.85	330.85
TOTAL	4,348.06	3,503.72
B. Commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	-	-
TOTAL	-	-
29. The Company has never defaulted in payment of Loans and Interest.		
30. Income Tax Assessment is completed upto Assessment Year 2019-20.		
31. Particulars of Consumption		
Raw Materials		
- Imported	1,179.76	762.94
- Indigenous	6,186.88	5,453.21
TOTAL	7,366.64	6,216.15
Stock in Trade for re-sale		
- Imported	-	-
- Indigenous	48.97	63.19
TOTAL	48.97	63.19
32. Value of Imports on CIF basis		
Raw Materials, Components and Spares	461.21	1,303.11
Stores & Consumables	2.17	-
TOTAL	463.38	1,303.11
33. Payment made in Foreign Currency on account of		
Travelling	0.73	-
Membership Fee	3.83	3.15
TOTAL	4.56	3.15
34. Earnings in Foreign Currency		
F.O.B Value of Exports	3.94	1.81
TOTAL	3.94	1.81
35. Employee Benefits under Defined Benefit Plans		
GRATUITY		
Details of Actuarial Valuation		
Change in Benefit Obligation		
Fair Value of Assets as at Year Beginning	363.85	315.67
Employer Contribution	73.00	67.00
Expected Return on Assets	24.61	22.67
Actuarial Gain / (Loss)	(3.87)	(3.07)
Benefits Paid	(70.28)	(38.42)
Fair Value of Assets as at Year End	387.31	363.85
Actual Return on Assets (Net)	20.74	19.60

NOTES TO THE FINANCIAL STATEMENTS

Particulars	Year Ended	Year Ended
	31 st March 2022 (₹ In Lakhs)	31 st March 2021 (₹ in Lakhs)
Fair Value of the Plan Assets (FVA) as at Year End	387.31	363.85
Present Value of Defined Benefits Obligation (DBO) as per Actuarial Valuation	497.18	381.64
Net Surplus	<u>(109.87)</u>	<u>(17.79)</u>
Cost of the Defined Benefit Plan for the Year		
Current Service Cost	42.97	36.42
Interest Cost - Net	<u>(1.26)</u>	<u>2.35</u>
Net Cost Recognised in the Profit and Loss Account	41.71	38.77
Net Cost as per Actuarial Valuation	<u>(68.16)</u>	<u>20.98</u>
Net Surplus Recognised at the end of the period	<u>(109.87)</u>	<u>(17.79)</u>
Actuarial Assumptions		
Discount Rate	7%	7%
Future Salary Increase	7%	7%
Attrition Rate	10%	10%
Rate of Return on Plan Assets	7%	7%

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. Financial Ratios

Ratio	Numerator	Denominator	31.03.2022	31.03.2021
Current ratio	Current Assets	Current Liabilities	3.16	2.61
Debt-equity ratio	Total Debt	Shareholder's Equity	Negligible	Negligible
Debt service coverage ratio	Earnings Available for debt service	Debt Service	49.33	40.77
Return on equity ratio	Net Profits after Taxes-Preference Dividend (if any)	Average Shareholder's Equity	0.04	0.03
Inventory turnover ratio	Cost of Goods Sold or Sales	Average Inventory	2.31	2.53
Trade receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	1.79	1.52
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	3.30	2.82
Net capital turnover ratio	Net Sales	Working Capital	1.15	1.18
Net profit ratio	Net Profit	Net Sales	0.06	0.04
Return on capital employed	Earnings before Interest and Taxes	Capital Employed	0.06	0.03
Return on investment	Income from Investments	Time weighted Average Investments	0.05	0.06

37. Other Statutory Information

1. The Company does not have any Immovable Property whose title deeds are not held in the name of the Company.
2. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
3. The Company has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties; which are repayable on demand or where the agreement does not specify any terms or period of repayment.
4. The Company has utilised funds raised from issue of securities or borrowings from banks and financial institutions for the specific purposes for which they were issued/taken.
5. The Company has not been declared as a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved.
6. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
7. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
8. The Company does not have any transactions with struck-off companies.
9. The Company does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
10. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
11. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
12. The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.

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

Particulars	31.03.2022 ₹ in Lakhs	31.03.2021 ₹ in Lakhs	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	3,378.42	1,308.93	Investment of Surplus Funds

39. Disclosure in respect of Related Parties pursuant to Accounting Standard 18

Names of Related Party	Associates of Related Party
Mr. Milind S Thakker, Director	M/s SAN Motors Ltd., M/s SAN Rolling Stock Services Ltd., M/s Sonmil Engineering Pvt. Ltd., M/s Importex International Pvt.Ltd..
Mr. Ramanathan Narayanan, 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	Total 2021-22 ₹ in Lakhs	Total 2020-21 ₹ in Lakhs
Sonmil Engineering Pvt. Ltd.,	Sale of Materials	104.47	58.29
SAN Motors Ltd.,	Rent Received	14.16	14.16
SAN Motors Ltd.,	Sale / Purchase of Materials	310.69	193.15
SAN Rolling Stock Services Ltd.,	Rent Received	1.70	1.70
SAN Rolling Stock Services Ltd.,	Sale of Materials	50.03	-
SAN Rolling Stock Services Ltd.,	Service Charges Received	34.46	24.07
Importex International Pvt. Ltd.,	Manpower Supply	3.54	-
Mr. Ramanathan Narayanan	Managerial Remuneration	120.30	115.83

41. The Board of Directors of the Company has recommended a dividend of Rs.3/- per share for the year ended 31st March, 2022 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 2021, the proposed dividends will not be recorded as liability as at March 31, 2022 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 Rs.133.50 Lakhs.

42. Impact of Covid-19 pandemic on business : The re-occurrence of Covid-19 in the first quarter of the financial year and measures introduced by the Government authorities to contain the spreading of disease in second wave, resulted in suspension / interruption in the operations of the Company for about four weeks in the first quarter of the year 2021-22. The Covid-19 wave continued to affect post lock down period also on account of movement restrictions, disruption in supply chain, unavailability of personnel and the rescheduling of deliveries by the customers, all resulting in reduced sales and profitability of the year under report.

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).

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
Date : 16th July, 2022

MILIND S THAKKER
Chairman
DIN : 00617882

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

Place : Bengaluru
Date : 16th July, 2022

RAMANATHAN NARAYANAN
Managing Director
DIN : 06681365

**CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2022**

INDEPENDENT AUDITORS' REPORT

To the Members of SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED

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 2022, 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 2022, 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 is 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 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 is 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 give a true and fair view and are free from material misstatement, whether due to fraud or error.

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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)(l) 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.1,97,22,402/- as at March 31, 2022, total revenues of Rs.1,25,39,297/- 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.9,43,47,276/- as at March 31, 2022 and total revenues of Rs.3,02,91,909/- 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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

- (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 : 16th July, 2022
UDIN : 22018376ANFWKY4292

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 & LOCOMOTIVE COMPANY Ltd ('the Company') as at March 31, 2022 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. 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

for **N R RAJAGOPALAN & Co.,**
Firm Registration No.003400S
Chartered Accountants

(R.NARASIMHAN)
Membership No. 018376
Partner

Place : Chennai
Date : 16th July, 2022
UDIN : 22018376ANFWKY4292

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CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2022

Particulars	Note No. (₹ in Lakhs)	As at 31 st March 2022 (₹ in Lakhs)	As at 31 st March 2021 (₹ in Lakhs)
EQUITY AND LIABILITIES :			
Shareholders' Funds :			
Share Capital	2	445.00	445.00
Reserves and Surplus	3	<u>19,757.62</u>	<u>18,997.49</u>
Owners Equity		20,202.62	19,442.49
Minority Interest Share of Equity		6.75	7.18
Non Current Liabilities :			
Deferred Tax Liabilities (Net)	4	17.30	51.40
Long Term Provisions	5	<u>196.98</u>	<u>185.40</u>
		214.28	236.80
Current Liabilities :			
Short Term Borrowings	6	7.40	50.81
Trade Payables	7		
Total outstanding dues of Micro & Small Enterprises		490.96	658.76
Total outstanding dues of creditors other than Micro & Small Enterprises		1,441.78	2,108.31
Other Current Liabilities	8	2,690.15	2,424.29
Short Term Provisions	9	<u>971.67</u>	<u>1,283.50</u>
		5,601.96	6,525.67
TOTAL		<u>26,025.61</u>	<u>26,212.14</u>
II. ASSETS :			
Non Current Assets			
Property, Plant & Equipment, Intangible Assets	10		
Property Plant & Equipment		4,507.46	4,855.59
Intangible Assets		37.56	46.68
Capital Work in Progress		2.50	-
		<u>4,547.52</u>	<u>4,902.27</u>
Intangible Assets - Goodwill		1,292.72	1,292.72
Long Term Loans & Advances	11	1,685.08	2,061.40
Other Non Current Assets	12	<u>218.00</u>	<u>210.55</u>
		7,743.32	8,466.94
Non Current Investments	13	0.10	0.10
Current Assets			
Current Investments	14	4,007.87	1,999.58
Inventories	15	6,152.31	5,017.50
Trade Receivables	16	6,435.81	8,847.66
Cash & Cash Equivalents	17	702.73	566.04
Short Term Loans & Advances	18	811.08	1,199.90
Other Current Assets	19	<u>172.39</u>	<u>113.50</u>
		18,282.19	17,744.18
Miscellaneous Expenses to the Extent not Written off		-	0.92
TOTAL		<u>26,025.61</u>	<u>26,212.14</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 R. NARASIMHAN Membership No. 018376 Partner Place : Chennai Dated : 16 th July, 2022	MILIND S THAKKER Chairman DIN :00617882 KISHORE GOVINDE Vice President (Finance) & Company Secretary M.No. F2333 Place : Bengaluru Dated : 16 th July, 2022	RAMANATHAN NARAYANAN Managing Director DIN : 06681365	

SAN ENGINEERING & LOCOMOTIVE CO. LTD.,

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2022

	Note No.	Year Ended 31 st March 2022 (₹ in Lakhs)	Year Ended 31 st March 2021 (₹ in Lakhs)
INCOME :			
Revenue from Operations (Gross)	20	15,964.30	13,992.95
Less : GST		<u>2,277.82</u>	<u>1,702.08</u>
Revenue from Operations (Net)		13,686.48	12,290.87
Other Income	21	<u>164.92</u>	<u>304.17</u>
TOTAL INCOME		<u><u>13,851.40</u></u>	<u><u>12,595.04</u></u>
EXPENSES :			
Cost of Materials Consumed	22	7,289.75	6,188.01
Changes in Inventories of Work in Progress	23	(929.65)	52.87
Employee Benefit Expenses	24	3,117.52	2,914.07
Finance Cost	25	107.89	107.62
Depreciation and Amortization		576.88	610.94
Other Expenses	26	<u>2,522.25</u>	<u>2,048.77</u>
TOTAL EXPENSES		<u><u>12,684.64</u></u>	<u><u>11,922.28</u></u>
Profit before Tax		1,166.76	672.76
Tax Expenses :			
Current Tax		343.07	180.04
Short / (Excess) provision relating to prior years		53.59	0.55
Deferred Tax		<u>(34.10)</u>	<u>(0.56)</u>
Profit for the year before Share of Profit from Minority Interest		804.20	492.73
Share of Minority Interest		<u>(0.43)</u>	<u>0.04</u>
Profit for the year - Owners Share		<u><u>804.63</u></u>	<u><u>492.69</u></u>
Earnings per Equity Share	27		
Basic		₹ 17.31	₹ 11.06
Diluted		₹ 17.31	₹ 11.06
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 : 16 th July, 2022		Place : Bengaluru Dated : 16 th July, 2022	

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	₹ in Lakhs	2021-22 ₹ in Lakhs	2020-21 ₹ in Lakhs
A) CASH FLOW FROM OPERATING ACTIVITIES :			
Net Profit before tax and extra ordinary items		1,166.76	672.76
Depreciation	576.88		610.94
Finance Cost	107.89		107.62
Interest Income	(89.89)		(92.63)
Dividend Income from Current Investments	(43.29)		(138.75)
Gain on Sale of Assets	<u>(24.83)</u>		<u>(2.00)</u>
		<u>526.76</u>	<u>485.18</u>
Operating Profit before Working Capital Changes		1,693.52	1,157.94
Adjustments for (Increase) / Decrease in Operating Assets			
Inventories	(1,134.81)		(940.61)
Trade Receivables	2411.85		(1,513.66)
Short Term / Long Term Loans & Advances	757.70		1,013.24
Other Current Assets	(58.89)		(27.95)
Miscellaneous Expenses not Written Off	<u>0.92</u>		<u>0.92</u>
		1,976.77	(1,468.06)
Adjustments for (Increase) / Decrease in Operating Liabilities			
Trade Payables	(834.33)		334.08
Short Term Borrowings / Provisions	(355.24)		(879.76)
Other Current & Long Term Provisions	<u>277.44</u>		<u>1,890.18</u>
		<u>(912.13)</u>	<u>1,344.50</u>
Cash Generated from Operations		2,758.16	1,034.38
Less : Direct Taxes Paid		<u>343.07</u>	<u>180.04</u>
Cash Inflow before Extra Ordinary Items		2,415.09	854.34
Less : Excess / (Short) Provision of prior years		<u>(53.59)</u>	<u>(0.55)</u>
Net Cash Generated from Operating Activities (A)		<u>2,361.50</u>	<u>853.79</u>
B) CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of Fixed Assets		(235.56)	(199.2)
Proceeds from Sale of Fixed Assets		38.25	2.82
Proceeds from Sale / Redemption of Investments		(2,008.29)	(698.49)
Interest Income		89.89	92.63
Dividend Income from Current Investments		<u>43.29</u>	<u>138.75</u>
Net Cash used in Investing Activities (B)		<u>(2,072.42)</u>	<u>(663.81)</u>

SAN ENGINEERING & LOCOMOTIVE CO. LTD.,

Particulars	2021-22 ₹ in Lakhs	2020-21 ₹ in Lakhs
C) CASH FLOW FROM FINANCING ACTIVITIES :		
Finance Cost	(107.89)	(107.62)
Dividend Paid	(44.50)	(44.50)
Net Cash used in Financing Activities (C)	<u>(152.39)</u>	<u>(152.12)</u>
Net Increase / (Decrease) in Cash and Cash equivalents (A + B + C)	136.69	37.86
Add : Cash & Cash Equivalents as at 1.4.2021	<u>566.04</u>	<u>528.18</u>
CASH & CASH EQUIVALENTS AS AT 31.3.2022*	<u><u>702.73</u></u>	<u><u>566.04</u></u>
* Comprises :		
a. Cash on hand	3.39	3.65
b. Balances with Banks :		
In Current Accounts	163.15	91.75
Unpaid Dividend	9.41	10.88
In Deposit Accounts	-	128.76
In Margin Money Accounts	<u>526.78</u>	<u>331.00</u>
	<u><u>702.73</u></u>	<u><u>566.04</u></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

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 : 16th July, 2022

Place : Bengaluru

Dated : 16th July, 2022

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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).

Method of Accounting

The financial accounts, unless otherwise, stated are prepared at historical cost under the accrual method of accounting, on a consistent and a 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. Property, Plant & Equipment :

Property, Plant & Equipment are stated at cost of acquisition or construction less GST. They are stated at historical cost less accumulated depreciation.

f. Depreciation & Amortisation :

- 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 90 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 property, plant & equipment and depreciation is charged on the same basis as other property, plant & equipment.
- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31.03.2022		As at 31.03.2021	
	In Numbers	₹ in Lakhs	In Numbers	₹ in Lakhs
2. SHARE CAPITAL				
Authorised :				
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>
Issued, Subscribed & Paid up:				
Equity Shares of ₹ 10/- each	44,50,000	445.00	44,50,000	445.00
a. Reconciliation of the number of shares				
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. Details of Shareholders holding more than 5% shares in the Company				
Name of the Shareholder	Equity Shares			
	As at 31.03.2022		As at 31.03.2021	
	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.,	4,15,343	9.33	4,15,343	9.33
c. Details of Shares held by Promoters at the end of the year				
Name of the Promoter / Promoter Group	Equity Shares			
	As at 31.03.2022		As at 31.03.2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Milind S Thakker	18,55,284	41.69	18,55,284	41.69
Anjana M Thakker	1,50,871	3.39	1,50,871	3.39
Karan M Thakker	1,47,893	3.32	1,47,893	3.32
Arjun M Thakker	1,47,893	3.32	1,47,893	3.32
Sonmil Engineering Pvt Ltd	15,32,252	34.43	15,32,252	34.43
Importex International Pvt Ltd	4,15,343	9.33	4,15,343	9.33
There is no change in the % of Shareholding held by Promoters during the year				

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31.03.2022	As at 31.03.2021
	₹ in Lakhs	₹ in Lakhs
3. RESERVES AND SURPLUS		
Capital Reserve		
Surplus on re-issue of forfeited shares	0.09	0.09
Securities Premium	767.39	767.39
General Reserve		
Opening Balance	15,873.82	15,373.82
Add : Transfer from Surplus in Statement of Profit & Loss	<u>1,000.00</u>	<u>500.00</u>
	16,873.82	15,873.82
Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	2,356.19	2,408.00
Add : Profit for the year	<u>804.63</u>	<u>492.69</u>
	3,160.82	2,900.69
Less : Appropriations		
Transferred to General Reserve	1,000.00	500.00
Dividend	<u>44.50</u>	<u>44.50</u>
	1,044.50	544.50
Closing Balance	<u>2,116.32</u>	<u>2,356.19</u>
TOTAL	<u>19,757.62</u>	<u>18,997.49</u>
(The Company has paid dividend of Rs.1/- per share on the equity share of face value of Rs.10/- each pertaining to FY 2020-21, post approval by the members in 51st AGM held on 28th August, 2021. For the current year the Company has recommended a dividend of Rs.3/- per share - Refer Note No. 43)		
4. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability - Depreciation on Property, Plant & Equipment		
Opening Balance	89.86	73.00
Add / (Less) : Transfer from Statement of Profit and Loss	<u>8.58</u>	<u>16.86</u>
	81.28	89.86
Deferred Tax Asset - Depreciation on Property, Plant & Equipment		
Opening Balance	38.46	21.04
Add / (Less) : Transfer from Statement of Profit and Loss	<u>25.52</u>	<u>17.42</u>
	63.98	38.46
TOTAL	<u>17.30</u>	<u>51.40</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31.03.2022	As at 31.03.2021
	₹ in Lakhs	₹ in Lakhs
5. LONG TERM PROVISIONS		
Provision for Employee Benefits		
Leave Encashment	196.98	185.40
TOTAL	<u>196.98</u>	<u>185.40</u>
6. SHORT TERM BORROWINGS		
Secured		
Working Capital Loan from Banks :		
Canara Bank	-	28.20
State Bank of India	7.40	22.61
TOTAL	<u>7.40</u>	<u>50.81</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 & Machineries and Equitable Mortgage of Immovable properties of Bengaluru and Mysuru Units. There are no material discrepancies between the quarterly returns / statement of current assets filed by the Company with the Banks)</p>		
	-	-
7. TRADE PAYABLES		
Total outstanding dues of Micro & Small Enterprises	490.96	658.76
Total outstanding dues of Creditors other than Micro & Small Enterprises	1,441.78	2,108.31
TOTAL	<u>1,932.74</u>	<u>2,767.07</u>
Details of Dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006		
Principal Amount due to suppliers registered under MSMED Act and remaining unpaid as at year end	490.96	658.76
Interest due to suppliers registered under the MSMED Act and due thereon and remaining unpaid as at year end	-	-
Principal Amount paid to suppliers registered under MSMED Act, beyond the appointed day during the year	-	-
Interest paid by the Company in terms of Section 16 of the MSMED Act, 2006	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest	-	-
Interest accrued and remaining unpaid	-	-
Interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ending 31st March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
i) MSME	255.68	233.91	1.37	-		490.96
ii) Others	630.67	758.73	16.47	20.71	15.20	1441.78
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-	-
Total	886.35	992.64	17.84	20.71	15.20	1,932.74

For the year ending 31st March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
i) MSME	201.18	437.49	20.09	-		658.76
ii) Others	984.20	1,088.44	9.73	10.31	15.63	2,108.31
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-	-
Total	1,185.38	1,525.93	29.82	10.31	15.63	2,767.07

Particulars	As at 31.03.2022	As at 31.03.2021
	₹ in Lakhs	₹ in Lakhs

8. OTHER CURRENT LIABILITIES

Advances from Customers	2,064.96	1,796.19
Accrued Salaries & Benefits	391.79	440.86
Unpaid Dividends	9.04	10.59
Statutory Dues	55.68	46.34
Provision for Expenses	150.25	89.65
Creditors for Capital Goods	-	16.25
Other Liabilities	18.43	24.41
TOTAL	<u>2,690.15</u>	<u>2,424.29</u>

9. SHORT TERM PROVISION

Provision for Taxation	971.67	1,283.50
TOTAL	<u>971.67</u>	<u>1,283.50</u>

SAN ENGINEERING & LOCOMOTIVE CO. LTD.,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 10. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Description of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1.04.2021	Additions	Deductions	As at 31.03.2022	Upto 31.03.2021	For the year	Withdrawn	Upto 31.3.2022	As at 31.03.2022	As at 31.03.2021
Land Freehold	339.55			339.55	-	-	-	-	339.55	339.55
Buildings	1,398.60	18.39		1,416.99	378.97	37.21		416.18	1,000.81	1,019.63
Plant and Machinery**	6,041.18	133.67	73.10	6,101.75	3,115.86	397.83	71.19	3,442.50	2,659.25	2,925.32
Computers	193.13	0.13		193.26	164.86	7.69		172.55	20.71	28.27
Furniture, Fixtures & Office Equipments	289.97	10.73		300.70	221.82	20.36		242.18	58.52	68.15
Electrical Installations	231.79	8.59		240.38	146.71	18.53		165.24	75.14	85.08
Patterns, Jigs & Fixtures	266.97	6.76		273.73	228.35	14.44		242.79	30.94	38.62
Vehicles	339.39	21.26	48.54	312.11	265.82	23.13	45.93	243.02	69.09	73.57
Tools	287.58	29.82	26.00	291.40	222.76	26.73	17.11	232.38	59.02	64.82
Test Track	286.72			286.72	74.14	18.15		92.29	194.43	212.58
Total	9,674.88	229.35	147.64	9,756.59	4,819.29	564.07	134.23	5,249.13	4,507.46	4,855.59
Capital Work in Progress < 1 year		2.50		2.50					2.50	
Previous Year Total	9,511.02	183.14	19.28	9,674.88	4,240.25	597.50	18.46	4,819.29	4,855.59	

** Assets worth of Rs. 51.88 Lakhs included in additions to Plant & Machinery have been incurred for Research & Development.

INTANGIBLE ASSETS

Description of Assets	GROSS BLOCK			AMORTIZATION				NET BLOCK		
	As at 1.04.2021	Additions	Deductions	As at 31.03.2022	Upto 31.03.2021	For the year	Withdrawn	Upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
Computers - Software	132.81	3.70		136.51	86.13	12.81		95.95	37.56	46.68
Previous Year Total	116.43	16.38		132.81	72.69	13.44		86.14	46.68	

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31.03.2022	As at 31.03.2021
	₹ in Lakhs	₹ in Lakhs
11. LONG TERM LOANS AND ADVANCES		
Unsecured Considered Good		
Capital Advances	3.15	0.29
Intercorporate Loans - Bydesign India Pvt Ltd *	180.00	180.00
Intercorporate Loans - Velankani Electronics Pvt Ltd *	300.00	300.00
Tender Deposits	23.49	69.61
Tax payments pending Adjustments	1,178.44	1,511.50
TOTAL	<u>1,685.08</u>	<u>2,061.40</u>
(* Refer Note 38 to Financial Statements)		
12. OTHER NON CURRENT ASSETS :		
Security Deposits	218.00	210.55
TOTAL	<u>218.00</u>	<u>210.55</u>
13. NON CURRENT INVESTMENTS :		
Investment in NSC	0.10	0.10
TOTAL	<u>0.10</u>	<u>0.10</u>
14. CURRENT INVESTMENTS		
In Mutual Funds :		
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 7,939.926 @ ₹ 10.26 each P Y 7,674.223 @ ₹ 10.26 each)	0.81	0.78
Canara Robeco Liquid Fund (C Y 90.2690 Units @ ₹ 1005.5 each P Y 87.427 Units @ ₹ 1005.5 each)	0.91	0.88
SBI Liquid Fund Reg Growth (C Y 82919.117 Units @ 3242.2812 P Y 35234.991 @ ₹ 3175.9350)	2,688.47	1,119.04
SBI Arbitrage Opportunities Fund (C Y 18,36,691.418 Units @ ₹ 27.2228 each P Y Nil)	500.00	-
State Bank of India - Magnum Low Duration Fund - Daily Dividend (C Y & P Y 25.667 Units @ ₹ 2554.49 each)	0.66	0.66
State Bank of India - Magnum Low Duration Fund - Daily Dividend (C Y 33447.371 Units @ ₹ 1824.7353 each & P Y 33447.371 Units @ ₹ 1761.5269 each)	610.32	589.19
State Bank of India - Premier Liquid Fund - Regular Plan - Daily Dividend (C Y 1781.323 @ ₹ 1073.6643 each & P Y 9767.722 Units @ ₹ 1038.7511 each)	19.13	101.46
TOTAL	<u>4,007.87</u>	<u>1,999.58</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31.03.2022	As at 31.03.2021
	₹ in Lakhs	₹ in Lakhs
15. INVENTORIES		
Raw Materials & Components	2,950.58	2,766.14
Stores & Spares	126.92	120.98
Stock in Trade (Goods purchased for re-sale)	4.89	53.86
Goods in Transit	181.08	117.31
Work in Progress	2,888.84	1,959.21
TOTAL	<u>6,152.31</u>	<u>5,017.50</u>
16. TRADE RECEIVABLES		
Unsecured, Considered good	6,435.81	8,847.66
TOTAL	<u>6,435.81</u>	<u>8,847.66</u>

For the year ending 31st March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed Trade receivables - Considered Good	3,784.07	1,042.47	494.35	438.53	406.45	269.94	6,435.81
ii) Undisputed Trade Receivables - Considered doubtful	-	-	-	-	-	-	-
iii) Disputed Trade receivables - Considered Good	-	-	-	-	-	-	-
iv) Disputed Trade receivables Considered Good	-	-	-	-	-	-	-
Total	3,784.07	1,042.47	494.35	438.53	406.45	269.94	6,435.81

For the year ending 31st March 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed Trade receivables - Considered Good	2,847.46	2,988.58	1,338.83	1,099.83	299.02	273.94	8,847.66
ii) Undisputed Trade Receivables - Considered doubtful	-	-	-	-	-	-	-
iii) Disputed Trade receivables - Considered Good	-	-	-	-	-	-	-
iv) Disputed Trade receivables Considered Good	-	-	-	-	-	-	-
Total	2,847.46	2,988.58	1,338.83	1,099.83	299.02	273.94	8,847.66

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31.03.2022	As at 31.03.2021
	₹ in Lakhs	₹ in Lakhs
17. CASH & CASH EQUIVALENTS		
Cash on hand	3.39	3.65
Balances with Banks		
Current Accounts	163.15	91.75
Unpaid Dividend	9.41	10.88
Margin Money Accounts - maturity < 12 months	-	128.76
Margin Money Accounts - maturity > 12 months	526.78	331.00
TOTAL	702.73	566.04
18. SHORT TERM LOANS & ADVANCES		
Unsecured considered good :		
Prepaid Expenses	72.17	37.71
Advances & Loans to Employees	27.59	32.58
Balances with Government Authorities	561.18	1,049.02
Advances to Suppliers	129.48	80.35
Other Loans & Advances	20.66	0.24
TOTAL	811.08	1,199.90
19. OTHER CURRENT ASSETS		
Interest Accrued on Deposits	172.39	113.50
TOTAL	172.39	113.50
20. REVENUE FROM OPERATIONS		
GROSS REVENUE FROM OPERATIONS		
Sale of Products		
Locomotives	4,948.66	5,049.42
Power Pack to HS Spart	1,992.04	2,297.67
Power Pack to Others	583.44	1,246.53
Special Purpose Vehicles	1,759.18	-
Spare Parts	3,486.00	2,566.84
Engineering Products	2,098.54	1,743.23
Fabrication / FRP Components	21.70	24.91
	14,889.56	12,928.60
Sale of Services - Locomotive Services	1,069.55	1,061.67
Other Operating Revenue - Sale of Scrap	5.19	2.68
TOTAL	15,964.30	13,992.95

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
	₹ in Lakhs	₹ in Lakhs
NET REVENUE FROM OPERATIONS		
Sale of Products :		
Locomotives	4,251.08	4,508.41
Power Pack to HS Spart	1,749.51	2,051.49
Power Pack to Others	494.44	1,060.87
Special Purpose Vehicles	1,490.83	-
Spare Parts	2,976.95	2,230.44
Engineering Products	1,790.35	1,506.81
Fabrication / FRP Components	17.67	20.15
	<u>12,770.83</u>	<u>11,378.17</u>
Sale of Services - Locomotive Services	911.25	910.43
Other Operating Revenue - Sale of Scrap	4.40	2.27
TOTAL	<u>13,686.48</u>	<u>12,290.87</u>
21. OTHER INCOME		
Interest from Banks on Fixed Deposits	25.45	25.25
Interest - Others	64.44	67.38
Dividend on Mutual Funds	43.29	138.75
Gain on Sale of Assets	24.83	2.00
Other Operating Income	6.91	70.79
TOTAL	<u>164.92</u>	<u>304.17</u>
22. COST OF MATERIALS CONSUMED		
Opening Stock	2,872.41	1,863.80
Add : Purchases	7,492.23	7,133.43
	<u>10,364.64</u>	<u>8,997.23</u>
Less : Closing Stock	3,123.86	2,872.41
Cost of Raw Materials consumed	<u>7,240.78</u>	<u>6,124.82</u>
Spare Parts Consumed (Trading)		
Opening Stock	53.86	95.46
Add : Purchases	-	21.59
	<u>53.86</u>	<u>117.05</u>
Less : Closing Stock	4.89	53.86
Cost of Spare Parts consumed	<u>48.97</u>	<u>63.19</u>
TOTAL	<u>7,289.75</u>	<u>6,188.01</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
	₹ in Lakhs	₹ in Lakhs
Details of Materials Consumed		
Bearings, Compressors & Electrical items	546.15	595.04
Castings & Forgings	1,560.97	1,280.48
DG Set, Tool & Supervisory Van	197.55	227.36
Engines	918.33	1,248.97
Transmissions	386.75	343.20
FRP Components	137.11	71.12
Others	3,493.92	2,358.65
	<u>7,240.78</u>	<u>6,124.82</u>
Spare Parts (Trading)	48.97	63.19
TOTAL	<u>7,289.75</u>	<u>6,188.01</u>
23. CHANGES IN INVENTORIES OF WORK IN PROGRESS		
Closing Stock	2,888.86	1,959.21
Opening Stock	1,959.21	2,012.08
(Increase) / Decrease in Work in Progress	<u>(929.65)</u>	<u>52.87</u>
24. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages & Bonus	2,651.21	2,486.27
Contribution to Provident & Other Funds	236.06	236.55
Staff Welfare Expenses	230.25	191.25
TOTAL	<u>3,117.52</u>	<u>2,914.07</u>
25. FINANCE COST		
Interest	4.57	27.06
Bank Charges	103.32	80.56
TOTAL	<u>107.89</u>	<u>107.62</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
	₹ in Lakhs	₹ in Lakhs
26. OTHER EXPENSES		
Consumption of Stores & Spares	384.23	256.12
Power & Fuel	239.15	211.80
Job Charges	547.04	422.27
Rent	43.11	32.31
Rates and Taxes	65.92	35.04
R & D Expenditure	140.88	149.26
Insurance	25.73	28.70
Freight Outwards	226.64	111.08
Vehicle Maintenance	79.94	75.05
Security Services	85.05	74.38
Preliminary Expenses	0.92	0.92
Professional Charges	94.63	54.96
Printing & Stationery	14.68	14.27
Travelling Expenses	178.35	155.14
Telephone Charges	15.75	16.77
Contribution towards CSR	32.73	46.38
Repairs & Maintenance		
Plant & Machinery	30.24	26.21
Buildings	12.76	8.13
Others	32.71	30.13
General Expenses	40.49	48.64
Payment to Auditors		
Statutory Audit	10.48	9.80
Taxation Matters	2.50	2.50
Certification Charges	0.50	0.50
Reimbursement of Expenses	0.29	-
Commission & Selling Expenses	124.42	135.37
Directors Sitting Fees	4.95	5.00
Bad Debts Written off	34.10	50.12
Liquidated Damages	54.06	47.92
TOTAL	<u>2,522.25</u>	<u>2,048.77</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
	₹ in Lakhs	₹ in Lakhs
27. Earning per Share		
Profit after Taxation	770.10	492.17
Number of Equity Shares Outstanding	44.50	44.50
Basic and Diluted earning per share in Rupee	₹ 17.31	₹ 11.06
Face value of ₹ 10/- per share		
The Company does not have any diluted shares, hence basic and diluted earnings per share is same.		
28. Contingent Liabilities & Commitments (To the extent not provided for)		
A. Contingent Liabilities		
In respect of Bank Guarantees & Acceptances	4,019.76	3,175.42
In respect of EPCG License from DGFT	330.85	330.85
TOTAL	<u>4,350.61</u>	<u>3,506.27</u>
B. Commitments		
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 2019-20		
31. Particulars of Consumption		
Raw Materials		
- Imported	1,179.76	762.94
- Indigenous	6,061.03	5,361.88
TOTAL	<u>7,240.79</u>	<u>6,124.82</u>
Stock in Trade for re-sale		
- Imported	-	-
- Indigenous	48.97	63.19
TOTAL	<u>48.97</u>	<u>63.19</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
	₹ in Lakhs	₹ in Lakhs
32. Value of Imports on CIF basis		
Raw Materials, Stores and Spares	461.21	1,303.11
Stores & Consumables	2.17	-
TOTAL	<u>463.38</u>	<u>1,303.11</u>
33. Payment made in Foreign Currency on account of		
Travelling	0.74	-
Membership Fee	3.83	3.15
TOTAL	<u>4.57</u>	<u>3.15</u>
34. Earnings in Foreign Currency		
F.O.B Value of Exports	3.94	1.81
TOTAL	<u>3.94</u>	<u>1.81</u>
35. Employee Benefits under Defined Benefit Plans		
GRATUITY		
Details of Actuarial Valuation		
Change in Benefit Obligation		
Fair Value of Assets as at Year Beginning	363.85	315.67
Employer Contribution	73.00	67.00
Expected Return on Assets	24.62	22.67
Actuarial Gain / (Loss)	(3.87)	(3.07)
Benefits Paid	<u>(70.28)</u>	<u>(38.42)</u>
Fair Value of Assets as at Year End	<u>387.32</u>	<u>363.85</u>
Actual Return on Assets (Net)	20.74	19.60
Fair Value of the Plan (FVA)Assets as at Year End	387.31	363.85
Present Value of Defined Benefits Obligation (DBO) as per Actuarial Valuation	<u>497.18</u>	<u>381.64</u>
Net Surplus	<u>(109.87)</u>	<u>(17.79)</u>
Cost of the Defined Benefit Plan for the Year		
Current Service Cost	42.97	36.42
Interest Cost - Net	<u>(1.26)</u>	<u>2.35</u>
Net Cost Recognised in the Profit and Loss Account	41.71	38.77
Net Cost as per Actuarial Valuation	<u>(68.16)</u>	<u>20.98</u>
Net Surplus Recognised at the end of the period	<u>(109.87)</u>	<u>(17.79)</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021		
	₹ in Lakhs	₹ in Lakhs		
Actuarial Assumptions				
Discount Rate	7%	7%		
Future Salary Increase	7%	7%		
Attrition Rate	10%	10%		
Rate of Return on Plan Assets	7%	7%		
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. Financial Ratios				
Ratio	Numerator	Denominator	31.03.2022	31.03.2021
Current ratio	Current Assets	Current Liabilities	3.16	2.61
Debt-equity ratio	Total Debt	Shareholder's Equity	Negligible	Negligible
Debt service coverage ratio	Earnings Available for debt service	Debt Service	49.33	40.77
Return on equity ratio	Net Profits after Taxes-Preference Dividend (if any)	Average Shareholder's Equity	0.04	0.03
Inventory turnover ratio	Cost of Goods Sold or Sales	Average Inventory	2.31	2.53
Trade receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	1.79	1.52
Trade payables turnover ratio	Net Credit Purchases	Average Trade payables	3.30	2.82
Net capital turnover ratio	Net Sales	Working Capital	1.15	1.18
Net profit ratio	Net Profit	Net Sales	0.06	0.04
Return on capital employed	Earnings before Interest and Taxes	Capital Employed	0.06	0.03
Return on investment	Income from Investments	Time weighted Average Investments	0.05	0.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37. Other Statutory Information

1. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
2. The Group has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties; which are repayable on demand or where the agreement does not specify any terms or period of repayment.
3. The Group has utilised funds raised from issue of securities or borrowings from banks and financial institutions for the specific purposes for which they were issued/taken.
4. The Group has not been declared as a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved.
5. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
6. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall :
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
7. The Group does not have any transactions with struck-off companies.
8. The Group does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
9. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

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

Particulars	As at 31.03.2022	As at 31.03.2021	Purpose
	₹ in Lakhs	₹ in Lakhs	
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	4,007.87	1,999.58	Investment of Surplus Funds

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39. Additional Information as required in Schedule III of Companies Act, 2013 for the year ended March 31, 2022 :

Name of the Entity	Net Assets (Total Assets - Total Liabilities)		Share in Profit or (Loss)	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or (Loss)	Amount
Parent - Indian :				
SAN Engineering & Locomotive Co. Ltd.,	99.56	20119.97	101.73	818.09
Subsidiaries - Indian				
SAN Motors Ltd.,	0.07	14.51	(6.35)	(51.10)
SAN Rolling Stock Services Ltd.,	0.34	68.14	4.68	37.64
Minority Interest	0.03	6.75	0.06	(0.43)
Total	100.00	20209.37	100.12	804.20

40. Performance and financial position of Subsidiaries

M/s SAN Motors Ltd (SML)

The Company has 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.302.92 Lakh from its Operations and Other Income as against Rs.224.83 Lakh of the previous year. It has earned Profit Before Tax of Rs.3.62 Lakh and after considering tax expenses of Rs.55.15 Lakh the Net Loss of the Company is Rs.51.53 Lakh. The Net Sales achieved by SML comprise of Rs.21.24 Lakh from Fiber Glass Reinforced Plastic (FRP) division and Rs.257.36 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 2022 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.125.39 Lakh from its Operations and Other Income during the year 2021-22 as against Rs.62.38 Lakh earned during the previous year. The Profit Before Tax was Rs.52.23 Lakh against Rs.22.46 Lakh of the previous year. After considering the current tax provision of Rs.13.47 Lakh the Company's net profit for the year was Rs.37.65 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41. Disclosure in respect of Related Parties pursuant to Accounting Standard 18			
Names of Related Party	Associates of Related Party		
Mr. Milind S Thakker, Director	M/s SAN Motors Ltd., M/s SAN Rolling Stock Services Ltd., M/s Importex International Pvt. Ltd., M/s Sonmil Engineering Pvt. Ltd.,		
Mr. Ramanathan Narayanan, Director	M/s SAN Rolling Stock Services Ltd.,		
42. Transactions during the year with related parties / Key Managerial Personnel are as under			
Related Parties	Nature of Transaction	Total 2021-22 ₹ in Lakhs	Total 2020-21 ₹ in Lakhs
Sonmil Engineering Pvt. Ltd.,	Sale / Purchase of Materials	104.47	58.29
SAN Motors Ltd.,	Rent Received	14.16	14.16
SAN Motors Ltd.,	Sale / Purchase of Materials	310.69	193.15
SAN Rolling Stock Services Ltd.,	Rent Received	1.70	1.70
SAN Rolling Stock Services Ltd.,	Sale of Materials	50.03	-
SAN Rolling Stock Services Ltd.,	Service Charges Received	34.46	24.07
Importex International Pvt. Ltd.,	Manpower Supply	3.54	-
Mr. Ramanathan Narayanan	Managerial Remuneration	120.30	115.83
<p>43. The Board of Directors of the Company has recommended a dividend of Rs.3 /- per share for the year ended 31st March, 2022 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, 2022 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 Rs.133.50 Lakhs.</p> <p>44. Impact of Covid-19 pandemic on business : The re-occurrence of Covid-19 in the first quarter of the financial year and measures introduced by the government authorities to contain the spreading of disease in second wave, resulted in suspension / interruption in the operations of the Company for about four weeks in the first quarter of the year year 2021-22. The Covid-19 wave continued to affect post lock down period also on account of movement restrictions, disruption in supply chain, unavailability of personnel and the rescheduling of deliveries by the customers, all resulting in reduced sales and profitability of the year under report.</p> <p>45. 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).</p>			
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 : 16 th July, 2022	Place : Bengaluru Dated : 16 th July, 2022		

ANNUAL REPORT 2021 - 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	68.14	197.22	197.22	125.39	52.23	14.58	37.65	Nil	100.00%
2	San Motors Ltd	16-08-2018	Apr - Mar	INR	250.00	553.47	948.47	948.47	302.92	3.62	55.15	(51.53)	Nil	99.16%

Part "B" Associates and Joint Ventures:

The Company does not have any Associate or Joint Venture.

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 : 16th July, 2022

Place : Bengaluru
Dated : 16th July, 2022

SAN ENGINEERING & LOCOMOTIVE CO. LTD.,

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) ofShares 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 30th August, 2022 and at any adjournment thereof in respect of such resolution as stated below.

Agenda No.	Subject / Resolution	Vote (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Resolution				
1.	Consideration and adoption of audited financial statements for the year ended March 31, 2022 and reports of Board of Directors and Auditors.			
2.	Declaration of Dividend			
3.	Re-appointment of Mr. Milind S. Thakker who retires by rotation.			
4.	To appoint Statutory Auditors.			
Special Business				
5.	Ratification of remuneration of the Cost Auditors			

.....
Signature of Shareholder/Proxy

Signed thisday of August, 2022

Folio NumberNo. of Shares held

Affix
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.,

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

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/Authorised Representative for the member.

I/We hereby record my/our presence at the 52nd Annual General Meeting held on 30th August, 2022.

.....

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 52nd AGM of SAN Engineering & Locomotive Co. Ltd., at the Registered Office of the Company at Whitefield Road, Bengaluru - 560 048



